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As filed with the Securities and Exchange Commission on September 23, 2026

Registration Nos. 333-
and 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM SF-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

APPALACHIAN POWER COMPANY	APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC
(Exact name of registrant, sponsor and depositor as specified in its charter)	(Exact name of registrant and issuing entity as specified in its charter)
Virginia	**Delaware**
(State or other jurisdiction of incorporation or organization)	(State or other jurisdiction of incorporation or organization)
1-3457	
(Commission File Number)	
0000006879	**0002145891**
(Central Index Key Number)	(Central Index Key Number)
54-0124790	**394027284**
(I.R.S. Employer Identification Number)	(I.R.S. Employer Identification Number)
1 Riverside Plaza **Columbus, OH 43215-2373** **(614) 716-1000**	**200 Association Drive, 02,** **Charleston, WV 25311** **(614) 716-1522**
(Address, including zip code, and telephone number, including area code, of depositor's principal executive offices)	(Address, including zip code, and telephone number, including area code, of issuing entity's principal executive offices)

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering ☐

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this Registration Statement shall become effective on such date as the

Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated September 23, 2026

Registration Statement Nos. 333- and 333-

PRELIMINARY PROSPECTUS

$ Series 2026-A Senior Secured CRR Bonds

Appalachian Power Company
Sponsor, Depositor and Initial Servicer
Central Index Key Number: 0000006879

Appalachian Consumer Rate Relief Funding II LLC

Issuing Entity
Central Index Key Number: 0002145891

Tranche	Expected Weighted Average Life (Years)	Principal Amount Offered(1)	Scheduled Final Payment Date	Final Maturity Date	Interest Rate(2)	Initial Price to Public	Underwriting Discounts and Commissions	Proceeds to issuing entity (Before Expenses)	CUSIP	ISIN
A-1		$			%			$		
A-2		$			%			$		
A-3		$			%			$		

(1) Preliminary subject to change.
(2) Interest on the CRR bonds will accrue from , 20 . If the CRR bonds are delivered after that date, the purchaser will pay accrued interest.

The total initial price to the public is $. The total amount of the underwriting discounts and commissions is $. The total amount of proceeds to the issuing entity before deduction of expenses (estimated to be $) is $. The distribution frequency is semi-annually. The first expected payment date is , 20 .

Investing in the Series 2026-A Senior Secured CRR bonds involves risks. Please read "Risk Factors" beginning on page 28 to read about factors you should consider before buying the CRR bonds.

Appalachian Power Company, as "**depositor**", is offering up to $ aggregate principal amount of Series 2026-A Senior Secured Consumer Rate Relief Bonds (referred to herein as the "**CRR bonds**") in tranches to be issued by Appalachian Consumer Rate Relief Funding II LLC, a Delaware limited liability company (the "**issuing entity**") and wholly owned subsidiary of Appalachian Power Company. Appalachian Power Company is the "**seller**," the "**initial servicer**" and the "**sponsor**" with regard to the CRR bonds. Wheeling Power Company is the "**subservicer**" with regard to the CRR bonds. The CRR bonds are senior secured obligations of the issuing entity only and will be secured by assets of the issuing entity (including the CRR property, which includes the right to impose, charge and collect an irrevocable, binding, nonbypassable charge, known as the "**CRR charge**," paid by all existing and future Public Service Commission of the State of West Virginia jurisdictional area customers of Appalachian Power Company and Wheeling Power Company, respectively, in amounts sufficient to make timely payments on the CRR bonds, as described further in this prospectus). "**West Virginia Commission-jurisdictional area**" refers to Appalachian Power Company's and Wheeling Power Company's collective customer base in West Virginia that will be subject to the CRR charges. The initial servicer will bill and collect the CRR charges in Appalachian Power Company's service area and the subservicer will bill and collect the CRR charges in Wheeling Power Company's service area. Customers are divided into "**CRR Revenue Groups**" (residential, commercial or industrial) which are further divided into various "**customer classes**" (that represent rate classes on tariff schedules) within the CRR Revenue Group. CRR charges are required to be adjusted at least annually, with semi-annual (and, beginning 12 months prior to the scheduled final payment date of the latest maturing tranche of the CRR bonds, quarterly) or interim adjustments, as necessary, to ensure the projected recovery of amounts sufficient to provide full and timely payment of the scheduled principal, interest and other required amounts in connection with the CRR bonds during the current or next succeeding set of collection periods and nonstandard true-ups to adjust the allocation percentages among the CRR Revenue Groups to reflect significant changes from historical conditions of operation. Credit

enhancement for the CRR bonds will be provided by the true-up mechanism, as well as by funds in the general, excess funds and capital subaccounts held under the indenture governing the CRR bonds.

Each CRR bond will be entitled to interest on and of each year, beginning on , 20 . The first scheduled payment date is , 20 . Interest will accrue from the date of issuance and must be paid by the purchaser of the CRR bonds if the CRR bonds are delivered after that date. On each payment date, scheduled principal payments shall be paid sequentially in accordance with the expected sinking fund schedule in this prospectus, but only to the extent funds are available in the payment account after payment of certain fees and expenses and after payment of interest.

The CRR bonds represent obligations only of the issuing entity, Appalachian Consumer Rate Relief Funding II LLC, and are secured only by the assets of the issuing entity, consisting principally of the CRR property and related assets to support its obligations under the CRR bonds. Please read "Description of the CRR Bonds—Security for the CRR Bonds," and "Description of the CRR Property" in this prospectus. Appalachian Power Company, Wheeling Power Company and their affiliates, other than the issuing entity, are not liable for any payments on the CRR bonds. The CRR bonds do not obligate the State of West Virginia or any of its political subdivisions, agencies, or instrumentalities to levy any tax or make any appropriation for payment of the CRR bonds nor are they special obligations or indebtedness of the State of West Virginia or any of its political subdivisions, agencies or instrumentalities.

All matters relating to the structuring and pricing of the CRR bonds have been considered by Appalachian Power Company and the Public Service Commission of the State of West Virginia (the "**West Virginia Commission**"), acting through its financial advisor.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the CRR bonds through the book-entry facilities of The Depository Trust Company for the accounts of its participants including Clearstream Banking S.A. ("**Clearstream**") and Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**") against payment on or about , 20 . There currently is no secondary market for the CRR bonds, and we cannot assure you that one will develop.

The State of West Virginia, pursuant to § 24-2-4h of the West Virginia Code (the "**Securitization Law**"), has pledged to and agreed with holders of CRR bonds, assignees and financing parties that the State of West Virginia will not take or permit any action that impairs the value of CRR property or revises the consumer rate relief costs for which recovery is authorized under the financing order or, except as permitted pursuant to the true-up adjustment mechanism authorized under § 24-2-4h(k) of the Securitization Law, reduce, alter, or impair the CRR charges that are imposed, charged, collected, or remitted for the benefit of the CRR bondholders, assignees and financing parties, until any principal, interest, and redemption premium in respect to the CRR bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement have been paid or performed in full.

Pursuant to the financing order, the West Virginia Commission has pledged not to impair, postpone, terminate or otherwise adjust the CRR charges approved in the financing order or impair the CRR property or the collection of CRR charges or the recovery of consumer rate relief costs for which recovery is authorized (including financing costs). The West Virginia Commission has guaranteed that it will act pursuant to the financing order to ensure that expected CRR charges are sufficient to provide for the timely payment of scheduled principal and interest on the CRR bonds and financing costs. The West Virginia Commission's obligations relating to the CRR bonds, including the true-up adjustment mechanism, are irrevocable upon issuance of the CRR bonds, and are legally enforceable against the State of West Virginia and the West Virginia Commission, which is a United States public sector entity, in accordance with West Virginia law.

Joint Book-Running Managers

RBC Capital Markets **Citigroup** **Morgan Stanley**

The date of this prospectus is , 20 .

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement filed with the U.S. Securities and Exchange Commission or the "**SEC**". This prospectus provides information about us, the CRR bonds, Appalachian Power Company, as depositor, sponsor and initial servicer, and Wheeling Power Company, as subservicer. This prospectus describes the terms of the CRR bonds offered hereby. You should carefully review this prospectus, any free writing prospectus the issuing entity files with the SEC, and the information, if any, contained in the documents referenced in this prospectus under the heading "Where You Can Find More Information."

References in this prospectus to the terms "**we**," "**us**," "**our**" or "**the issuing entity**" mean Appalachian Consumer Rate Relief Funding II LLC. References to "**APCo**," "**the sponsor**," "**the initial servicer**," "**the depositor**" or "**the seller**" mean Appalachian Power Company. References to "**WPCo**" or the "**the initial subservicer**" mean Wheeling Power Company. References to "**the servicers**" refer to APCo as the initial servicer and Wheeling Power Company as the initial subservicer, and any successor servicers under the servicing agreement referred to in this prospectus. References to the "**Securitization Law**" means § 24-2-4h of the Code of West Virginia, 1931, providing for a financing mechanism through which electric utilities can use securitization financing for consumer rate relief costs, by issuing "**CRR bonds**." We also refer to the Public Service Commission of the State of West Virginia as the "**West Virginia Commission**." Unless the context otherwise requires, the terms "**West Virginia Commission-jurisdictional area customer,**" "**customer**" or "**retail customer**" means all existing and future West Virginia Commission-jurisdictional area retail customers that receive electric service within APCo's and WPCo's, or any successors', collective geographic service territory in the State of West Virginia notwithstanding any change in West Virginia law regarding the ability of any such customer to choose a provider of generation or transmission service from a party other than APCo or WPCo (or their respective successor) in the future, including all existing and future West Virginia electric retail customers who are obligated to pay CRR charges pursuant to the financing order or any tariff. You can find a glossary of some of the other defined terms we use in this prospectus on page 164 of this prospectus.

We have included cross-references to sections in this prospectus where you can find further related discussions. You can also find references to key topics in the table of contents on the preceding pages.

We have not, and the underwriters have not, authorized anyone to give you any information other than in this prospectus and the information incorporated by reference herein. We take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you. Neither we nor any underwriter, agent, dealer, salesperson, the West Virginia Commission or APCo has authorized anyone else to provide you with any different information. Neither we nor any underwriter, agent, dealer, salesperson, the West Virginia Commission or APCo take any responsibility for, and can provide any assurance as to the reliability of, any different information that others may give you. We are not offering to sell the CRR bonds in any jurisdiction where the offer or sale is not permitted. The information in this prospectus is current only as of the date of this prospectus.

We expect to deliver the CRR bonds against payment for the CRR bonds on or about the date specified in the last paragraph of the cover page of this prospectus, which will be the sixth business day following the date of pricing of the CRR bonds. Since trades in the secondary market generally settle in one business day, purchasers who wish to trade CRR bonds on the date of pricing or the succeeding four business days will be required, by virtue of the fact that the CRR bonds initially will settle in T+6, to specify alternative settlement arrangements to prevent a failed settlement.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements included in this prospectus may be "**forward-looking statements**" within the meaning of the Securities Act of 1933, as amended (the "**Securities Act**") and the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Words such as "**may**," "**should**," "**expects**," "**intends**," "**projects**," "**plans**," "**believes**," "**estimates**," "**targets**," "**anticipates**" and similar expressions are used to identify these forward-looking statements. Forward-looking statements are based upon assumptions about future events that may not be accurate. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and we and APCo undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Specific factors that could cause actual results to differ materially from forward-looking statements include, but are not limited to, those set forth below:

- state and federal legislative, judicial and regulatory actions or developments, including deregulation, re-regulation, restructuring of the electric utility industry and changes in, or changes in application of, laws or regulations applicable to various aspects of APCo's and WPCo's businesses;
- the accuracy of either servicer's estimates of market demand and prices for energy;
- the accuracy of either servicer's estimates of industrial, commercial and residential growth in APCo's and WPCo's collective customer base;
- the accuracy of either servicer's forecast of electrical consumption or the payment of CRR charges;
- the ability of APCo's and WPCo's West Virginia Commission-jurisdictional area customers to continue paying their electric utility bills;
- economic conditions in APCo's and WPCo's West Virginia service territories, including the economy's effects on customer demand for electric utility services;
- mechanical breakdowns or other incidents that could impair assets and disrupt operations of any of APCo's or WPCo's generation facilities, transmission and distribution systems, or other operations;
- wholesale and retail competition, including alternative energy sources, growth in customer-owned power resource technologies that displace utility-supplied energy or that may be sold back to the utility, and alternative energy suppliers and delivery arrangements;
- prolonged or recurring U.S. federal government shutdowns that could adversely affect APCo's or WPCo's operations, regulatory approvals, and financial performance and could cause volatility in the capital markets which may interrupt APCo's or WPCo's access to capital;
- blackouts or disruptions of interconnected transmission systems (the regional power grid);
- economic, regulatory, or workforce impacts related to pandemics;
- changes in climate and weather conditions, including natural disasters such as wind and ice storms, hurricanes, floods, wildfires and droughts;
- acts of war and military conflicts, the effects of terrorism (including increased security costs), embargoes, cybersecurity threats, labor strikes impacting material supply chains, global information technology disruptions, and other catastrophic events;
- the impact of changes in interest rates and global market conditions on financing;
- declining energy demand related to customer energy efficiency, conservation measures, technological advancements, or increased distributed generation;

- the unpredictability of civil unrest and its direct and indirect impact on APCo or WPCo; and
- other factors we discuss in this prospectus.

You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of this prospectus, and, except as required by law, we undertake no obligation to update or revise any forward-looking statement, including unanticipated events, after the date of this prospectus. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

All subsequent written and oral forward-looking statements attributable to us and APCo or to persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. The forward-looking statements included in this prospectus are made only as of their respective dates, and we undertake no obligation to update these statements to reflect subsequent events or circumstances, except as required by law.

OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS

NOTICE TO PROSPECTIVE INVESTORS IN THE EEA

THIS PROSPECTUS IS NOT A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129, AS AMENDED (THE "**PROSPECTUS REGULATION**"). THIS PROSPECTUS HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF CRR BONDS IN ANY MEMBER STATE OF THE EEA WILL BE MADE ONLY TO QUALIFIED INVESTORS WITHIN THE MEANING OF THE PROSPECTUS REGULATION (EACH, AN "**EEA QUALIFIED INVESTOR**"). ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE AN OFFER IN THE EEA OF CRR BONDS WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED IN THIS PROSPECTUS MAY DO SO ONLY WITH RESPECT TO EEA QUALIFIED INVESTORS. NEITHER WE NOR ANY UNDERWRITER HAVE AUTHORIZED, NOR DO WE OR THEY AUTHORIZE, THE MAKING OF ANY OFFER OF CRR BONDS IN THE EEA OTHER THAN TO EEA QUALIFIED INVESTORS.

EACH UNDERWRITER HAS REPRESENTED AND AGREED THAT IT HAS NOT OFFERED, SOLD OR OTHERWISE MADE AVAILABLE, AND WILL NOT OFFER, SELL OR OTHERWISE MAKE AVAILABLE, ANY CRR BONDS WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS PROSPECTUS TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, (A) THE EXPRESSION "**RETAIL INVESTOR**" MEANS A PERSON WHO IS ONE (OR MORE) OF THE FOLLOWING: (1) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED ("**MIFID II**"); OR (2) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (3) AN EEA QUALIFIED INVESTOR, AND (B) THE EXPRESSION "**OFFER**" INCLUDES THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE CRR BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE FOR THE CRR BONDS.

NOTICE TO PROSPECTIVE INVESTORS IN THE UK

THIS PROSPECTUS HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF CRR BONDS IN THE UK WILL BE MADE ONLY TO QUALIFIED INVESTORS AS DEFINED IN PARAGRAPH 15 OF SCHEDULE 1 TO THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGULATIONS 2024 (EACH, A "**UK QUALIFIED INVESTOR**"). ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE AN OFFER IN THE UK OF CRR BONDS WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED IN THIS PROSPECTUS MAY DO SO ONLY WITH RESPECT TO UK QUALIFIED INVESTORS. NEITHER WE NOR ANY UNDERWRITER HAVE AUTHORIZED, NOR DO WE OR THEY AUTHORIZE, THE MAKING OF ANY OFFER OF CRR BONDS IN THE UK OTHER THAN TO UK QUALIFIED INVESTORS.

EACH UNDERWRITER HAS REPRESENTED AND AGREED THAT IT HAS NOT OFFERED, SOLD, DISTRIBUTED OR OTHERWISE MADE AVAILABLE, AND WILL NOT OFFER, SELL, DISTRIBUTE OR OTHERWISE MAKE AVAILABLE, ANY CRR BONDS WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS PROSPECTUS TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, (A) THE EXPRESSION "**RETAIL INVESTOR**" MEANS A PERSON WHO IS EITHER ONE (OR BOTH) OF THE FOLLOWING: (a) NOT A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW IN THE UK; OR (b) NOT A UK QUALIFIED INVESTOR, AND (B) THE EXPRESSION "**OFFER**" INCLUDES THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE CRR BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO BUY OR SUBSCRIBE FOR THE CRR BONDS.

THE COMMUNICATION OF THIS PROSPECTUS AND ANY OTHER DOCUMENT OR MATERIALS RELATING TO THE ISSUE OF THE CRR BONDS OFFERED HEREBY IS NOT BEING MADE, AND THIS PROSPECTUS AND SUCH OTHER DOCUMENTS AND/OR MATERIALS HAVE NOT BEEN APPROVED, BY AN AUTHORIZED PERSON FOR THE PURPOSES OF SECTION 21 OF THE FSMA. ACCORDINGLY, THIS PROSPECTUS AND SUCH OTHER DOCUMENTS AND/OR MATERIALS ARE NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM. THIS PROSPECTUS AND SUCH OTHER DOCUMENTS AND/OR MATERIALS ARE FOR DISTRIBUTION ONLY TO PERSONS WHO: (a) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND WHO FALL WITHIN THE DEFINITION OF INVESTMENT PROFESSIONALS (AS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**")); (b) FALL WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER; (c) ARE OUTSIDE THE UNITED KINGDOM; OR (d) ARE OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED OR DISTRIBUTED UNDER THE ORDER (EACH SUCH PERSON, A "**RELEVANT PERSON**"). THIS PROSPECTUS AND ANY SUCH OTHER DOCUMENTS AND/OR MATERIALS ARE DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PROSPECTUS AND ANY SUCH OTHER DOCUMENTS AND/OR MATERIALS RELATE WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON IN THE UNITED KINGDOM THAT IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS PROSPECTUS OR ANY OTHER DOCUMENTS AND/OR MATERIALS RELATING TO THE ISSUE OF THE CRR BONDS OFFERED HEREBY OR ANY OF THEIR CONTENTS.

EACH OF THE UNDERWRITERS HAS REPRESENTED AND AGREED THAT (A) IT HAS ONLY COMMUNICATED OR CAUSED TO BE COMMUNICATED AND WILL ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE CRR BONDS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO THE ISSUING ENTITY; AND (B) IT HAS COMPLIED AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE CRR BONDS IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM.

NOTICE TO RESIDENTS OF CANADA

THE CRR BONDS MAY BE SOLD IN CANADA ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE CRR BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS PROSPECTUS (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 OF NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS (NI 33-105), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

PROSPECTUS SUMMARY OF TERMS

The following section is only a summary of selected information and does not provide you with all the information you will need to make your investment decision. There is more detailed information in this prospectus. To understand all of the terms of the offering of the CRR bonds, carefully read this entire prospectus. **You should carefully consider the Risk Factors beginning on page 28 of this prospectus before you invest in the CRR bonds**.

Securities Offered:

$ Series 2026-A Senior Secured CRR Bonds, scheduled to pay principal semi-annually and sequentially in accordance with the expected sinking fund schedule. Only the CRR bonds are being offered through this prospectus.

Tranche	Principal Amount
A-1	$
A-2	$
A-3	$

Issuing Entity and Capital Structure:

Appalachian Consumer Rate Relief Funding II LLC is a special purpose limited liability company formed under Delaware law and a direct, wholly owned subsidiary of APCo, a corporation formed under Virginia law. We were formed solely to purchase and own the CRR property, to issue the CRR bonds and to perform activities incidental thereto. Please read "Appalachian Consumer Rate Relief Funding II LLC, The Issuing Entity" in this prospectus.

In addition to the CRR property, our assets will include a capital investment by APCo (and not from the proceeds of the sale of the CRR bonds) in an amount equal to 0.50% of the initial principal amount of the CRR bonds (to be held in the capital subaccount). We will also have an excess funds subaccount to retain, until the next payment date, any amounts collected and remaining after all scheduled payments on the CRR bonds have been timely made.

Issuing Entity's Address:

200 Association Drive, 02, Charleston, WV 25311

Issuing Entity's Telephone Number:

(614) 716-1522

Depositor, Seller, Initial Servicer and Sponsor:

APCo is a regulated electric utility engaged principally in the generation, transmission, distribution, and sale of electricity in West Virginia, central and western Virginia and northeast Tennessee. As of December 31, 2025, APCo owned or partially owned 16 generating plants, consisting of 46 generating units for an aggregate net generating capacity of 6,927 megawatts ("**MW**"), and served approximately 418,000 West Virginia Commission-jurisdictional area customers in West Virginia through its retail business. APCo is a Virginia corporation and a wholly owned subsidiary of American Electric Power Company, Inc., referred to as "**AEP**", a public utility holding company based in Columbus, Ohio. AEP's over

	17,000 employees operate and maintain the nation's largest electricity transmission system and approximately 252,000 miles of distribution lines to deliver power to nearly 5.6 million retail customers in 11 states. AEP also is one of the nation's largest electricity producers with approximately 31,000 megawatts of diverse generating capacity. The CRR bonds do not constitute a debt, liability or other legal obligation of APCo or AEP.
APCo's Address:	1 Riverside Plaza, Columbus, Ohio 43215-2373
APCo's Telephone Number:	(614) 716-1000
Initial Subservicer:	WPCo is a regulated electric utility engaged principally in the generation, transmission, distribution, and sale of electricity in West Virginia. As of December 31, 2025, WPCo owned or partially owned 1 generating plant, consisting of 2 generating units for an aggregate net generating capacity of 780 megawatts ("**MW**"), and served approximately 41,000 West Virginia Commission-jurisdictional area customers in West Virginia through its retail business. WPCo is a West Virginia corporation and a wholly owned subsidiary of AEP.
WPCo's Address:	1 Riverside Plaza, Columbus, Ohio 43215-2373
WPCo's Telephone Number:	(614) 716-1000
Our Relationship With the West Virginia Commission:	The West Virginia Commission is consulting with APCo, to the extent requested by the West Virginia Commission, with respect to the structuring and pricing of the CRR bonds. Prior to the submission of the final issuance advice letter and through the period ending with the issuance of the CRR bonds, APCo will, to the extent requested by the West Virginia Commission, provide the West Virginia Commission or its staff with timely information so that the West Virginia Commission acting for itself, through its staff or with its financial advisor, can remain informed of all material aspects relating to the structuring and pricing of, and financing costs relating to, the CRR bonds and participate as directed.
Trustee:	U.S. Bank Trust Company, National Association. Please read "The Trustee" in this prospectus for a description of the trustee's duties and responsibilities under the indenture.
Purpose of Transaction:	The financing order authorizes each of APCo and WPCo to recover certain West Virginia Commission approved consumer rate relief costs through the issuance of the CRR bonds by us and a concurrent but separate transaction in which WPCo will separately issue its own series of consumer rate relief bonds through the WPCo issuing entity. The financing order authorizes the issuance of APCo's CRR bonds in an aggregate principal amount not to exceed approximately $1.673 billion, such aggregate amount equal to the sum of: (a) approximately $1.662 billion of eligible costs to be securitized, consisting primarily of the West Virginia Commission-jurisdictional

share of the undepreciated Amos and Mountaineer generation plant balances as of December 31, 2022 of approximately $1,145.5 million, together with the expanded net energy cost under-recovery balance of approximately $274.1 million, deferred storm expenses of approximately $155 million, and coal combustion residuals and effluent limitation guidelines environmental control costs of approximately $87.6 million plus APCo's carrying charges; plus (b) up-front financing costs allocable to APCo, which are estimated at approximately $10.4 million, in each case subject to update through the issuance advice letter process.

Transaction Overview:

The Securitization Law authorizes a qualifying utility to recover consumer rate relief costs approved by the West Virginia Commission, including expanded net energy costs, environmental control costs, storm recovery costs and undepreciated generation utility plant balances, through the issuance of consumer rate relief bonds pursuant to, and supported by, an irrevocable financing order of the West Virginia Commission. The Securitization Law further authorizes the West Virginia Commission to impose an irrevocable, nonbypassable consumer rate relief charge on all of an electric utility's retail customers within the West Virginia Commission's jurisdiction, irrespective of generation supplier. The amount, allocation among CRR Revenue Groups, and terms of collection of consumer rate relief charges are governed by a financing order issued to the utility by the West Virginia Commission and are subject to a statutory formula-based true-up mechanism designed to correct for any over- or under-collections of the consumer rate relief charges or to otherwise ensure the full and timely payment of principal, interest and all related financing costs and other required amounts and charges payable in connection with the consumer rate relief bonds.

The Securitization Law permits a qualifying utility to sell, assign or transfer all or a portion of its rights and interests under a financing order—including the right to impose, charge and collect consumer rate relief charges, and to obtain adjustments to those charges—to a special purpose entity formed by the utility, which may issue debt securities secured by, and payable from, the right to receive revenues arising from the consumer rate relief charges. As of the date of issuance of a financing order, consumer rate relief property is approved and, upon transfer of the utility's rights and interests under the financing order to a special purpose entity, such consumer rate relief property shall be created and established in favor of the issuing entity and its successors and assignees, constituting an existing, present property right consisting of the rights and interests created under the financing order and any revenues and collections arising therefrom. Except for changes made pursuant to the true-up mechanism, the West Virginia Commission may not reduce, alter or impair the consumer rate relief charges or impair the consumer rate relief property or recovery of consumer rate relief costs until the related consumer rate relief bonds and all approved financing costs are paid in full. In addition, the State of West Virginia and the West Virginia Commission have pledged not to take or permit any action that would impair the value of the consumer rate relief property or the

security for the consumer rate relief bonds, or otherwise reduce, alter or impair the consumer rate relief charges (other than as adjusted through the true-up) until the consumer rate relief bonds and all related financing costs have been paid and performed in full.

The electric bills of the qualifying utility's retail customers must include the consumer rate relief charge as a separate line item that reflects both the rate and the amount of the charge and state that the assignee is the owner of the rights to the consumer rate relief charges and that the utility is acting as servicer for the assignee. Consumer rate relief charges are collected separate and apart from base rates.

Unless the context indicates otherwise, references in this prospectus to the "**financing order**" are to the financing order issued by the West Virginia Commission to Appalachian Power Company and Wheeling Power Company, in Case No. 25-0310-E-PC on March 31, 2026, as modified by the West Virginia Commission order issued on July 21, 2026, as further described below.

On March 13, 2025, APCo, together with WPCo, filed an application with the Public Service Commission of West Virginia under the State of West Virginia's Securitization Law, requesting a financing order authorizing securitization of the previously discussed costs and related financing costs. Following notice and an evidentiary hearing on July 1, 2025, the West Virginia Commission issued its financing order on March 31, 2026 authorizing the issuance of CRR bonds. The original financing order became final and no longer subject to appeal on April 30, 2026. The July 21, 2026 order that modified the original financing order became final and no longer subject to appeal on August 21, 2026.

The financing order creates a single "consumer rate relief property" that is jointly owned by APCo and WPCo. Such consumer rate relief property grants each of APCo and WPCo the right to impose, charge and collect consumer rate relief charges on West Virginia Commission-jurisdictional customers in amounts necessary to recover all principal and interest on the bonds issued by the respective issuing entity plus the related ongoing financing costs incurred by or allocable to each issuing entity. In connection with CRR bonds being issued by us, APCo will sell its interest in the above-described consumer rate relief property (i.e., the CRR property described herein) to us (and WPCo will sell its interest in the consumer rate relief property to the WPCo issuing entity for its separate bond issuance). Because each of APCo and WPCo is only selling its own individual interest, there will only be one sale of consumer rate relief property for each bond issuance, but APCo, as the initial servicer of the CRR bonds, will bill and collect the CRR charges from its customers and WPCo, as the initial subservicer, will bill and collect the CRR charges from its customers. Each will jointly prepare true-up adjustment filings, but APCo will have ultimate responsibility for preparing and making true-up adjustment filings if WPCo is unable to do so.

The financing order authorizes APCo specifically, through the issuance of CRR bonds by us, to recover certain West Virginia Commission-approved consumer rate relief costs in an aggregate

principal amount of approximately $1.673 billion, such aggregate amount equal to the sum of: (a) approximately $1.662 billion of eligible costs to be securitized, consisting primarily of the West Virginia Commission-jurisdictional share of the undepreciated Amos and Mountaineer generation plant balances as of December 31, 2022 of approximately $1,145.5 million, together with the expanded net energy cost under-recovery balance of approximately $274.1 million, deferred storm expenses of approximately $155 million, and coal combustion residuals and effluent limitation guidelines environmental control costs of approximately $87.6 million plus APCo's carrying charges; plus (b) up-front financing costs allocable to APCo, which are estimated at approximately $10.4 million, in each case subject to update through the issuance advice letter process.

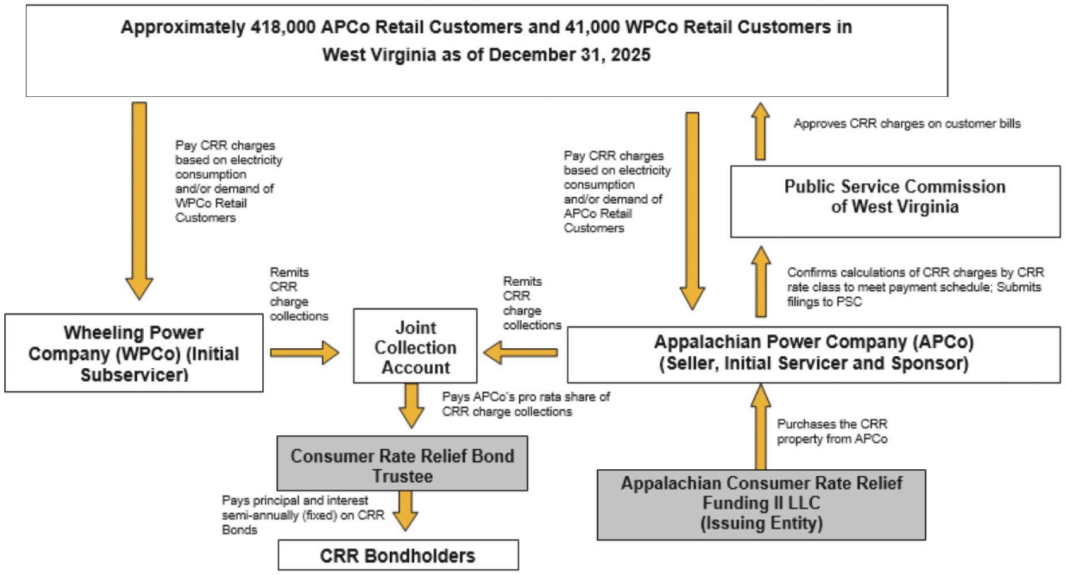
The financing order also authorizes: (a) APCo's and WPCo's proposed financing structure and issuance of the CRR bonds and the separate issuance of consumer rate relief bonds by WPCo's issuing entity; (b) the creation and sale of consumer rate relief property, including the CRR property and the right to impose, charge, and collect CRR charges, and to obtain adjustments to those charges sufficient to timely pay the CRR bonds and associated financing costs; (c) the sale of the CRR property by APCo to us; and (d) a tariff rider to implement the CRR charges.

The primary transactions underlying the issuance and sale of the CRR bonds are as follows:

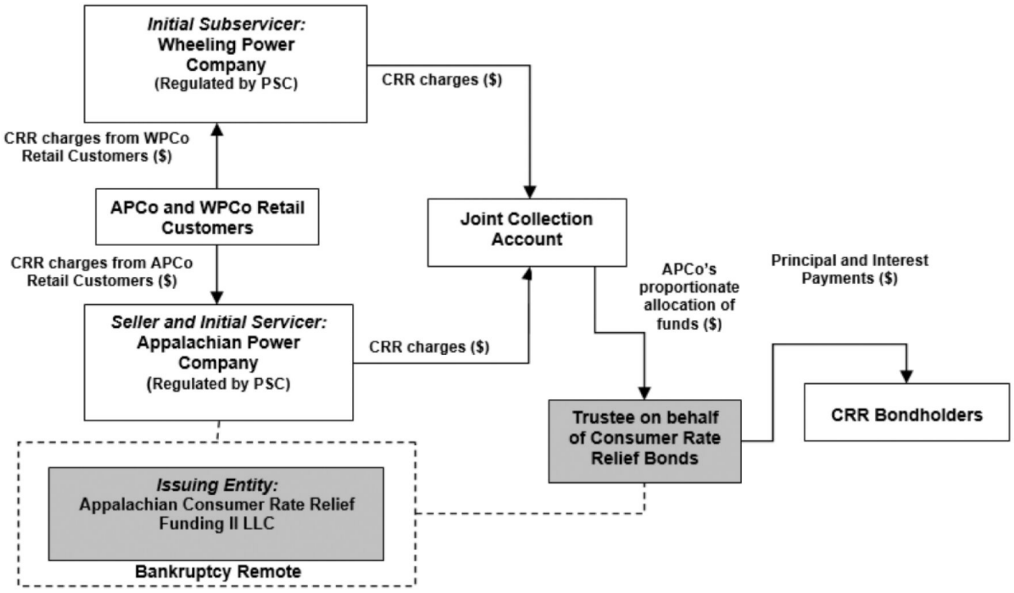
- APCo will transfer and sell the CRR property to us in exchange for the net proceeds from the sale of the CRR bonds;
- we will sell the CRR bonds, which will be secured primarily by the CRR property, to the underwriters named in this prospectus;
- APCo will act as the initial servicer of the CRR property and will be responsible for billing and collecting CRR charges from APCo customers and remitting them to the trustee; and
- WPCo will act as the initial subservicer of the CRR property and will be responsible for billing and collecting CRR charges from WPCo customers and remitting them to the trustee.

The CRR bonds are not obligations of the trustee, our managers, APCo, WPCo, AEP or of any of their affiliates other than us. The CRR bonds do not constitute a debt or a pledge of the faith and credit or taxing power of the State of West Virginia or of any county, municipality or any other political subdivision of the State of West Virginia. Holders of CRR bonds have no right to have taxes levied by the State of West Virginia or the taxing authority of any county, municipality, or any other political subdivision of this state for the payment of the principal of or interest on the bonds. The issuance of CRR bonds does not, directly, indirectly, or contingently, obligate the State of West Virginia or a county, municipality, or political subdivision of this state to levy a tax or make an appropriation for payment of the principal of or interest on the CRR bonds.

Parties to Transaction and Responsibilities: The following chart represents a general summary of the parties to the transactions underlying the offering of the CRR bonds, their roles and their various relationships to the other parties:



Flow of Funds: The following chart represents a general summary of the flow of funds:



The Security for the CRR Bonds:

The CRR bonds will be secured by the collateral pledged pursuant to the indenture. The principal asset of the CRR bond collateral will be the CRR property. Under the Securitization Law and financing order, APCo's right in the CRR property shall be property in the form of a contract right or chose in action to create the CRR property and to make the CRR charges irrevocable and nonbypassable. Upon the transfer of the CRR property to us, we will have all of the rights, title and interest in the CRR property including the right to impose, charge and collect CRR charges from APCo's and WPCo's West Virginia Commission-jurisdictional area customers, as well as to obtain periodic adjustments to such charges as provided in the financing order. In addition, the CRR property consists of any revenues, receipts. collections, claims, rights to payments, payments, money or other proceeds arising from the aforementioned rights and interests.

The "CRR bond collateral," will also consist of:

- the CRR property;
- the CRR charges related to the CRR property;
- our rights under the sale agreement and the bill of sale delivered by APCo pursuant to the sale agreement, our rights under the servicing agreement, the CRR property intercreditor agreement, the receivables intercreditor agreement and joinder, the administration agreement and any subservicing agency, other intercreditor, administration or collection agreements executed in connection with the servicing agreement, the intercreditor agreement and joinder, or the administration agreement;
- our rights in the joint collection account, the payment account and all subaccounts to each of the foregoing accounts, including the general subaccount, the capital subaccount and the excess funds subaccount, and all cash, instruments, investment property or other assets on deposit therein or credited thereto from time to time and all financial assets and securities entitlements carried therein or credited thereto;
- all rights to compel the servicers to file for and obtain periodic adjustments to the CRR charges in accordance with the Securitization Law and the financing order;
- all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing, whether such claims, demands, causes and choses in action constitute CRR property, accounts, general intangibles, instruments, contract rights, chattel paper or proceeds of such items or any other form of property;
- all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letters of credit, letters-of-credit rights, money, commercial tort claims and supporting obligations related to the foregoing; and
- all payments on or under, and all proceeds in respect of, any or all of the foregoing.

The payment account's subaccounts consist of a capital subaccount, which will be funded at closing in the amount of 0.50% of the initial

aggregate principal amount of the CRR bonds, a general subaccount, into which the servicers will transfer from the joint collection account all CRR charge collections, and an excess funds subaccount, into which we will transfer any amounts collected and remaining on a payment date after all payments to CRR bondholders and other parties have been made. Amounts on deposit in each of these subaccounts will be available to make payments on the CRR bonds on each payment date. For a description of the CRR property, please read "Description of the CRR Property" in this prospectus.

For a description of the CRR bonds, please read "Description of the CRR Bonds" in this prospectus.

The CRR Property:

In general terms, all of the rights and interests in the consumer rate relief property that APCo transfers to us pursuant to the sale agreement are referred to in this prospectus as the "**CRR property**." The CRR property includes the irrevocable right to impose, charge, and collect CRR charges in amounts sufficient to pay the principal of and interest on the CRR bonds and the related ongoing financing costs, the right to obtain periodic adjustments to the CRR charges as provided in the financing order, and any revenues, receipts, collections, claims, rights to payment, payments, money, or other proceeds arising from the foregoing rights and interests. CRR charges are payable by both APCo's and WPCo's West Virginia Commission-jurisdictional area customers.

The CRR property is the principal collateral securing the CRR bonds. CRR charges authorized in a financing order are irrevocable and not subject to reduction, impairment, or adjustment by further action of the West Virginia Commission, except for the true-up adjustments to the CRR charges. Those adjustments consist of a mandatory annual true-up, mandatory interim true-ups made semi-annually (and, beginning 12 months prior to the scheduled final payment date for the latest maturing tranche of each series of CRR bonds, quarterly) if the servicers forecast that collections will be insufficient to make, on a timely basis, all scheduled payments of principal of, interest on, and other amounts in respect of the CRR bonds and ongoing financing costs during the current or next succeeding set of collection periods and/or to replenish any draws upon the the capital subaccount, interim true-ups at other times, and nonstandard true-ups to adjust the percentages used to allocate the CRR charges among the CRR Revenue Groups. Please read "The Financing Order—True-Ups" in this prospectus. Any revenues and collections resulting from CRR charges are part of the CRR property.

We will purchase the CRR property from APCo to support the issuance of the CRR bonds. APCo, as the initial servicer, will bill and collect the CRR charges from APCo customers. WPCo, as the initial subservicer, will bill and collect the CRR charges from WPCo customers. Each of APCo and WPCo will include the CRR charges in its respective bills to its customers and is required to show the CRR charges as a separate line item that is separate and apart from APCo's and WPCo's respective base rates. In addition, the servicers are required to provide

	their customers, at least annually, a plain-English explanation of the CRR charges, and to provide the ownership notification required by the financing order identifying us as the owner of the CRR property and APCo or WPCo, as the applicable servicer, as required by W. Va. Code § 24-2-4h(j)(2) and the financing order.
State and West Virginia Commission Pledges:	The State of West Virginia has pledged in the Securitization Law, for the benefit and protection of the CRR bondholders, assignees and financing parties, that it will not take or permit any action that impairs the value of the CRR property, or revise the consumer rate relief costs for which recovery is authorized under the financing order, or, except for true-up adjustments to the CRR charges as discussed in "The Financing Order—True-ups" and "The Servicing Agreement—CRR Charge Adjustment Process," reduce, alter or impair the CRR charges to be imposed, charged, collected or remitted for the benefit of the CRR bondholders, assignees and financing parties, until any principal, interest and redemption premium in respect of the CRR bonds, all financing costs, and all amounts to be paid to an assignee or financing party under any ancillary agreement have been paid or performed in full. Please read "Risk Factors—Risks Associated with Potential Judicial, Legislative or Regulatory Actions" and "The Securitization Law—APCo, WPCo and Other Qualifying Utilities May Securitize Consumer Rate Relief Costs and Related Financing and Ongoing Costs" in this prospectus. The West Virginia Commission is a state agency created and continued under Chapter 24 of the West Virginia Code. Under the Securitization Law, a final financing order is irrevocable, and the West Virginia Commission may not reduce, alter or impair the CRR charges authorized in the financing order or impair the CRR property or the collection or recovery of the consumer rate relief costs until the related consumer rate relief bonds and all approved financing costs are paid in full. In the financing order, the West Virginia Commission has pledged that the financing order is irrevocable and that, except for changes made pursuant to the formula-based adjustment mechanism authorized under the financing order, it will not reduce, alter or impair the CRR charges approved in the financing order, or impair the CRR property or the collection of the CRR charges or the recovery of the aggregate costs being financed through the CRR bonds (including the upfront financing costs) and the ongoing financing costs until the related consumer rate relief bonds and all approved financing costs are paid in full; no adjustment through the adjustment mechanism will affect the irrevocability of the financing order. Please read "Risk Factors—Risks Associated with Potential Judicial, Legislative or Regulatory Actions" and "The Financing Order—West Virginia Commission Pledge" in the prospectus.
True-up Mechanism for Payment of Scheduled Principal and Interest:	CRR charges are required to be reviewed and adjusted, without any caps, pursuant to a true-up adjustment mechanism to correct any overcollections or undercollections of CRR charges and otherwise to

ensure the projected recovery of amounts sufficient to provide full and timely payment of the scheduled principal of, and interest on, the CRR bonds and related ongoing financing costs.

The servicers are required to make a true-up adjustment at least annually. In addition, the servicers will make a mandatory interim true-up adjustment semi-annually (and, beginning 12 months prior to the scheduled final payment date for the latest maturing tranche of each series, quarterly), if the servicers forecast that CRR charge collections during the relevant period will be insufficient to make all scheduled payments of principal of, interest on, and other amounts in respect of the CRR bonds and ongoing financing costs on a timely basis during the current or next succeeding set of collection periods, and/or to replenish any draws upon the capital subaccount.

The servicers may also make interim true-up adjustments more frequently, at any time, if the servicers forecast that CRR charge collections will be insufficient to make, on a timely basis, all scheduled payments of, interest on, and other amounts in respect of the CRR bonds and related ongoing financing costs, and/or to replenish any draws upon the capital subaccount in each case to ensure that CRR charge collections are sufficient to satisfy the periodic payment requirement on a timely basis.

In addition, the servicers must file a nonstandard true-up adjustment if the servicers jointly determine that, as a result of significant changes from historical conditions of operation (such as the addition or loss of significant electric load, or a merger of an applicant with another utility and a resulting expansion of its retail customer base) it is necessary to adjust the percentages used to allocate the CRR charges among the servicers' CRR Revenue Groups. For this purpose, a significant change is deemed to have occurred if the applicants collectively experience or project an increase or decrease of ten percent or more in the billing determinants that are the basis for the allocation factor for any such customer group, calculated by comparing the revised forecasted allocator for that group against the then-applicable threshold forecasted allocator. The threshold forecasted allocator is, prior to the implementation of the first nonstandard true-up adjustment, the initial forecasted allocator for that group specified in the applicable servicing agreement and, thereafter, the revised forecasted allocator that triggered the immediately prior nonstandard true-up adjustment. A nonstandard true-up adjustment is implemented through a West Virginia Commission proceeding to determine new allocation factors, initiated by a filing that the servicers jointly make with the West Virginia Commission at least 60 days before the proposed adjustment date, and any resulting modified allocation percentages remain effective for all future standard true-up adjustment filings unless and until a subsequent nonstandard true-up adjustment filing becomes effective.

Please read "The CRR Charges," "The Financing Order" and "The Servicing Agreement—CRR Charge Adjustment Process" in this prospectus.

Nonbypassable CRR Charges:

The nonbypassable CRR charges are separate and apart from APCo's and WPCo's base rates and shall be paid by all existing and future West Virginia Commission-jurisdictional area customers that receive electric delivery services from APCo, WPCo or their respective successors, irrespective of the generation supplier and notwithstanding any change in West Virginia law regarding the ability of retail customers to choose a provider of generation or transmission service from a party other than APCo or WPCo, under the West Virginia Commission-approved rate schedules as provided in the financing order.

Please read "The CRR Charges," "The Financing Order" and "The Servicing Agreement—CRR Charge Adjustment Process" in this prospectus.

APCo's Prior Experience With Cost Recovery Securitizations:

The CRR bonds are the second issuance of bonds APCo has sponsored in West Virginia but the first issuance secured by CRR property pursuant to the Securitization Law. AEP through its other subsidiaries has prior experience as servicer in the issuance of bonds similar to the CRR bonds, including servicing experience by APCo (in the State of West Virginia and in the Commonwealth of Virginia) and AEP's subsidiaries such as Southwestern Electric Power Company, Kentucky Power Company, Public Service Company of Oklahoma, AEP Texas, Inc. and Ohio Power Company. While WPCo has not previously acted as a servicer in the issuance of bonds similar to the CRR bonds, as noted above, WPCo's parent, AEP, has through a number of subsidiaries. Please Read "Servicing Experience" in this prospectus for additional information about AEP's experience as servicer.

Initial CRR Charge as a Percentage of Customer's Total Electricity Bill:

As of , 20 , the initial APCo CRR charge would represent approximately % of the total bill for a typical 1,000 kWh/month APCo customer. The initial WPCo CRR charge would represent approximately % of the total bill for a typical 1,000 kWh/month WPCo customer. The average initial consumer rate relief charge for West Virginia Commission-jurisdictional customers would represent approximately % of the total bill for a typical 1,000 kWh/month West Virginia Commission-jurisdictional area customer.

Payment Dates:

Interest on the CRR bonds is payable semi-annually on and . Interest will be calculated on a 30/360 basis. The first scheduled interest and principal payment date is , 20 .

Interest Payments:

Interest is due on each payment date. Interest will accrue with respect to CRR bonds from the date we issue the CRR bonds at the interest rate specified in the table below.

Tranche	Interest Rate
A-1	%
A-2	%
A-3	%

If any payment date is not a business day, payments scheduled to be made on such date may be made on the next succeeding business day and no interest shall accrue upon such payment during the intervening period.

On each payment date, we will pay interest on the CRR bonds equal to the following amounts:

- if there has been a payment default, any interest payable but unpaid on any prior payment dates, together with interest on such unpaid interest, if any; and
- accrued interest on the principal balance of the CRR bonds from the close of business on the preceding payment date, or the date of the original issuance of the CRR bonds, as applicable, after giving effect to all payments of principal made on the preceding payment date, if any.

We will pay interest on the CRR bonds before we pay the principal of the CRR bonds. Please read "Description of the CRR Bonds—Payments of Interest and Principal on the CRR Bonds" in this prospectus. We will calculate interest on the basis of a 360-day year of 12 30-day months.

Principal Payments and Record Dates and Payment Sources:

On each payment date for the CRR bonds, referred to in this prospectus as a "**payment date**," we will pay amounts of principal and interest then due or scheduled to be paid on the CRR bonds from amounts available in the payment account and the related subaccounts held by the trustee. We will make these payments to the holders of record of the CRR bonds on each record date, referred to in this prospectus as a "**record date**." These available amounts, which will include the applicable CRR charges collected by the servicers and remitted to us since the last payment date, are described in greater detail under "Description of the CRR Bonds—The Payment Account for the CRR Bonds." The trustee will pay the principal of the CRR bonds in the amounts and on the payment dates specified in the expected sinking fund schedule described in this prospectus, but only to the extent CRR charge collections received from the servicers and amounts available from trust accounts held by the trustee are sufficient to make principal payments after payment of amounts having a higher priority of payment. Please read "Description of the CRR Bonds—How Funds in the Payment Account Will Be Allocated" in this prospectus.

Failure to pay a scheduled principal payment on any payment date or the entire outstanding amount of a tranche of the CRR bonds by the scheduled final payment date for that tranche will not result in a default. The failure to pay the entire outstanding principal balance of a tranche of the CRR bonds will result in a default only if such payment has not been made by the final maturity date for that tranche.

If there is a shortfall in the amounts available to make principal payments on the CRR bonds that are due and payable, on a final maturity date or upon an acceleration following an event of default, the trustee will distribute principal from the payment account based

on the principal amount then due and payable on the payment date; and if there is a shortfall in the remaining amounts available to make principal payments on the CRR bonds that are scheduled to be paid, and if more than one tranche is scheduled to be paid on such payment date, the trustee will distribute principal from the payment account sequentially in the numerical order of such tranches.

Weighted Average Life:

Tranche	Expected Weighted Average Life (years)
A-1	
A-2	
A-3	

Scheduled Final Payment Dates and Final Maturity Dates:

The scheduled final payment dates and the final maturity dates of the CRR bonds are as set forth in the table below:

Tranche	Scheduled Final Payment Date	Final Maturity Date
A-1		
A-2		
A-3		

Optional Redemption:

None. Non-call for the life of the CRR bonds.

Mandatory Redemption:

None. We are not required to redeem the CRR bonds at any time prior to maturity.

Priority of Payments:

On each payment date for the CRR bonds, the trustee shall apply all amounts on deposit in the payment account, including all investment earnings thereon, to pay the following amounts for the CRR bonds in the following order of priority:

1. payment of (a) all amounts owed by us to the trustee (including legal fees, expenses and outstanding indemnity amounts) and (b) all amounts owed by us to the control agent (including legal fees, expenses and outstanding indemnity amounts); provided that the amounts in clauses (a) and (b) shall collectively not exceed $200,000 in any 12-month period; provided, however, that such cap shall be disregarded and inapplicable upon the acceleration of the CRR bonds following the occurrence of an event of default;

2. payment of the servicing fees relating to the CRR bonds with respect to such payment date, plus any unpaid servicing fees relating to the CRR bonds from prior payment dates;

3. payment of the due and unpaid administration fee, which will be a fixed amount specified in the administration agreement between us and APCo, and the due and unpaid fees of our independent managers, which will be in an amount specified in an agreement between us and our independent managers;

4. payment of all of our other ordinary and periodic operating expenses relating to the CRR bonds for such payment date, such as

accounting and audit fees, rating agency fees, legal fees and certain reimbursable costs of the servicers under the servicing agreement;

5. payment of the interest then due on the CRR bonds, including any past-due interest;

6. payment of the principal due to be paid on any tranche of the CRR bonds on a final maturity date or acceleration upon an event of default;

7. payment of the principal then scheduled to be paid on a tranche of the CRR bonds pursuant to the expected sinking fund schedule, including any previously unpaid scheduled principal;

8. payment of any unpaid fees, expenses and indemnity amounts owed to the trustee and, to the extent allocable to the CRR bonds under the CRR property intercreditor agreement, the control agent, including any amounts owing to the trustee and the control agent but unpaid due to the limitation in clause "1." above, shall be paid to trustee and the control agent, pro rata;

9. payment of any of our unpaid operating expenses and any remaining amounts owed pursuant to the basic documents shall be paid to the applicable parties, pro rata, to which such remaining unpaid operating expenses and remaining amounts are owed;

10. replenishment of the amount, if any, by which the required capital balance of the capital subaccount exceeds the amount in the capital subaccount as of such payment date;

11. payment of the permitted return on invested capital to APCo then due and payable;

12. allocation of the remainder, if any, to the excess funds subaccount for distribution on subsequent payment dates; and

13. after the CRR bonds have been paid in full and discharged, and all of the other foregoing amounts have been paid in full, the balance, together with all amounts in the capital subaccount and the excess funds subaccount, released to us free and clear of the lien of the indenture and series supplement and credited (other than an amount equal to the required capital level plus any unpaid permitted return) to customers through normal ratemaking processes consistent with the financing order.

The amount of the servicing fees referred to in clause 2 above will be 0.10% of the aggregate initial principal amount of the CRR bonds (for so long as APCo is the servicer) on an annualized basis. In the event of the appointment of a successor servicer that is not an affiliate of APCo or WPCo, the servicing fee shall not, unless the West Virginia Commission consents, exceed 0.25% of the initial aggregate principal amount of the CRR bonds. The priority of distributions for the collected CRR charges, as well as available amounts in the subaccounts, are described in more detail under "Description of the CRR Bonds—How Funds in the Payment Account Will Be Allocated."

Credit Enhancement:

Credit enhancement for the CRR bonds will be as follows:

- *True-Up Mechanism*. The CRR charges are required to be reviewed and adjusted, without any caps, to correct any undercollections or overcollections and otherwise to ensure the full and timely payment of the CRR bonds and the related ongoing financing costs. The servicers file for these adjustments, and, for standard true-up adjustments, the West Virginia Commission's review is limited to determining whether there is a mathematical error in the application of the adjustment mechanism. We sometimes refer to these adjustments as "true-up adjustments" or the "true-up mechanism." The CRR charges are required to be adjusted at least annually. In addition, the servicers will make a mandatory interim true-up adjustment semi-annually (and, beginning 12 months prior to the scheduled final payment date for the latest maturing tranche of each series of CRR bonds, quarterly) if the servicers forecast that collections will be insufficient to make, on a timely basis, all scheduled payments of principal of, interest on, and other amounts in respect of the CRR bonds and ongoing financing costs during the current or next succeeding set of collection periods and/or to replenish any draws upon the capital subaccount and may make interim true-up adjustments at other times. Please read "The Financing Order—True-Ups" in this prospectus.
- *Nonstandard True-Up*. In addition to the true-up mechanisms described above, the servicers must jointly file for a nonstandard true-up adjustment if they jointly determine that, as a result of significant changes from historical conditions of operation—such as the addition or loss of significant electric load, or a merger of an applicant with another utility and a resulting expansion of its retail customer base—it is necessary to adjust the percentages used to allocate the CRR charges among the applicants' CRR Revenue Groups. For this purpose, a significant change is deemed to have occurred if the applicants collectively experience or project an increase or decrease of ten percent or more in the billing determinants that are the basis for the allocation factor for any such customer group, calculated by comparing the revised forecasted allocator for that group against the then-applicable threshold forecasted allocator. The threshold forecasted allocator is, prior to the first nonstandard true-up adjustment, the initial forecasted allocator for that group specified in the applicable servicing agreement and, thereafter, the revised forecasted allocator that triggered the immediately prior nonstandard true-up adjustment. Please read "The Financing Order—True-Ups" in this prospectus.
- *Joint Collection Account*. Under the CRR property intercreditor agreement and the indenture, the securities intermediary will hold two accounts for the CRR bonds, the joint collection account and the payment account. The joint collection account is a single account held jointly by us and the WPCo issuing entity that is issuing separate consumer rate relief bonds, into which the servicers will remit estimated CRR charge collections, CRR charge collections, and all other amounts received in respect of the CRR

bond collateral (and into which the WPCo issuing entity will remit similar amounts under the indenture for such separate WPCo Bond issuance). The securities intermediary will hold the joint collection account for the benefit of a control agent, on behalf of the trustee and the indenture trustee for the separate WPCo Bond issuance. On or before each payment date, and, to the extent funds are available, at such other times as ongoing financing costs become due and payable, the servicers will transfer, or will cause the control agent to transfer, in accordance with the CRR property intercreditor agreement, our allocable share of the funds then on deposit in the joint collection account—referred to as the "**APCo transfer amount**"—to the general subaccount of the payment account. Unless otherwise agreed between the servicers and the trustee, these transfers will be made on each business day, and the final transfer prior to each payment date will be made on the business day immediately preceding that payment date. The servicers may not transfer any APCo transfer amount to the payment account unless a corresponding WPCo transfer amount is transferred at the same time, and using the same calculation methodology, to the payment account for the WPCo Bonds. The APCo transfer amount consists of the funds on deposit in the joint collection account relating to our interest in that account. As of any date of determination, our interest in the joint collection account is a percentage equal to (a) the interest and scheduled principal on the CRR bonds payable on the upcoming payment date and our ongoing financing costs payable on or prior to that payment date, divided by (b) the interest and scheduled principal on all of the CRR bonds and the WPCo Bonds payable on that payment date and all ongoing financing costs payable by us and the WPCo issuing entity on or prior to that payment date. If the funds on deposit in the joint collection account are insufficient to satisfy any payment required to be made directly from the joint collection account or the amounts owed in respect of both the CRR bonds and the WPCo Bonds, the CRR property intercreditor agreement provides that any resulting shortfall will be borne by us and the WPCo issuing entity pro rata based on the principal amount of the CRR bonds and the WPCo Bonds then outstanding. Please read "Description of the CRR Bonds—The Payment Account for the CRR Bonds" in this prospectus.

The payment account is one or more segregated trust accounts established in the trustee's name for the transfer of the APCo transfer amount from the joint collection account, and is held for the benefit of the secured parties. The payment account is divided into various subaccounts. The primary subaccounts for credit enhancement purposes are:

- the general subaccount-the APCo transfer amounts transferred from the joint collection account will be deposited into the general subaccount, together with investment earnings on amounts in the payment account;

- the capital subaccount-prior to or concurrently with the issuance of the CRR bonds, APCo will make a capital contribution to us, from its own funds and not from the proceeds of the CRR bonds, in an amount equal to the required capital level, which is 0.50% of the initial principal amount of the CRR bonds, and that amount will be deposited into the capital subaccount; and
- the excess funds subaccount-which will hold the balance, if any, of collected CRR charges and investment earnings remaining after all payments and allocations required on a payment date have been made.

If, on any payment date, amounts in the general subaccount are insufficient to make the required payments on the CRR bonds and the other required payments, the trustee will draw first on the excess funds subaccount and then on the capital subaccount to cover the shortfall. Each of these subaccounts of the payment account, in addition to any other subaccounts that may be created under the indenture, will be available to make payments on the CRR bonds on each payment date.

Reports to CRR Bondholders

Pursuant to the indenture, the trustee shall make available electronically on its reporting website to each of the CRR bondholders a statement provided and prepared by the servicers containing information concerning, among other things, us and the collateral for the CRR bonds. Unless and until the CRR bonds are issued in definitive certificated form, the reports for the CRR bonds will be provided to The Depository Trust Company. The reports will be available to beneficial owners of the CRR bonds on the reporting website of the trustee or upon written request to the trustee or the servicers. These reports will not be examined and reported upon by an independent public accountant. In addition, no independent public accountant will provide an opinion thereon. Furthermore, if required by the Trust Indenture Act, the trustee will be required to make available electronically on its website a brief annual report to all CRR bondholders containing information concerning the trustee. Please read "Description of the CRR Bonds—Reports to CRR Bondholders" and "—The Trustee Must Provide an Annual Report to All CRR Bondholders" in this prospectus.

Servicing Compensation:

We will pay APCo as servicer on each payment date the servicing fee with respect to the CRR bonds. As long as APCo or any affiliated entity acts as a servicer, this fee will be 0.10% of the initial principal amount of the CRR bonds on an annualized basis, plus reimbursement for its out-of-pocket costs for external accounting and legal services, and subject to the adjustment mechanism described in the financing order. WPCo will be compensated for its role as subservicer for the CRR bonds as well as for servicing its separate issuance of WPCo Bonds under the servicing agreement for such separate issuance.

If a successor servicer that is not an affiliate of APCo or WPCo is appointed, the servicing fee will be negotiated by the successor servicer and the trustee (acting at the written direction of the holders

	of a majority in principal amount of the CRR bonds), but will not, unless the West Virginia Commission consents, exceed 0.25% of the initial principal amount of the CRR bonds on an annualized basis. In no event will the trustee be liable for any servicing fee in its individual capacity or its capacity as trustee.
Federal Income Tax Status:	Sidley Austin LLP expects to issue an opinion, that, for federal income tax purposes (1) we will not be treated as a taxable entity separate and apart from APCo, our sole member, and (2) the CRR bonds will constitute indebtedness of APCo. Each beneficial owner of a CRR bond, by acquiring a beneficial interest, agrees to treat such CRR bond as indebtedness of our sole member secured by the collateral for federal (and, to the extent applicable, state) income tax purposes unless otherwise required by appropriate taxing authorities. Please read "Material U.S. Federal Income Tax Consequences" in this prospectus.
West Virginia State Income Tax Status:	Jackson Kelly PLLC, special West Virginia tax counsel to us and to APCo, expects to issue an opinion that for West Virginia income tax purposes (a) assuming that the issuing entity is treated as an entity that is disregarded from APCo for federal income tax purposes, we will not be treated as a taxable entity separate and apart from APCo, our sole member; and (b) assuming that the CRR bonds are treated as indebtedness for federal income tax purposes, the CRR bonds will constitute indebtedness of APCo, assuming, in each case, that such treatment applies for U.S. federal income tax purposes. Please read "Material U.S. Federal Income Tax Consequences" and "Material West Virginia Income Tax Consequences" in this prospectus.
ERISA Considerations:	Employee benefit plans, plans or other arrangements that are subject to (a) ERISA or Section 4975 of the Internal Revenue Code; or (b) any federal, state, local or other law that is similar to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code ("**applicable similar law**") and investors acting on behalf of, or using assets of, such employee benefit plans, plans or arrangements may acquire the CRR bonds subject to specified conditions. The acquisition, holding or disposition of the CRR bonds could be treated as a direct or indirect prohibited transaction under ERISA and/or Section 4975 of the Internal Revenue Code or in the case of employee benefit plans, plans or arrangements subject to applicable similar law, could be treated as a violation of such applicable similar law. Accordingly, by purchasing and holding the CRR bonds, each investor that is or is acting on behalf of, or using assets of, such an employee benefit plan, plan or arrangement subject to ERISA and/or Section 4975 of the Internal Revenue Code or applicable similar law will be deemed to certify that the purchase, holding and subsequent disposition of the CRR bonds will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Internal Revenue Code, or, in the case of an employee benefit plan, plan or arrangement subject to applicable similar law, will not

	constitute or result in a violation of applicable similar law. Please read "ERISA Considerations" in this prospectus.
Credit Ratings:	The CRR bonds are expected to receive credit ratings from at least two nationally recognized statistical rating organizations. See "Ratings for the CRR Bonds" in this prospectus.
Use of Proceeds:	Upon the issuance and sale of the CRR bonds, we will use the net proceeds to pay to APCo the purchase price of APCo's rights under the financing order, which are CRR property. The net proceeds from the sale of the CRR property will be applied in accordance with the financing order, and shall be used to finance approximately $1.662 billion of eligible costs, *plus* up-front financing costs of issuing the CRR bonds of approximately $10.4 million. Please read "Use of Proceeds" in the prospectus.
Investment Company Act Registration:	We anticipate relying on the exclusion or exemption from the definition of "investment company" under the Investment Company Act contained in Rule 3a-7 of the Investment Company Act, although there may be additional exclusions or exemptions available to us. We are being structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
Risk Retention:	The CRR bonds are not subject to the 5% risk retention requirements imposed by Section 15G of the Exchange Act due to the exemption provided in Rule 19(b)(8) of the risk retention regulations in 17 C.F.R. Part 246 of the Exchange Act or Regulation RR. For information regarding the requirements of the EU Securitization Regulation and the UK Securitization Framework as to risk retention and other matters, please read "Risk Factors—Other Risks Associated with an Investment in the CRR Bonds—Regulatory provisions affecting certain investors could adversely affect the liquidity and the regulatory treatment of investments in the CRR bonds" in this prospectus.
Minimum Denomination:	$2,000 or integral multiples of $1,000 in excess thereof, except for one bond of each tranche which may be of a smaller denomination.
Expected Settlement:	, 20 , settling flat. DTC, Clearstream and Euroclear.
Risk Factors:	**You should consider carefully the risk factors beginning on page 28 of this prospectus before you invest in the CRR bonds.**

SUMMARY OF RISK FACTORS

Set forth below is a summary of the material risk factors which you should consider before deciding whether to invest in the CRR bonds. These risks can affect the timing or ultimate payment of the CRR bonds and the value of your investment in the CRR bonds.

- You may experience material payment delays or incur a loss on your investment in the CRR bonds because the source of funds for payment is limited.

Risks associated with potential judicial, legislative or regulatory actions

- We and APCo are not obligated to indemnify you for changes in law.
- Future judicial action could reduce the value of your investment in the CRR bonds.
- Future state action could reduce the value of your investment in the CRR bonds.
- The West Virginia Commission might attempt to take actions that could reduce the value of your investment in the CRR bonds.
- A servicer may not fulfill, or may be unsuccessful in any attempt to fulfill, its obligations to act on behalf of the CRR bondholders to protect bondholders from actions by the West Virginia Commission or the State of West Virginia.
- A municipal entity may seek to acquire portions of APCo's or WPCo's electric distribution facilities and avoid payment of the CRR charges.

Servicing Risks

- Your investment in the CRR bonds depends on APCo, WPCo or their respective successors or assignees, acting as servicers of the CRR property.
- Inaccurate forecasting of electricity consumption or unanticipated delinquencies or write-offs might reduce scheduled payments on the CRR bonds.
- If we have to replace APCo or WPCo as a servicer, we may experience difficulties finding and using a replacement servicer.
- Changes to billing and collection practices might result in delays in collections which may reduce the value of your investment in the CRR bonds.
- Limits on rights to terminate service might make it more difficult to collect the CRR charges.
- If a servicer enters bankruptcy proceedings, the remittance of CRR charges by such servicer prior to the date of bankruptcy might constitute preferences, which means these funds might be unavailable to pay amounts owing on the CRR bonds.

Storm related risks

- Storm damage to APCo's or WPCo's service territories could impair payment of the CRR bonds.

Risks associated with the unusual nature of the CRR property

- Future adjustments to reallocate the CRR charges among CRR Revenue Groups might result in insufficient collection.
- Foreclosure of the trustee's lien on the CRR property might not be practical, and acceleration of the CRR bonds before maturity might have little practical effect.

Risks associated with potential bankruptcy proceedings of the seller or a servicer

- Each servicer will commingle the CRR charges with other revenues it collects, which might obstruct access to the CRR charges in case of such servicer's bankruptcy and reduce the value of your investment in the CRR bonds.
- The bankruptcy of APCo or WPCo might result in losses or delays in payments on the CRR bonds.
- The sale of the CRR property might be construed as a financing and not a sale in a case of APCo's or WPCo's bankruptcy which might delay or limit payments on the CRR bonds.
- If a servicer enters bankruptcy proceedings, the remittance of certain CRR charges by such servicer prior to the date of bankruptcy might constitute preferences, which means these funds might be unavailable to pay amounts owed on the CRR bonds.
- Claims against APCo might be limited in the event of a bankruptcy of the seller.
- The bankruptcy of APCo or WPCo might limit the remedies available to the trustee.
- Our collections will be commingled with the WPCo issuing entity's collections in a joint collection account, and you must rely on the intercreditor arrangements to allocate those funds correctly and on a timely basis.
- The CRR bonds are not cross-collateralized with the WPCo Bonds. Although the financing order was issued to both APCo and WPCo and CRR charges are jointly owned, each issuing entity owns and pledges only its separately allocated portion of the consumer rate relief property, with no recourse to the other issuing entity's portion.

Other risks associated with an investment in the CRR bonds

- APCo's indemnification obligations under the sale agreement and the servicing agreement, and WPCo's indemnification obligations under the servicing agreement, are limited and might not be sufficient to protect your investment in the CRR bonds.
- The credit ratings are no indication of the expected rate of payment of principal on the CRR bonds.
- The CRR bonds' credit ratings might affect the market value of the CRR bonds.
- Alternatives to purchasing electricity through APCo's or WPCo's distribution facilities may be more widely utilized by customers in the future.
- We are issuing several tranches of the CRR bonds.
- The absence of a secondary market for the CRR bonds might limit your ability to resell the CRR bonds.
- You might receive principal payments for the CRR bonds later than you expect.
- WPCo is concurrently causing the issuance, by its subsidiary, of additional consumer rate relief bonds secured by the consumer rate relief property that includes consumer rate relief charges on both APCo and WPCo customers; and APCo or WPCo may cause the further issuance, by another subsidiary or affiliated entity, of additional consumer rate relief bonds secured by additional similar property that includes a nonbypassable charge on APCo customers, WPCo customers or both.
- APCo's and WPCo's operations are subject to risks beyond its control, including cyber-security intrusions, terrorist attacks or other catastrophic events, which could limit APCo's or WPCo's operations and ability to service the CRR property.
- If the investment of collected CRR charges and other funds held in the joint collection account or by the trustee in the payment account results in investment losses or the investments become illiquid, you may receive payment of principal and interest on the CRR bonds later than you expect.
- Regulatory provisions affecting certain investors could adversely affect the liquidity and the regulatory treatment of investments in the CRR bonds.

RISK FACTORS

Please carefully consider all the information we have included or incorporated by reference in this prospectus, including the risks described below and the statements in "Cautionary Statement Regarding Forward-Looking Information," before deciding whether to invest in the CRR bonds.

You may experience material payment delays or incur a loss on your investment in the CRR bonds because the source of funds for payment is limited.

The only source of funds for payment of the CRR bonds will be our assets, which consist of:

- the CRR property securing the CRR bonds, including the right to impose, bill, charge, collect and receive CRR charges;
- the funds on deposit in the accounts held by the trustee; and
- our rights under various contracts we describe in this prospectus.

The CRR bonds are not a charge on the full faith and credit or taxing power of the State of West Virginia or any governmental agency or instrumentality, nor will the CRR bonds be insured or guaranteed by APCo, including in its capacity as the sponsor, depositor, seller or initial servicer, or by its parent, AEP, any of their respective affiliates (other than us), the trustee or any other person or entity. The CRR bonds will be nonrecourse obligations, secured only by the collateral pledged to secure the CRR bonds under the indenture. Delays in payment on the CRR bonds might result in a reduction in the market value of the CRR bonds and, therefore, the value of your investment in the CRR bonds. Thus, you must rely for payment of the CRR bonds solely upon the collections of the CRR charges, and funds on deposit in the accounts held by the trustee. Our organizational documents restrict our right to acquire other assets unrelated to the transactions described in this prospectus. Please read "Appalachian Consumer Rate Relief Funding II LLC, The Issuing Entity" in this prospectus.

RISKS ASSOCIATED WITH POTENTIAL JUDICIAL, LEGISLATIVE OR REGULATORY ACTIONS

We and APCo are not obligated to indemnify you for changes in law.

Neither we nor APCo, nor any affiliate, successor or assignee, will indemnify you for any changes in the law, including any federal preemption or repeal or amendment of the Securitization Law, that might affect the value of the CRR bonds. APCo will agree in the sale agreement to institute any legal or administrative action or proceeding as may be reasonably necessary to block or overturn any attempts to cause a repeal, modification or supplement to the Securitization Law that would be materially adverse to us, the trustee or the CRR bondholders. However, we cannot assure you that APCo would be able to take this action or that any such action would be successful. Although APCo or any successor assignee might be required to indemnify us if legal action based on the law in effect at the time of the issuance of the CRR bonds invalidates the CRR property, such indemnification obligations do not apply for any changes in law after the date the CRR bonds are issued, whether such changes in law are effected by means of any legislative enactment, any constitutional amendment or any final and non-appealable judicial decision. Please read "The Sale Agreement—APCo's Covenants" in this prospectus.

Future judicial action could reduce the value of your investment in the CRR bonds.

The CRR property is a creation of the Securitization Law and the financing order that has been issued by the West Virginia Commission to APCo and WPCo pursuant to the Securitization Law. There is uncertainty associated with investing in bonds payable from an asset that depends for its existence on legislation because there is limited judicial or regulatory experience implementing and interpreting the legislation.

The Securitization Law or any financing order or any provision thereof might be directly contested in courts or otherwise become the subject of litigation. Because the CRR property is a creation of the Securitization Law

and the financing order, any judicial determination affecting the validity of or interpreting the Securitization Law or the financing order, the CRR property or our ability to make payments on the CRR bonds might have an adverse effect on the value of the CRR bonds or cause a delay in the recovery of your investment. As of the date of this prospectus, no such litigation has arisen; however, we cannot assure you that a lawsuit challenging the validity of the Securitization Law or any financing order will not be filed in the future or that, if filed, such lawsuit will not be successful. If an invalidation of any relevant underlying legislative provision or any financing order provision were to result from such litigation, you might lose some or all of your investment or might experience delays in recovering your investment. Please read "The Securitization Law—Constitutional Matters" in this prospectus.

Other states have passed laws with financing provisions similar to some provisions of the Securitization Law, and some of these laws have been challenged by judicial actions or utility commission proceedings. To date, none of these challenges has succeeded, but future judicial challenges might be made. An unfavorable decision regarding another state's law would not automatically invalidate the Securitization Law or the financing order, but it might provoke a challenge to the Securitization Law or the financing order, establish a legal precedent for a successful challenge to the Securitization Law or the financing order or heighten awareness of the political and other risks of the CRR bonds, and in that way may limit the liquidity and value of the CRR bonds. Therefore, legal activity in other states may indirectly affect the value of your investment in the CRR bonds.

Future state action could reduce the value of your investment in the CRR bonds.

Despite the State of West Virginia's pledge in the Securitization Law and the West Virginia Commission's pledge in the financing order, respectively, not to take or permit certain actions that would impair the value of the CRR property or the CRR charges, the West Virginia legislature might attempt to repeal or amend the Securitization Law in a manner that limits or alters the CRR property so as to reduce its value. For a description of the State of West Virginia's pledge, please read "The Securitization Law—APCo and Other Qualifying Utilities May Securitize Consumer Rate Relief Costs and Related Financing and Ongoing Costs" in this prospectus. As of the date of this prospectus, we are not aware of any pending legislation in the West Virginia legislature that would affect any provisions of the Securitization Law.

Except as described in "The Sale Agreement—APCo's Obligation to Indemnify Us and the Trustee and to Take Legal Action" in this prospectus, neither we, APCo, nor any of its successors, assignees or affiliates will indemnify you for any change in law, including any amendment or repeal of the Securitization Law, that might affect the value of the CRR bonds.

If an action of the West Virginia legislature or the West Virginia Commission adversely affecting the CRR property or the ability to collect CRR charges were considered a "taking" under the United States or West Virginia Constitutions, the State of West Virginia might be obligated to pay full compensation in an amount equal to the estimated value of the CRR property at the time of the taking. However, even in that event, there is no assurance that any amount provided as compensation would be sufficient for you to recover fully your investment in the CRR bonds or to offset interest lost pending such recovery.

Nothing in either the State of West Virginia or West Virginia Commission's pledge precludes any limitation or alteration of the Securitization Law or the financing order if full compensation is made by law for the full protection of the CRR charges collected pursuant to the financing order and of the holders of the CRR bonds and any assignee or financing party entering into a contract with APCo. It is unclear what "full compensation" and "full protection" would be afforded to the holders of CRR bonds by the State of West Virginia or the West Virginia Commission if such limitation or alteration were attempted.

The electorate of the State of West Virginia does not have the power to enact new laws or constitutional amendments or to repeal existing laws. The West Virginia Constitution vests the power to enact or repeal laws solely in the West Virginia legislature. The enforcement of any rights against the State of West Virginia or the

West Virginia Commission under their respective pledges may be subject to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against state and local governmental entities in West Virginia. These limitations might include, for example, the necessity to exhaust administrative remedies prior to bringing suit in a court, or limitations on type and locations of courts in which the State of West Virginia or the West Virginia Commission may be sued, or limitations on awards or collection of damages.

The West Virginia Commission might attempt to take actions that could reduce the value of your investment in the CRR bonds.

The Securitization Law provides that a financing order issued to create CRR property is irrevocable and that the West Virginia Commission may not reduce, alter or impair the CRR charges approved in the financing order, except for the true-up adjustments to the CRR charges, or impair the CRR property or the collection or recovery of the consumer rate relief costs until the related consumer rate relief bonds and all approved financing costs are paid in full. However, the West Virginia Commission retains the power to adopt, revise or rescind rules or regulations affecting APCo, WPCo or a successor utility. The West Virginia Commission also retains the power to interpret the financing order granted to APCo and WPCo, and in that capacity might be called upon to rule on the meanings of provisions of the financing order that might need further elaboration. Any new or amended regulations or orders from the West Virginia Commission might adversely affect the ability of a servicer to disconnect customers for nonpayment, assess late fees, impose deposit requirements or collect the CRR charges in full and on a timely basis, which may negatively impact the rating of the CRR bonds or their price and, accordingly, the amortization of the CRR bonds and their weighted average lives.

The servicers are required to file with the West Virginia Commission, on our behalf, certain periodic true-up adjustments of the CRR charges.

The West Virginia Commission is obligated under the financing order to administratively approve the requested adjustment (including, if applicable, the correction of any mathematical or clerical error in such calculations) within 15 days of the date of the request for adjustment; absent such notice, the adjustment becomes effective. However, for purposes of any nonstandard true-up, the servicers must specify an effective date at least 60 days after filing, and upon administrative approval or the passage of 60 days without notification from the West Virginia Commission regarding the nonstandard true-up, no further action of the West Virginia Commission is required for implementation of the nonstandard true-up. Please read "The Financing Order—True-Ups" and "—Adjustments to Allocation of CRR Charges" in this prospectus. True-up adjustment procedures may be challenged in the future. Challenges to or delays in the true-up process might adversely affect the market perception and valuation of the CRR bonds. Also, any litigation might materially delay CRR charge collections due to delayed implementation of true-up adjustments and might result in missing payments or payment delays and lengthened weighted average life of the CRR bonds.

A servicer may not fulfill, or may be unsuccessful in any attempt to fulfill, its obligations to act on behalf of the CRR bondholders to protect bondholders from actions by the West Virginia Commission or the State of West Virginia.

Each servicer will agree in the servicing agreement to take any action or proceeding reasonably necessary to compel performance by the West Virginia Commission and the State of West Virginia of any of their obligations or duties under the securitization provisions of the Securitization Law or the financing order, including any actions reasonably necessary to block or overturn any attempts to cause a repeal, or modification of, or supplement to the securitization provisions of the Securitization Law or the financing order or the rights of bondholders in the CRR property by executive action, legislative enactment, constitutional amendment or other means that would be adverse to the bondholders. The servicers, however, may not be able to take those actions for a number of reasons, including due to legal or regulatory restrictions, financial constraints and practical difficulties in successfully challenging any such legislative enactment or constitutional amendment. Additionally, any action a servicer is able to take may not be successful. Any such failure to perform its obligations or to

successfully compel performance by the West Virginia Commission or the State of West Virginia could negatively affect CRR bondholders' rights and result in a loss of their investment in the CRR bonds.

A municipal entity may seek to acquire portions of APCo's or WPCo's electric distribution facilities and avoid payment of the CRR charges.

West Virginia law authorizes municipalities to seek to acquire portions of an electric utility's electric distribution facilities through voluntary transactions. A municipality may not condemn a privately owned electric utility's distribution system, or any portion of it, to create or expand a municipal electric system. A municipality may potentially condemn independently owned land, easements, or rights-of-way needed to construct its own facilities, provided that the property is not itself part of a privately owned electric power system; the taking satisfies Chapter 54 of the West Virginia Code and constitutional public use and just compensation requirements; and the project complies with applicable territorial, certificate, and non-competition limitations. There can be no assurance that one or more municipalities will not seek to acquire some or all of APCo's or WPCo's electric distribution facilities while the CRR bonds remain outstanding. The Securitization Law specifies that CRR charges approved by a financing order shall be collected by a qualifying utility as well as its successors. In the servicing agreement, each of APCo and WPCo has covenanted to assert in an appropriate forum that any municipality that acquires any portion of the electric distribution facilities of APCo or WPCo, as applicable, by condemnation, including upon the expiration of any franchise agreement, must be treated as a successor to APCo or WPCo, as applicable, under the Securitization Law and the financing order and that customers in such municipalities remain responsible for payment of CRR charges. However, the involved municipality might assert that it should not be treated as a successor to APCo or WPCo for these purposes and that its distribution customers are not responsible for payment of CRR charges. In any case, we cannot assure you that the CRR charges will be collected from customers of municipally owned utilities who were formerly customers of APCo or WPCo and that such an occurrence might not affect the timing or receipt of payments with respect to the CRR bonds.

SERVICING RISKS

Your investment in the CRR bonds depends on APCo, WPCo or their respective successors or assignees, acting as servicers of the CRR property.

APCo, as initial servicer, will be responsible for, among other things, calculating, billing and collecting the CRR charges from APCo customers, submitting requests to the West Virginia Commission to adjust these charges, monitoring its portion of the collateral for the CRR bonds and taking certain actions in the event of non-payment by a customer. WPCo, as initial subservicer, will be responsible for, among other things, calculating, billing and collecting the CRR charges from WPCo customers, monitoring its portion of the collateral for the CRR bonds and taking certain actions in the event of non-payment by a customer. The trustee's receipt of collections in respect of the CRR charges, which will be used to make payments on the CRR bonds, will depend in part on the skill and diligence of the servicers in performing these functions. The systems that each servicer has in place for CRR charge billings and collections, together with the regulations of the West Virginia Commission governing electric utilities such as APCo and WPCo might, in particular circumstances, cause a servicer to experience difficulty in performing these functions in a timely and completely accurate manner. If a servicer fails to make CRR charge collections for any reason, then the servicer's payments to the trustee in respect of the CRR charges might be delayed or reduced. In that event, our payments on the CRR bonds might be delayed or reduced.

Inaccurate forecasting of, or changes in, electricity consumption or unanticipated delinquencies or write-offs might reduce scheduled payments on the CRR bonds.

The CRR charges are assessed based on forecasted customer usage (i.e., kilowatt-hours ("**kWh**") or megawatt-hours ("**MWh**") of electricity consumed by customers). The amount and the rate of CRR charge

collections will depend in part on actual electricity usage and the amount of collections and write-offs. If a servicer inaccurately forecasts electricity consumption or uses inaccurate customer delinquency or write-off data when setting or adjusting the CRR charges, or if the effectiveness of the adjustments is delayed for any reason, there could be a shortfall or material delay in CRR charge collections, which might result in missed or delayed payments of principal and/or interest and lengthened weighted average life of the CRR bonds. Please read "The Financing Order—True-Ups" and "—Adjustments to Allocation of CRR Charges" in this prospectus.

Each of APCo's and WPCo's base rate revenue forecast is developed by applying the consumption forecast for each customer class, through the next budget year (typically only the first two years of the forecast horizon), to estimated price-consumption relationships. These price-consumption relationships are regression models that estimate class-level average base rate revenue realizations as a function of either monthly MWh consumption per customer (for the residential and commercial classes) or monthly MWh sales (for all other classes). The functions are estimated based on monthly data taken from APCo's and WPCo's billing systems. While each of APCo and WPCo monitors the accuracy of its forecast by conducting variance analysis on a monthly basis while taking into account weather impacts on MWh sales and other deviations from such forecast within the customer count, inaccurate forecasting of base rate revenue by a servicer might result from, among other things, unanticipated weather or economic conditions, resulting in less base rate revenue than forecast using systematic patterns; general economic conditions causing customers to leave APCo or WPCo or reduce the base rate revenue from such customers; the occurrence of a natural disaster, such as a hurricane or winter storm, or an act of terrorism, cyberattack or other catastrophic event, including pandemics, unexpectedly disrupting electrical service and reducing base rate revenues and demand; changes in the market structure of the electric industry; customers consuming less electricity than anticipated because of increased energy prices, increased conservation efforts, economic conditions or unanticipated increases in electric usage efficiency; or customers unexpectedly switching to alternative sources of energy, including self-generation of electric power to the extent such self-generation is delivered on APCo or WPCo's delivery systems or exceeds the consuming customer's average usage as determined over the most recent three-year period preceding the behind the meter generation. Please read "The Depositor, Seller, Initial Servicers and Sponsor—Forecasting Electricity Consumption" in this prospectus for additional information about APCo's and WPCo's base rate revenue forecast.

The servicers' use of inaccurate delinquency or write-off rates might result also from, among other things, unexpected deterioration of the economy or the occurrence of a natural disaster or extreme weather, an act of terrorism, cyberattack or other catastrophic event or the unanticipated declaration of a moratorium on terminating electric service to customers in the event of any such occurrences, any of which would cause greater delinquencies or write-offs than expected or force APCo or WPCo to grant additional payment relief to more customers, or any other change in law that makes it more difficult for APCo or WPCo to terminate service to nonpaying customers or that requires APCo or WPCo to apply more lenient credit standards in accepting customers.

If we have to replace APCo or WPCo as a servicer, we may experience difficulties finding and using a replacement servicer.

If APCo or WPCo ceases to service the CRR property, it might be difficult to find a successor servicer. Under the financing order, the annual servicing fee payable to a successor servicer is capped and the payment of compensation in excess of the cap is dependent upon West Virginia Commission approval. Also, any successor servicer might have less experience and ability than APCo or WPCo and might experience difficulties in collecting CRR charges and determining appropriate adjustments to the CRR charges and billing and/or payment arrangements may change, resulting in delays or disruptions in collections. A successor servicer might charge fees that, while permitted under the financing order, are substantially higher than the fees paid to APCo as the initial servicer. Although a true-up adjustment may be required to allow for the increase in fees, there could be a gap between the incurrence of those fees and the implementation of the true-up adjustment to adjust for the increase that might adversely affect distributions from the joint collection account. In the event of the commencement of a case by or against a servicer under the Bankruptcy Code or similar laws, we and the trustee

might be prevented from effecting a transfer of servicing due to operation of the Bankruptcy Code. Any of these factors and others might delay the timing of payments and may reduce the value of your investment. Please read "The Servicing Agreement" in this prospectus.

APCo has entered into the APCo Receivables Purchase Agreement and the corresponding APCo Receivables Agency Agreement, and may enter in the future, financing arrangements involving the sale of its accounts receivable. With respect to the APCo Receivables Purchase Agreement, such agreement will, upon the issuance of the CRR bonds, be subject to the intercreditor agreement and joinder described under "Appalachian Consumer Rate Relief Funding II LLC The Issuing Entity—Intercreditor Agreements." APCo will agree with us in the sale agreement that if it becomes a party to another future trade receivables purchase and sale arrangement or similar arrangement under which it sells all or any portion of its accounts receivables, or if APCo hereafter causes consumer rate relief property or other similar property to be created under a separate financing order and acts as servicer for such consumer rate relief property, or similar property, consisting of nonbypassable charges payable by APCo's customers comparable to those sold by the seller pursuant to the sale agreement, in connection with a separate issuance of bonds, APCo and the other parties to such arrangement shall enter into a joinder or amendment to the intercreditor agreement or into a separate intercreditor agreement in connection therewith and the terms the documentation evidencing such trade receivables purchase and sale arrangement or similar arrangement will expressly exclude the CRR charges from any receivables or other assets pledged or sold under such arrangement and the rating agency condition shall be satisfied. Although the CRR charges are not subject to such receivables financings, the CRR charges and accounts receivable are owed by the same customers, including those comprising the CRR Revenue Groups described herein and are expected to be collected for the foreseeable future under a single bill with respect to such customers. As required by the sale agreement, each intercreditor agreement will provide that, in the event the trustee has the right to replace APCo as servicer or the investors have the right to replace APCo as collection agent for the accounts receivable financing, the trustee (acting at the written direction of the holders of a majority in principal amount of the CRR bonds) and the investors' agent will act jointly in the exercise of such rights and neither party will be entitled to replace APCo under its agreement without the consent of the other party (which consent, in the case of the trustee, shall be at the written direction of the holders of a majority in principal amount of the CRR bonds). The intercreditor agreement and joinder, or any similar agreement executed after the issuance of the CRR bonds in accordance with the requirements of the sale agreement, may therefore make it more difficult for the trustee to replace APCo following a servicer default. Conversely, if a default were to occur under the APCo Receivables Agency Agreement or similar agreement executed by APCo in the future, such a default may increase the possibility of APCo being replaced as servicer under the servicing agreement, even if APCo is not in default under the servicing agreement.

Changes to billing and collection practices might result in delays in collections which may reduce the value of your investment in the CRR bonds.

The financing order specifies the methodology for determining the amount of the CRR charges we may impose. The servicers may not change this methodology without approval from the West Virginia Commission. However, each servicer may set its own billing and collection arrangements with retail customers from whom it collects the charges directly, provided that these arrangements comply with the West Virginia Commission's customer safeguards and the provisions of the servicing agreement. For example, to recover part of an outstanding bill, a servicer may agree to extend a retail customer's payment schedule or to write off the remaining portion of the bill, including the CRR charges. Also, a servicer may change billing and collection practices, which might adversely impact the timing and amount of retail customer payments and might reduce CRR charge collections, thereby limiting our ability to make scheduled payments on the CRR bonds until any resulting undercollections can be trued-up and recovered from other retail customers. Separately, the West Virginia Commission might require changes to these practices. Any changes in billing and collection practices regulations might make it more difficult for a servicer to collect the CRR charges and adversely affect the value of your investment in the CRR bonds.

Limits on rights to terminate service might make it more difficult to collect the CRR charges.

If APCo, as the initial servicer, or WPCo, as the initial subservicer, is billing customers for CRR charges, either may terminate service to the customer for non-payment of CRR charges pursuant to the applicable rules of the West Virginia Commission. Nonetheless, the rules and regulations of the West Virginia Commission, which may change from time to time, regulate and control the right to disconnect service. For example, electric utilities generally may not terminate service to a customer (a) on a holiday or weekend day; (b) during certain extreme weather conditions; or (c) during a federal government shutdown who timely provides proof that such customer is a federal government employee whose pay is suspended. To the extent these customers do not pay for their electric service, APCo or WPCo, as applicable, will not be able to collect CRR charges from these customers.

In addition, APCo and WPCo may be limited in the future in its ability to terminate service or collect CRR charges. The West Virginia Commission, in response to a federal mandate or otherwise, could impose restrictions on the rates APCo or WPCo charges to provide its services, including the inability to implement approved rates, or delay actions with respect to APCo's base rate case and filings. For example, under its emergency powers, the West Virginia legislature or the West Virginia Commission could impose a temporary rate reduction and/or a temporary moratorium on electric service disconnections for the non-payment of customer bills.

If a servicer enters bankruptcy proceedings, the remittance of CRR charges by a servicer prior to the date of bankruptcy might constitute preferences, which means these funds might be unavailable to pay amounts owing on the CRR bonds.

In the event of a bankruptcy of a servicer, a party in interest might take the position that the remittance of funds prior to bankruptcy of such servicer, pursuant to the servicing agreement or intercreditor agreements, constitutes a preference under bankruptcy law if the remittance of those funds was deemed to be paid on account of a preexisting debt. If a court were to hold that the remittance of funds constitutes a preference, any such remittance within 90 days of the filing of the bankruptcy petition could be avoidable, and the funds could be required to be returned to the bankruptcy estate of such servicer. To the extent that CRR charges have been commingled with the general funds of a servicer, the risk that a court would hold that a remittance of funds was a preference would increase. Also, if we are considered to be an "insider" of a servicer, any such remittance made within one year of the filing of the bankruptcy petition could be avoidable as well if the court were to hold that such remittance constitutes a preference. In either case, we or the trustee would merely be an unsecured creditor of a servicer. If any funds were required to be returned to the bankruptcy estate of a servicer, we would expect that the amount of any future CRR charges would be increased through the true-up mechanism to recover such amount, though this would not eliminate the risk of payment delays or losses on your investment in the CRR bonds.

STORM-RELATED RISKS

Storm damage to APCo's or WPCo's service territories could impair payment of the CRR bonds.

Transmission, distribution and usage of electricity could be interrupted temporarily, reducing the collections of CRR charges. There could be longer-lasting weather-related adverse effects on residential and commercial development and economic activity in APCo's or WPCo's service territories, which could cause the per-kWh CRR charge to be greater than expected. Legislative action adverse to the CRR bondholders might be taken in response, and such legislation, if challenged as violative of the State of West Virginia's or the West Virginia Commission's pledge, might be defended on the basis of public necessity. Please read "The Securitization Law—APCo, WPCo and Other Qualifying Utilities May Securitize Consumer Rate Relief Costs and Related Financing and Ongoing Costs—West Virginia and West Virginia Commission Pledges" and "Risk Factors—Risks Associated with Potential Judicial, Legislative or Regulatory Actions—Future state action could reduce the value of your investment in the CRR bonds" in this prospectus.

RISKS ASSOCIATED WITH THE UNUSUAL NATURE OF THE CRR PROPERTY

Future adjustments to reallocate the CRR charges among CRR Revenue Groups might result in insufficient collection.

The customers who pay the CRR charges are divided into CRR Revenue Groups which are further divided into customer classes. CRR charges will be allocated among the customer classes within each CRR Revenue Group, in accordance with the formula specified in the financing order.

A shortfall in the collections of CRR charges from one CRR Revenue Group may be corrected by adjusting the CRR charges payable by that group and any other CRR Revenue Group. Accordingly, if enough customers in a CRR Revenue Group fail to pay CRR charges or cease to be customers, the servicers might have to substantially increase the CRR charges for the remaining customers in that group and for other CRR Revenue Groups. These increases could lead to further unanticipated failures by the remaining customers to pay CRR charges, thereby increasing the risk of a shortfall in funds to pay interest and principal on the CRR bonds.

Foreclosure of the trustee's lien on the CRR property might not be practical, and acceleration of the CRR bonds before maturity might have little practical effect.

Under the Securitization Law and the indenture, the trustee or the CRR bondholders have the right to foreclose or otherwise enforce the lien on the CRR property securing the CRR bonds. However, in the event of foreclosure, there is likely to be a limited market, if any, for the CRR property. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the CRR bonds will be due and payable upon acceleration of the CRR bonds before maturity, CRR charges likely would not be accelerated and the nature of our business will result in the principal of the CRR bonds being paid as funds become available.

RISKS ASSOCIATED WITH POTENTIAL BANKRUPTCY PROCEEDINGS OF THE SELLER OR A SERVICER

For a detailed discussion of the following bankruptcy risks, please read "How a Bankruptcy May Affect Your Investment Decision" in this prospectus.

Each servicer will commingle the CRR charges with other revenues it collects, which might obstruct access to the CRR charges in case of such servicer's bankruptcy and reduce the value of your investment in the CRR bonds.

Each servicer will be required to remit collections to the joint collection account on our behalf each business day based on estimated daily collections, using a weighted average balance of days outstanding on APCo's and WPCo's retail bills. Neither servicer will segregate the CRR charges from the other funds it collects from customers or its general funds. The CRR charges will be segregated only when a servicer pays them to the joint collection account and subsequently transfers its respective portion to the trustee.

Despite this requirement, a servicer might fail to remit the full amount of the CRR charges to the joint collection account or might fail to do so on a timely basis. This failure, whether voluntary or involuntary, might materially reduce the amount of CRR charge collections available to make payments on the CRR bonds.

The Securitization Law provides that the priority of a security interest perfected in CRR property is not impaired by the commingling of the funds arising from CRR charges with any other funds of a servicer. In a bankruptcy of a servicer, however, a bankruptcy court might rule that federal bankruptcy law does not recognize our right to collections of the CRR charges that are commingled with other funds of such servicer as of the date of bankruptcy. If so, the collections of the CRR charges held by a servicer as of the date of bankruptcy would not be available to pay amounts owed on the CRR bonds. In this case, we would have only a general unsecured claim

against such servicer for those amounts. This decision could cause material delays in payments of principal or interest, or losses, on the CRR bonds and could materially reduce the value of your investment in the CRR bonds. Please read "How a Bankruptcy May Affect Your Investment Decision" in this prospectus.

The bankruptcy of APCo or WPCo might result in losses or delays in payments on CRR bonds.

The Securitization Law and the financing order provide that as a matter of West Virginia law:

- the rights and interests of a selling utility under a financing order, including the right to impose, charge and collect CRR charges, may be transferred, sold, conveyed or assigned to any affiliate of the qualifying utility created for the limited purpose of acquiring, owning or administering CRR property, issuing CRR bonds under the financing order or a combination of these purposes,
- upon the transfer to us and pledge to the trustee for the benefit of the CRR bondholders, in connection with the issuance of the CRR bonds, the rights described above will become CRR property, which CRR property will continue to exist until the bonds and all ongoing financing costs relating thereto have been paid in full,
- the CRR property constitutes an existing, present property right or interest therein, even though the imposition and collection of CRR charges depend on further acts that have not yet occurred; and
- a transfer of the CRR property from the seller, or its affiliate, to us, under an agreement that expressly states the transfer is a sale or other absolute transfer, is a true sale of and not a pledge of, or secured transaction relating to, the CRR property.

Please read "The Securitization Law" in this prospectus. These provisions are important to maintaining payments on the CRR bonds in accordance with their terms during any bankruptcy of APCo. In addition, the transaction has been structured with the objective of keeping us legally separate from APCo and its affiliates in the event of a bankruptcy of APCo or any such affiliates.

A bankruptcy court generally follows state property law on issues such as those addressed by the state law provisions described above. However, a bankruptcy court does not follow state law if it determines that the state law is contrary to a paramount federal bankruptcy policy or interest. If a bankruptcy court in an APCo bankruptcy refused to enforce one or more of the state property law provisions described above, the effect of this decision on you as a beneficial owner of the CRR bonds might be similar to the treatment you would receive in an APCo bankruptcy if the CRR bonds had been issued directly by APCo. A decision by the bankruptcy court that, despite our separateness from APCo, our assets and liabilities and those of APCo should be consolidated would have a similar effect on you as a bondholder.

We have taken steps together with APCo, as the seller, to reduce the risk that in the event the seller or an affiliate of the seller were to become the debtor in a bankruptcy case, a court would order that our assets and liabilities be substantively consolidated with those of APCo or an affiliate. Nonetheless, these steps might not be completely effective, and thus if APCo or an affiliate were to become a debtor in a bankruptcy case, a court might order that our assets and liabilities be consolidated with those of APCo or such affiliate. This might cause material delays in payment of, or losses on, the CRR bonds and might materially reduce the value of your investment in the CRR bonds. For example:

- without permission from the bankruptcy court, the trustee might be prevented from taking actions against APCo or recovering or using funds on your behalf or replacing APCo as a servicer;
- the bankruptcy court might order the trustee to exchange the CRR property for other property, of lower value;
- tax or other government liens on APCo's property might have priority over the trustee's lien and might be paid from collected CRR charges before payments on the CRR bonds;

- the trustee's lien might not be properly perfected in the collected CRR property collections prior to or as of the date of APCo's bankruptcy, with the result that the CRR bonds would represent only general unsecured claims against APCo;
- the bankruptcy court might rule that neither our property interest nor the trustee's lien extends to CRR charges in respect of electricity consumed after the commencement of APCo's bankruptcy case, with the result that the CRR bonds would represent only general unsecured claims against APCo;
- we and APCo might be relieved of any obligation to make any payments on the CRR bonds during the pendency of the bankruptcy case and might be relieved of any obligation to pay interest accruing after the commencement of the bankruptcy case;
- APCo might be able to alter the terms of the CRR bonds as part of its plan of reorganization;
- the bankruptcy court might rule that the CRR charges should be used to pay, or that we should be charged for, a portion of the cost of providing electric service;
- the bankruptcy court might rule that the remedy provisions of the sale agreement are unenforceable, leaving us with an unsecured claim for actual damages against APCo that may be difficult to prove or, if proven, to collect in full;
- if a servicer defaults or enters bankruptcy proceedings, it might be difficult to find a successor servicer and payments on the CRR bonds might be suspended;
- the mere fact of a servicer or seller bankruptcy proceeding might have an adverse effect on the resale market for the CRR bonds and on the value of the CRR bonds; or
- each servicer will commingle the CRR charges with other revenues it collects, which might obstruct access to the CRR charges in case of the bankruptcy of a servicer and reduce the value of your investment in the CRR bonds.

Please read "How a Bankruptcy May Affect Your Investment Decision" in this prospectus.

The sale of the CRR property might be construed as a financing and not a sale in a case of APCo's bankruptcy which might delay or limit payments on the CRR bonds.

The Securitization Law provides that the characterization of a transfer of CRR property as a sale or other absolute transfer will not be affected or impaired by treatment of the transfer as a financing for federal or state tax purposes or financial reporting purposes. We and APCo will treat the transaction as a sale under applicable law, although for financial reporting and federal and state tax purposes the transaction is intended to be treated as a financing. In the event of a bankruptcy of APCo, a party in interest in the bankruptcy might assert that the sale of the CRR property to us was a financing transaction and not an "absolute transfer and true sale" and that the treatment of the transaction for financial reporting and tax purposes as a financing and not a sale lends weight to that position. If a court were to characterize the transaction as a financing, we expect that we would, on behalf of ourselves and the trustee, be treated as a secured creditor of APCo in the bankruptcy proceedings, although a court might determine that we only have an unsecured claim against APCo. See "—Each servicer will commingle the CRR charges with other revenues it collects, which might obstruct access to the CRR charges in case of such servicer's bankruptcy and reduce the value of your investment in the CRR bonds" above.

Even if we had a security interest in the CRR property, we would not likely have access to the related CRR charge collections during the bankruptcy and would be subject to the risks of a secured creditor in a bankruptcy case, including the possible bankruptcy risks described in the immediately preceding risk factor. As a result, repayment of the CRR bonds might be significantly delayed and a plan of reorganization in the bankruptcy might permanently modify the amount and timing of payments to us of the CRR charge collections and therefore the amount and timing of funds available to us to pay CRR bondholders.

If a servicer enters bankruptcy proceedings, the remittance of certain CRR charges by such servicer prior to the date of bankruptcy might constitute preferences, which means these funds might be unavailable to pay amounts owed on the CRR bonds.

In the event of a bankruptcy of a servicer, a party in interest might take the position that the remittance of funds prior to bankruptcy of such servicer, pursuant to the servicing agreement, constitutes a preference under bankruptcy law if the remittance of those funds was deemed to be paid on account of a preexisting debt. If a court were to hold that the remittance of funds constitutes a preference, any such remittance within 90 days of the filing of the bankruptcy petition could be voidable, and the funds could be required to be returned to the bankruptcy estate of such servicer. To the extent that CRR charges have been commingled with the general funds of such servicer, the risk that a court would hold that a remittance of funds was a preference would increase. Also, if we are considered to be an "**insider**" of a servicer, any such remittance made within one year of the filing of the bankruptcy petition could be voidable as well if the court were to hold that such remittance constitutes a preference. In either case, we or the trustee would merely be an unsecured creditor of such servicer. If any funds were required to be returned to the bankruptcy estate of a servicer, we would expect that the amount of any future CRR charges would be increased through the true-up mechanism to recover such amount, though this would not eliminate the risk of payment delays or losses on your investment in the CRR bonds.

Claims against APCo might be limited in the event of a bankruptcy of the seller.

If the seller were to become a debtor in a bankruptcy case, claims, including indemnity claims, by us against the seller under the sale agreement and the other documents executed in connection with the sale agreement would be unsecured claims and would be disposed of in the bankruptcy case. In addition, the bankruptcy court might estimate any contingent claims that we have against the seller and, if it determines that the contingency giving rise to these claims is unlikely to occur, estimate the claims at a lower amount. A party in interest in the bankruptcy of APCo, as the seller, might challenge the enforceability of the indemnity provisions in the sale agreement. If a court were to hold that the indemnity provisions were unenforceable, we would be left with a claim for actual damages against the seller based on breach of contract principles, which would be subject to estimation and/or calculation by the court. We cannot give any assurance as to the result if any of the above-described actions or claims were made. Furthermore, we cannot give any assurance as to what percentage of their claims, if any, unsecured creditors would receive in any bankruptcy proceeding involving APCo.

The bankruptcy of APCo or WPCo might limit the remedies available to the trustee.

Upon an event of default for the CRR bonds under the indenture, the Securitization Law permits the trustee to enforce the security interest in the CRR property in accordance with the terms of the indenture. In this capacity, the trustee is permitted to request the West Virginia Commission to order the sequestration and payment to all CRR bondholders of any revenues arising from the CRR charges. There can be no assurance, however, that a West Virginia court would issue this order after an APCo or WPCo bankruptcy in light of the automatic stay provisions of Section 362 of the United States Bankruptcy Code. In that event, the trustee would be required to seek an order from the bankruptcy court lifting the automatic stay to permit this action by the West Virginia court, and an order requiring an accounting and segregation of the revenues arising from the CRR property. There can be no assurance that a court would grant either order.

Our collections will be commingled with the WPCo issuing entity's collections in a joint collection account, and you must rely on the intercreditor arrangements to allocate those funds correctly and on a timely basis.

The CRR bonds are being issued as part of a concurrent dual issuance and are secured by the same consumer rate relief property. APCo will sponsor, and we will issue, the CRR bonds, and WPCo will separately sponsor, and the WPCo issuing entity will separately issue a series of consumer rate relief bonds. Unlike a stand-alone securitization, the estimated CRR charge collections, CRR charge collections and other amounts received

with respect to our CRR property will not be deposited initially into an account held solely for your benefit. Instead, those amounts will be deposited into a joint collection account established and maintained jointly by us and the WPCo issuing entity, into which the WPCo issuing entity will deposit similar amounts collected under its own indenture. Funds in the joint collection account will be held by the securities intermediary for the benefit of a control agent acting on behalf of both our trustee and the WPCo indenture trustee, and the control agent—not our trustee acting alone—will hold the right to control the disposition of funds in that account under the related account control agreement. Prior to a servicer default or an event of default under the indenture, funds in the joint collection account will be disbursed by the control agent at the direction of the servicers. Only after allocation will the APCo transfer amount be transferred to the payment account held by our trustee and applied to make payments on the CRR bonds. The APCo transfer amount consists of the funds on deposit in the joint collection account relating to our interest in that account, as determined by the servicers based on our share of the joint CRR charges established at each true-up adjustment, and if the amount on deposit in the joint collection account is insufficient to satisfy any payment required to be made directly from the joint collection account or the amounts owed on both our bonds and the WPCo Bonds, the intercreditor agreement provides that the resulting shortfall will be borne by the two issuing entities on a pro rata basis according to the relative outstanding principal of our CRR bonds and the WPCo Bonds. As a result, we may bear a share of a shortfall in the joint collection account even if the payment giving rise to the shortfall relates to the WPCo Bonds, which would reduce the APCo transfer amounts transferred to our payment account and could reduce the funds available to pay the CRR bonds.

In addition, APCo will bill the CRR charges to the same retail customers from whom it collects charges for a prior APCo securitization and the WPCo issuing entity's share of the joint consumer rate relief charges, and APCo acts as a common collection agent for those charges. If a customer does not pay their bill in full, the CRR property intercreditor agreement requires the resulting shortfall to be allocated on a pro rata basis among those separate securitization charges based on the amounts then due and owing. Consequently, a payment shortfall or an allocation dispute affecting the collections of another securitization sharing these customers could reduce or delay the funds available to pay the CRR bonds, and you will depend on APCo's proper performance of these allocation functions.

As a result, your investment depends not only on the collection of CRR charges from APCo's and WPCo's West Virginia Commission-jurisdictional area customers, but also on the proper and timely operation of the control agent and the CRR property intercreditor agreement in allocating and transferring funds from the joint collection account. A dispute regarding the allocation of funds, an administrative delay in effecting transfers, an error by the control agent, or the insolvency or default of the WPCo issuing entity, the WPCo servicer or the WPCo indenture trustee could delay or reduce the funds available to make payments on the CRR bonds, even if APCo's own CRR charge collections are sufficient and are collected and remitted on a timely basis. The control agent generally disburses funds from the joint collection account in reliance on the payment instructions and calculations provided by the servicers and has no duty to independently verify them, so an error in the servicers' reports could result in a misallocation of funds, and amounts transferred to our payment account in excess of the amount properly allocable to us as a result of such an error may be returned from the general subaccount to the joint collection account. Moreover, a servicer default or other event requiring the replacement of APCo or WPCo as a servicer could not be effected by our trustee acting alone; the intercreditor agreement requires our trustee, the WPCo indenture trustee and the indenture trustee for a prior APCo securitization, each acting at the written direction of the applicable bondholders under the applicable servicing agreement and indenture, to agree on any replacement servicer within a limited period, failing which any trustee may petition a court to appoint a successor servicer, which could delay a servicing transition and payments on the CRR bonds. In addition, our trustee's first priority perfected security interest in the joint collection account is shared with the WPCo indenture trustee and is subject to the terms of the CRR property intercreditor agreement, rather than being held solely for the benefit of the CRR bondholders. Any of these factors could cause delays in payment of principal of, or interest on, or losses on, the CRR bonds and could reduce the value of your investment.

The CRR bonds are not cross-collateralized with the WPCo Bonds.

Notwithstanding the use of a joint collection account, the CRR bonds are secured only by our bond collateral, which consists principally of the CRR property transferred to us by APCo, the right to bill the CRR charges, the collections of the CRR charge with respect to the CRR property, and the funds allocated to us and held in the joint collection account, payment account and their respective subaccounts. Amounts in the joint collection account are allocated between us and the WPCo issuing entity so that each issuing entity is entitled only to its respective share, and the WPCo Bonds are secured by a separate estate of collateral under a separate indenture. Accordingly, the collateral securing the WPCo Bonds is not available to make payments on the CRR bonds, and you should not assume that any shortfall in CRR charge collections available to pay the CRR bonds would be made up from collateral or collections attributable to the WPCo Bonds. Conversely, our bond collateral and the collections allocated to us are not available to pay the WPCo Bonds, and each trustee holds a security interest only in its own issuing entity's share of the joint collection account. The interdependency between the two series of CRR bonds is therefore limited to the joint collection account and the pro rata allocation of any shortfall in that account described above, and does not extend to the separate CRR property securing each series.

OTHER RISKS ASSOCIATED WITH AN INVESTMENT IN THE CRR BONDS

APCo's indemnification obligations under the sale agreement and the servicing agreement, and WPCo's indemnification obligations under the servicing agreement, are limited and might not be sufficient to protect your investment in the CRR bonds.

APCo is obligated under the sale agreement to indemnify us and the trustee, for itself and on behalf of the CRR bondholders, only in specified circumstances and will not be obligated to repurchase any CRR property in the event of a breach of any of its representations, warranties or covenants regarding the CRR property. Similarly, APCo and WPCo are each obligated under the servicing agreement to indemnify us, the independent managers and the trustee, for itself and on behalf of the CRR bondholders only in specified circumstances. Please read "The Sale Agreement" and "The Servicing Agreement" in this prospectus.

Neither the trustee nor the CRR bondholders will have the right to accelerate payments on the CRR bonds as a result of a breach under the sale agreement or servicing agreement, absent an event of default under the indenture governing the CRR bonds as described in "Description of the CRR Bonds—What Constitutes an Event of Default on the CRR bonds." Furthermore, APCo or WPCo might not have sufficient funds available to satisfy its indemnification obligations under these agreements, and the amount of any indemnification paid by APCo or WPCo might not be sufficient for you to recover all of your investment in the CRR bonds. In addition, if APCo or WPCo becomes obligated to indemnify CRR bondholders, the ratings on the CRR bonds will likely be downgraded as a result of the circumstances causing the breach and the fact that CRR bondholders will be unsecured creditors of APCo or WPCo with respect to any of these indemnification amounts. Neither APCo nor WPCo will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the CRR bonds, or for any consequential damages, including any loss of market value of the CRR bonds resulting from a default or a downgrade of the ratings of the CRR bonds. Please read "The Sale Agreement—APCo's Representations and Warranties" and "—APCo's Obligation to Indemnify Us and the Trustee and to Take Legal Action" in this prospectus.

The credit ratings are no indication of the expected rate of payment of principal on the CRR bonds.

We expect that the CRR bonds will receive credit ratings from at least two nationally recognized statistical rating organizations ("**NRSRO**"). A rating is not a recommendation to buy, sell or hold the CRR bonds. The ratings merely analyze the probability that we will repay the total principal amount of the CRR bonds at the final maturity date (which is later than the scheduled final payment date) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to the expected sinking fund schedule.

Under Rule 17g-5 of the Exchange Act, NRSROs providing APCo, as the sponsor, with the requisite certification will have access to all information posted on a website by APCo for the purpose of determining the initial rating and monitoring the rating after the closing date in respect of the CRR bonds. As a result, an NRSRO other than the NRSRO hired by APCo (the "**hired NRSRO**") may issue ratings on the CRR bonds ("**Unsolicited Ratings**"), which may be lower, and could be significantly lower, than the ratings assigned by the hired NRSROs. The Unsolicited Ratings may be issued prior to, or after, the issuance date of the CRR bonds. Issuance of any Unsolicited Rating will not affect the issuance of the CRR bonds. Issuance of an Unsolicited Rating lower than the ratings assigned by the hired NRSRO on the CRR bonds might adversely affect the value of the CRR bonds and, for regulated entities, could affect the status of the CRR bonds as a legal investment or the capital treatment of the CRR bonds. Investors in the CRR bonds should consult with their legal counsel regarding the effect of the issuance of a rating by a non-hired NRSRO that is lower than the rating of a hired NRSRO. None of APCo, us, the underwriters or any of their affiliates will have any obligation to inform you of any Unsolicited Ratings assigned after the date of this prospectus. In addition, if we or APCo fail to make available to a non-hired NRSRO any information provided to any hired rating agency for the purpose of assigning or monitoring the ratings on the CRR bonds, a hired NRSRO could withdraw its ratings on the CRR bonds, which could adversely affect the market value of the CRR bonds and/or limit your ability to resell the CRR bonds.

The CRR bonds' credit ratings might affect the market value of the CRR bonds.

A downgrading of the credit ratings on the CRR bonds might have an adverse effect on the market value of the CRR bonds. Credit ratings may change at any time. A NRSRO has the authority to revise or withdraw its rating based solely upon its own judgment.

We are issuing several tranches of the CRR bonds.

The financing order authorizes us to issue one or more tranches of CRR bonds. CRR charges collected by APCo and WPCo will be allocated among the tranches of CRR bonds as set forth in the expected sinking fund schedule and the priority of payments set forth under "Description of the CRR Bonds—How Funds in the Payment Account Will Be Allocated" in this prospectus. However, we cannot assure you that the existence of multiple tranches of CRR bonds would not cause reductions or delays in payment on your CRR bonds. In addition, some matters relating to the CRR bonds may require the vote of the CRR bondholders of all tranches of the CRR bonds. Your interests in these votes might conflict with the interests of the beneficial owners of CRR bondholders of another tranche and therefore these votes could result in an outcome that is materially unfavorable to you.

Alternatives to purchasing electricity through APCo's or WPCo's distribution facilities may be more widely utilized by customers in the future.

Broader use of distributed generation by APCo's or WPCo's West Virginia Commission-jurisdictional area customers may result from customers' changing perceptions of the merits of utilizing existing generation technology or from technological developments resulting in smaller-scale, more fuel efficient, more environmentally friendly and/or more cost effective distributed generation. CRR charges, which generally are consumption based, are applied to all existing and future West Virginia Commission-jurisdictional area customers of APCo and WPCo (or their respective successors or assignees) that receive electric service within
the combined service territory of APCo and WPCo in the State of West Virginia. CRR charges will not be imposed on customers who do not receive transmission or distribution services from either APCo or WPCo.

The absence of a secondary market for the CRR bonds might limit your ability to resell the CRR bonds.

The underwriters for the CRR bonds might assist in resales of the CRR bonds, but they are not required to do so. A secondary market for the CRR bonds might not develop. If a secondary market does develop, it might not continue or it might not be sufficiently liquid to allow you to resell any of the CRR bonds. We do not

anticipate that the CRR bonds will be listed on any securities exchange. Please read "Plan of Distribution" in this prospectus.

You might receive principal payments for the CRR bonds later than you expect.

The amount and the rate of collection of the CRR charges for the CRR bonds, together with the related CRR charge adjustments, will generally determine whether there is a delay in the scheduled repayments of the CRR bonds principal. If a servicer collects the CRR charges at a slower rate than expected, it might have to request adjustments of the CRR charges. If those adjustments are not timely and accurate, you might experience a delay in payments of principal and interest and a decrease in the value of your investment in the CRR bonds. Please read "Description of the CRR Bonds" in this prospectus.

WPCo is concurrently causing the issuance, by its subsidiary, of additional consumer rate relief bonds secured by the consumer rate relief property that includes consumer rate relief charges on both APCo and WPCo West Virginia Commission-jurisdictional area customers, and APCo may cause the issuance, by another subsidiary or affiliated entity, of additional CRR bonds, or similar bonds, secured by additional similar property that includes a nonbypassable charge on APCo customers, WPCo customers or both.

The expected concurrent issuance by WPCo or its subsidiary of additional consumer rate relief bonds, or any new issuance of CRR bonds, or similar bonds, by another subsidiary or affiliated entity of APCo or WPCo may include terms and provisions that would be unique to that particular issuance, and will be registered on separate registration statements or otherwise exempt from registration. APCo has covenanted in the sale agreement that the satisfaction of the rating agency condition and the execution and delivery of an amendment or possible joinder to the intercreditor agreement are conditions precedent to the sale of additional consumer rate relief property or similar property consisting of nonbypassable charges payable by customers comparable to the CRR property to another subsidiary or affiliated entity. Please read "Sale Agreement—APCo's Covenants" in this prospectus.

In the event a customer does not pay in full all amounts owed under any bill, including CRR charges, APCo, as initial servicer, and WPCo, as subservicer, are required to allocate any resulting shortfalls in the collection of consumer rate relief charges ratably based on the amounts of CRR charges owed in respect of the CRR bonds, and amounts owed in respect of additional CRR bonds, or similar bonds. However, if a dispute arises with respect to the allocation of such consumer rate relief charges or other delays occur on account of the administrative burdens of making such allocation, we cannot assure you that any new issuance of CRR bonds, or similar bonds, by another subsidiary or affiliated entity of APCo or WPCo would not cause reductions or delays in payment of principal and interest on your CRR bonds.

APCo's and WPCo's operations are subject to risks beyond its control, including cyber-security intrusions, terrorist attacks or other catastrophic events, which could limit APCo's operations and ability to service the CRR property.

Each of APCo and WPCo operates in an industry that requires the use of sophisticated information technology systems and network infrastructure, which control an interconnected system of generation, distribution, and transmission systems shared with third parties. APCo's and WPCo's continued efforts to integrate, consolidate, and streamline its operations have also resulted in increased reliance on current and recently completed projects for technology systems, including but not limited to, a customer information and billing system, automated meter reading systems, and other similar technological tools and initiatives.

APCo and WPCo have been subject to attempted cyberattacks from time to time, but these attacks have not had a material impact on its system or business operations. A successful physical or cyber-security intrusion may occur despite APCo's and WPCo's security measures or those that it requires its vendors to take, which include compliance with reliability standards and critical infrastructure protection standards. Despite the implementation

of security measures, all assets and systems are potentially vulnerable to disability, failures, or unauthorized access due to physical or cyber-security intrusions caused by human error, vendor bugs, terrorist attacks, or other malicious acts. If APCo's or WPCo's assets or systems were to fail, be physically damaged, or be breached, and were not recovered in a timely manner, APCo and WPCo may be unable to perform critical business functions, including the distribution of electricity and the metering and billing of customers, all of which could materially affect APCo's or WPCo's ability to bill and collect CRR charges or otherwise service the CRR property.

If the investment of collected CRR charges and other funds held in the joint collection account or by the trustee in the payment account results in investment losses or the investments become illiquid, you may receive payment of principal and interest on the CRR bonds later than you expect.

Funds held in the joint collection account and by the trustee in the payment account will be invested in eligible investments at the written direction of the servicers. Eligible investments include money market funds having a rating from Moody's and S&P of "Aaa-mf" and "AAAm," respectively. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity is experienced, you might experience a delay in payments of principal and interest on the CRR bonds and a decrease in the value of your investment in the CRR bonds.

Regulatory provisions affecting certain investors could adversely affect the liquidity and the regulatory treatment of investments in the CRR bonds.

Investors should be aware, and in some cases are required to be aware, of certain restrictions and obligations with regard to any securitisation (as such term is defined for purposes of the relevant legislation) imposed:

- in the European Union ("**EU**"), pursuant to Regulation (EU) 2017/2402 relating to a European framework for simple, transparent and standardised securitisation (including any implementing regulation, secondary legislation, technical standards and official guidance related thereto), in each case as amended, varied or substituted from time to time (as amended, the "**EU Securitization Regulation**");
- in the non-EU member states of the European Economic Area ("**EEA**"), pursuant to the EU Securitization Regulation, to the extent (if at all) implemented or applicable in such member states; and
- in the United Kingdom ("**UK**"), pursuant to the regime under the Financial Services and Markets Act 2000, as amended (the "**FSMA**") comprising (a) the Securitisation Regulations 2024 (SI 2024/102), as amended ("**SR 2024**") as well as (b) the Securitisation Part of the Prudential Regulation Authority ("**PRA**") Rulebook (the "**PRA Securitization Rules**") and the securitisation sourcebook ("**SECN**") of the FCA Handbook (collectively, the "**UK Securitization Framework**" and together with the EU Securitization Regulation the "**Securitization Regulations**").

The EU Due Diligence Requirements apply to institutional investors (as defined in the EU Securitization Regulation), being (subject to certain conditions and exceptions) (a) institutions for occupational retirement provision; (b) credit institutions (as defined in Regulation (EU) No 575/2013, as amended (the "**CRR**")); (c) alternative investment fund managers who manage and/or market alternative investment funds in the EU; (d) investment firms (as defined in the CRR); (e) insurance and reinsurance undertakings; and (f) management companies of UCITS funds (or internally managed UCITS); and the EU Due Diligence Requirements apply also to certain consolidated affiliates of such credit institutions and investment firms. Each such institutional investor and each relevant affiliate is referred to herein as an "**EU Institutional Investor**".

The UK Due Diligence Requirements apply to institutional investors (as defined in the UK Securitization Framework) being (subject to certain conditions and exceptions): (a) insurance undertakings and reinsurance

undertakings as defined in the FSMA; (b) trustees or managers of an occupational pension scheme as defined in the FSMA, and certain fund managers appointed under the Pensions Act 1995 in respect of such schemes; (c) alternative investment fund managers as defined in the Alternative Investment Fund Managers Regulations 2013 with permission under Part 4A of the FSMA (in respect of managing an AIF), who market or manage alternative investment funds in the UK (and additionally, small registered UK AIFMs as defined in the Alternative Investment Fund Managers Regulations 2013); (d) UCITS as defined in the FSMA, which are authorised open ended investment companies as defined in the FSMA, and management companies as defined in the FSMA; (e) FCA investment firms as defined in Regulation (EU) No 575/2013 as it forms part of UK domestic law and as amended (the "**UK CRR**"); and (f) CRR firms as defined in the UK CRR; and the UK Due Diligence Requirements apply also to certain consolidated affiliates of such CRR firms. Each such institutional investor and each relevant affiliate is referred to herein as a "**UK Institutional Investor**".

EU Institutional Investors and UK Institutional Investors are referred to together as "**Institutional Investors**"; and a reference to the applicable EU Due Diligence Requirements and the UK Due Diligence Requirements (together and for the purposes of this section, the "**Due Diligence Requirements**") means, in relation to an Institutional Investor, as the case may be, the Due Diligence Requirements to which such Institutional Investor is subject. In addition, for the purpose of the following paragraph, a reference to a "**third country**" means (a) in respect of an EU Institutional Investor and the EU Securitization Regulation, a country other than an EU Member State, or (b) in respect of a UK Institutional Investor and the UK Securitization Framework, a country other than the UK.

The applicable Due Diligence Requirements restrict an Institutional Investor from investing in a securitisation unless:

- in each case, it has verified that the originator, sponsor or original lender will retain, on an ongoing basis, a material net economic interest of not less than five percent. in the securitisation in accordance with the applicable Retention Requirement and the risk retention is disclosed to the Institutional Investor;
- in the case of an EU Institutional Investor, it has verified that the originator, sponsor or SSPE has, where applicable, made available the information required by the EU Transparency Requirements in accordance with the frequency and modalities provided for thereunder;
- in the case of a UK Institutional Investor, it has verified that the originator, sponsor or SSPE has made available sufficient information to enable the investor independently to assess the risks of holding the securitisation position, and has committed to make further information available on an ongoing basis, as appropriate;
- in the case of an EU Institutional Investor, it has verified that, where the originator or original lender either (a) is not a credit institution or an investment firm or (b) is established in a third country, the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness; and
- in the case of a UK Institutional Investor, it has verified that, where the originator or original lender is established in the UK and is not a UK CRR firm or an FCA investment firm, the originator or original lender grants all the credits giving rise to the underlying exposures (unless they are trade receivables not originated in the form of a loan) on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in accordance with UK SECN 8.2 or Article 9(1) of Chapter 2 of the Securitisation Part of the PRA Rulebook, as amended.

The applicable Due Diligence Requirements further require that an Institutional Investor carry out a due diligence assessment which enables it to assess the risks involved prior to investing, including but not limited to the risk characteristics of the individual investment position and the underlying assets and all the structural features of the securitisation that can materially impact the performance of the investment. In addition, pursuant to the applicable Due Diligence Requirements, while holding an exposure to a securitisation, an Institutional Investor is subject to various monitoring obligations in relation to such exposure, including but not limited to: (a) establishing appropriate written procedures to monitor compliance with the due diligence requirements and the performance of the investment and of the underlying assets; (b) performing stress tests on the cash flows and collateral values supporting the underlying assets; (c) ensuring internal reporting to its management body; and (d) being able to demonstrate to its competent authorities, upon request, that it has a comprehensive and thorough understanding of the investment and underlying assets and that it has implemented written policies and procedures for the risk management and as otherwise required by the applicable Due Diligence Requirements.

If a Competent Authority for an Institutional Investor determines that such Institutional Investor failed to comply with the applicable Due Diligence Requirements in respect of an investment in a securitisation, including as a result of non-compliance with (a) the applicable EU Retention Requirements and/or UK Retention Requirements or (b) the applicable EU Transparency Requirements and/or UK Transparency Requirements, such Institutional Investor is liable to penalties and, if it is subject to regulatory capital requirements, a punitive regulatory capital charge with respect to such securitisation position.

Neither we nor APCo nor any other party to the transactions described in this prospectus, intends, at any time, to retain a material net economic interest in such transactions, or to take any other action with regard to such transactions, in a manner prescribed or contemplated by the Securitization Regulations. In particular, no such party undertakes to take any action, or refrain from taking any action, for purposes of, or in connection with, compliance by any prospective investor (or any other Person) with any applicable requirement thereof.

Neither we nor APCo nor any other party to the transactions described in this prospectus, nor our or each of their respective affiliates, corporate officers or professional advisers or any other person makes any representation, warranty or guarantee that any such information and in any reports provided to investors in relation to this transaction is sufficient for the purposes of complying with the Due Diligence Requirements and no such person shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy or otherwise comply with the Securitization Regulations or any other legal, regulatory or other requirements, and no such person shall have any liability to any prospective investor with respect to any deficiency in such information or any failure of the transactions or structure contemplated hereby to comply with or otherwise satisfy such requirements.

Consequently, the CRR bonds may not be a suitable investment for an Institutional Investor. As a result, the price and liquidity of the CRR bonds in the secondary market may be adversely affected.

With respect to the Securitization Regulations, each prospective investor in the CRR bonds is required to independently assess and determine whether the information provided herein (including in respect of the structural features of the transaction) and in any reports provided to investors in relation to this transaction are sufficient to comply with the Securitization Regulations or any other regulatory requirement. Neither we, nor APCo nor any other party to the transactions, nor our or their respective affiliates or any other person makes any representation, warranty or guarantee that any such information or structure is sufficient for such purposes or any other purpose and no such person shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or structure or any failure of the transactions contemplated hereby to satisfy the requirements of the Securitization Regulations or any other regulatory requirement. Each prospective investor in the CRR bonds which is subject to the Due Diligence Requirements of the Securitization Regulations or any other regulatory requirement should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, such information or structure is sufficient for such purposes and any other requirements of which it is uncertain.

REVIEW OF CRR PROPERTY

Pursuant to the rules of the SEC, APCo, as sponsor, has performed, as described below, a review of the CRR property underlying the CRR bonds. As required by these rules, the review was designed and effected to provide reasonable assurance that disclosure regarding the CRR property is accurate in all material respects. APCo did not engage a third party in conducting its review.

The CRR bonds will be secured under the indenture by the CRR bond collateral. The principal asset of the CRR bond collateral is the CRR property. The CRR property is an existing, present property right authorized and created pursuant to the Securitization Law and an irrevocable financing order. The CRR property includes (a) the irrevocable right to impose, charge, and collect CRR charges in amounts sufficient to pay the scheduled principal of and interest on the CRR bonds and the related ongoing financing costs, (b) the right to obtain adjustments to the CRR charges as provided in the financing order, and (c) any revenues, receipts, collections, rights to payment, payments, money, claims, or other proceeds arising from the rights and interests created under the financing order. The CRR charges are nonbypassable and may not be avoided by any West Virginia retail customer and must be paid by any such customer that receives service from APCo or WPCo (or their successors) for so long as the CRR bonds are outstanding and notwithstanding any change in West Virginia law regarding the ability of retail customers to choose a generation or transmission provider other than APCo or WPCo.

CRR charges will be added to each customer's bill as a separate line item. During the 12 months ended December 31, 2025:

- approximately 41% of APCo's total deliveries in West Virginia were to residential customers, approximately 25% were to commercial customers, and approximately 34% were to industrial customers;
- approximately 73% of APCo's total deliveries in West Virginia were to retail customers at distribution voltage and 27% were to customers at transmission voltage;
- approximately 8% of WPCo's total deliveries in West Virginia were to residential customers, approximately 8% were to commercial customers, and approximately 84% were to industrial customers;
- approximately 20% of WPCo's total deliveries in West Virginia were to retail customers at distribution voltage and 80% were to customers at transmission voltage;

The CRR property is not a static pool of receivables or assets. CRR charges authorized in the financing order are irrevocable and not subject to reduction, alteration or impairment by further action of the West Virginia Commission until the related consumer rate relief bonds and all approved financing costs are paid in full, except that CRR charges are subject the true-up adjustment mechanism to correct for over-collections and under-collections and otherwise ensure the projected recovery amounts sufficient to provide for the full and timely payment of the scheduled principal of and interest on the CRR bonds and the related ongoing financing costs. There is no cap on the level of CRR charges that may be imposed on retail customers to meet the scheduled principal of and interest on the CRR bonds and the related ongoing financing costs. Any revenues and collections resulting from CRR charges provided for in the financing order are part of the CRR property. The CRR property is described in more detail under "Description of the CRR Property" in this prospectus.

In the financing order, the West Virginia Commission, among other things:

- authorizes and orders that APCo and WPCo, each acting as a servicer for retail customers in its respective service territory, shall impose, charge, and collect from existing and future West Virginia retail customers of APCo, WPCo and of any of their respective successors CRR charges in an amount sufficient to provide for the full and timely payment of the scheduled principal of and interest on the CRR bonds and the related ongoing financing costs, with those charges appearing as a separate line item on customers' bills;

- orders that, upon the transfer of the CRR property by APCo to us, all of APCo's rights, title, and interest under the financing order become CRR property, and we will have all of APCo's rights, title, and interest with respect to the CRR property, including the right to impose, charge, and collect the CRR charges, and APCo and WPCo (or any successor servicers) will bill and collect the CRR charges for our benefit; and
- pledges that the financing order is irrevocable and that, except for changes made pursuant to the true-up adjustment mechanism authorized under the financing order, the West Virginia Commission will not reduce, alter or impair, the CRR charges approved in the financing order, or impair the CRR property or the collection of the CRR charges or the recovery of the total securitized costs (including upfront financing costs) and ongoing financing costs until the related consumer rate relief bonds are paid in full. In addition, as provided in the Securitization Law, the State of West Virginia has pledged, for the benefit and protection of the CRR bondholders, assignees, and financing parties, that it will not take or permit any action that impairs the value of the CRR property, or, except pursuant to the true-up adjustment mechanism, reduce, alter, or impair the CRR charges to be imposed, charged, collected, or remitted for their benefit, until the principal of, interest on, and redemption premium (if any) in respect of the CRR bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement have been paid or performed in full.

Please read "The Securitization Law" and "The Financing Order" in this prospectus for more information.

The characteristics of CRR property are unlike the characteristics of assets underlying mortgage and other commercial asset securitizations because CRR property is a creature of statute and state regulatory commission proceedings. Because the nature and characteristics of the CRR property and many elements of the CRR bonds securitization are set forth and constrained by the Securitization Law, APCo, as sponsor, does not select the assets to be securitized in ways common to many securitizations. Moreover, the CRR bonds do not contain origination or underwriting elements similar to typical mortgage or other loan transactions involved in other forms of asset-backed securities. Under the Securitization Law and the financing order, the CRR charges are nonbypassable and may not be avoided by any West Virginia retail customer and must be paid by any such customer that receives service from APCo or WPCo (or their successors) for so long as the CRR bonds are outstanding. Please read "The CRR Charges" in this prospectus. Because the CRR charges are assessed against all such customers and the true-up adjustment mechanism adjusts, without any caps, to correct for undercollections (including the impact of customer defaults) and overcollections, the collectability of the CRR charges is not ultimately dependent upon the credit quality of particular APCo customers, as would be the case in the absence of the true-up adjustment mechanism.

The review by APCo of the CRR property underlying the CRR bonds has involved a number of discrete steps and elements as described in more detail below. First, APCo has analyzed and applied the securitization provisions of the Securitization Law's requirements for securitization of consumer rate relief costs in its application to the West Virginia Commission for a financing order, and in seeking the West Virginia Commission's issuance of the financing order, with respect to the characteristics of the CRR property to be created pursuant to the Securitization Law and the financing order. APCo worked with its counsel in preparing the application for a financing order and with the West Virginia Commission on the terms of the financing order. Moreover, APCo worked with its counsel and counsel to the underwriters in preparing the legal agreements that provide for the terms of the CRR bonds and the security for the CRR bonds. APCo has analyzed economic issues and practical issues for the scheduled payment of the CRR bonds.

In light of the unique nature of the CRR property, APCo has taken (or prior to the offering of the CRR bonds, will take) the following actions in connection with its review of the CRR property and the preparation of the disclosure for inclusion in this prospectus describing the CRR property, the CRR bonds and the proposed securitization:

- reviewed the securitization provisions of the Securitization Law, the rules and regulations of the West Virginia Commission as they relate to the CRR property in connection with the preparation and filing

of the application with the West Virginia Commission for the approval of the financing order in order to confirm that the application and proposed financing order satisfied applicable statutory and regulatory requirements;

- actively participated in the proceeding before the West Virginia Commission relating to the approval of the requested financing order;
- compared the financing order, as issued by the West Virginia Commission, to the securitization provisions of the Securitization Law and the rules and regulations of the West Virginia Commission as they relate to the CRR property to confirm that the financing order met such requirements;
- compared the proposed terms of the CRR bonds to the applicable requirements in the securitization provisions of the Securitization Law, the financing order and the regulations of the West Virginia Commission to confirm that they met such requirements;
- prepared and reviewed the agreements to be entered into in connection with the issuance of the CRR bonds and compared such agreements to the applicable requirements in the securitization provisions of the Securitization Law, the financing order and the regulations of the West Virginia Commission to confirm that they met such requirements;
- reviewed the disclosure in this prospectus regarding the securitization provisions of the Securitization Law, the financing order and the agreements to be entered into in connection with the issuance of the CRR bonds, and compared such descriptions to the relevant securitization provisions of the Securitization Law, the financing order and such agreements to confirm the accuracy of such descriptions;
- consulted with legal counsel to assess if there is a basis upon which the CRR bondholders (or the trustee acting on their behalf) could successfully challenge the constitutionality of any legislative action by the State of West Virginia (including the West Virginia Commission) that could repeal or amend the securitization provisions of the Securitization Law that could substantially impair the value of the CRR property, or substantially reduce, alter or impair the CRR charges;
- reviewed the process and procedures in place for it, as servicer, to perform its obligations under the servicing agreement, including without limitation, billing and collecting the CRR charges to be provided for under the CRR property, forecasting CRR charge revenues, preparing and filing applications for true-up adjustments to the CRR charges and enforcing credit standards;
- reviewed the operation of the true-up mechanism for adjusting CRR charge levels to meet the scheduled payments on the CRR bonds; and
- with the assistance of the underwriters, prepared financial models in order to set the initial CRR charges to be provided for under the CRR property at a level sufficient to pay on a timely basis scheduled principal and interest on the CRR bonds.

In connection with the preparation of such models, APCo:

- reviewed (a) the historical electric usage and customer growth within APCo's and WPCo's West Virginia Commission-jurisdictional area customer base; and (b) forecasts of expected energy sales and customer growth; and
- analyzed the sensitivity of the weighted average life of the CRR bonds in relation to variances in actual electricity consumption levels (electric sales at distribution voltage) from forecasted levels and in relation to the true-up mechanism in order to assess the probability that the weighted average life of the CRR bonds may be extended as a result of such variances, and in the context of the operation of the true-up mechanism for adjustment of CRR charges to address under- or over-collections in light of scheduled payments on the CRR bonds.

As a result of this review, APCo has concluded that:

- the CRR property, the financing order and the agreements to be entered into in connection with the issuance of the CRR bonds meet in all material respects the applicable statutory and regulatory requirements;
- the disclosure in this prospectus regarding the securitization provisions of the Securitization Law, the financing order and the agreements to be entered into in connection with the issuance of the CRR bonds is as of its date, accurate in all material respects;
- the servicers have adequate processes and procedures in place to perform its obligations under the servicing agreement;
- CRR charge revenues, as adjusted from time to time as provided in the securitization provisions of the Securitization Law and the financing order, are expected to be sufficient to pay on a timely basis scheduled principal and interest on the CRR bonds; and
- the design and scope of APCo's review of the CRR property as described above is effective to provide reasonable assurance that the disclosure regarding the CRR property in this prospectus is accurate in all material respects.

DESCRIPTION OF THE CRR PROPERTY

Creation of CRR Property; Financing Order

In accordance with the Securitization Law, the financing order created a single "consumer rate relief property" that is jointly owned by APCo and WPCo. Such consumer rate relief property grants each of APCo and WPCo the right to impose, charge and collect consumer rate relief charges in amounts necessary to recover all principal and interest on the bonds issued by the respective issuing entity plus the related ongoing financing costs incurred by or allocable to each issuing entity. APCo's interest in such consumer rate relief property created pursuant to the financing order and under the Securitization Law and transferred, sold, conveyed or assigned to us pursuant to the sale agreement, including the right to impose, charge, and collect CRR charges authorized in the financing order, the right to obtain adjustments to those CRR charges as provided in the financing order, and any revenues, receipts, collections, rights to payment, payments, moneys, claims, or other proceeds arising from the rights and interests of APCo created under the financing order collectively constitute the CRR property. The CRR bonds will be secured by the CRR property, as well as the other collateral described under "Description of the CRR Bonds—The Security for the CRR Bonds."

In addition to the right to impose, charge, and collect CRR charges, the financing order:

- authorizes the transfer of the CRR property to us and the issuance of CRR bonds;
- establishes procedures for annual true-up adjustments to the CRR charges to correct for over-collections and under-collections, mandatory interim true-up adjustments made semi-annually (and, beginning 12 months prior to the scheduled final payment date for the latest maturing tranche of each series, quarterly) if the servicers forecast that CRR charge collections will be insufficient, interim true-up adjustments at other times, and nonstandard true-up adjustments; and
- provides that the financing order is irrevocable and that, except for changes made pursuant to the adjustment mechanism authorized under the financing order, the West Virginia Commission may not reduce, alter or impair the CRR charges approved in the financing order, or impair the CRR property or the collection of the CRR charges until the related consumer rate relief bonds and all approved financing costs are paid in full.

A form of issuance advice letter and a form of tariff rider (such rider referred to herein as the "**CRRC Schedule**") are attached to the financing order. Following the determination of the final terms of the CRR bonds, the applicants, as servicers, will jointly complete and file the issuance advice letter with the West Virginia Commission no later than the end of the first business day after the pricing date of the CRR bonds. The issuance advice letter will report the final structure and terms of the CRR bonds, provide the best available estimate of total ongoing financing costs, and set forth the actual dollar amount of the initial CRR charges, as described below under "The Financing Order—Issuance Advice Letter." The West Virginia Commission's review of the issuance advice letter will be limited to the arithmetic accuracy of the calculations and compliance with the Securitization Law, the financing order, and the specific requirements set forth in the issuance advice letter. The initial CRR charges and the final terms of the CRR bonds set forth in the issuance advice letter will become effective on the date of issuance of the CRR bonds unless, prior to noon on the fourth business day after the West Virginia Commission receives the issuance advice letter, the West Virginia Commission issues a disapproval order.

CRRC Schedule; CRR Charges

The CRRC Schedule establishes the initial CRR charges. It also implements the procedures for periodic adjustments to the CRR charges, the payment of CRR charges, and the procedures allowing each of APCo and WPCo, as servicers, to reconcile the amount of CRR charge remittances with the periodic payment requirement. The CRR charges are nonbypassable and may not be avoided by any West Virginia retail customer and must be paid by any such customer that receives service from APCo or WPCo (or their successors) for so long as the CRR bonds are outstanding. Please read "The Securitization Law—CRR Charges Are Nonbypassable" in this prospectus.

For purposes of billing CRR charges, each customer will be designated as a customer belonging to one of the CRR Revenue Groups, and the CRR charges will be allocated among the CRR Revenue Groups, in the manner set forth in the financing order. Accordingly, APCo and WPCo will initially allocate the CRR charges among the CRR Revenue Groups as follows:

CRR Revenue Groups

1. APCo Revenue Groups

Revenue Group	Allocation Percentage
Residential	31.54%
Commercial	15.38%
Industrial	31.08%
Total*	78.00%

* Total may not add up due to rounding.

2. WPCo Revenue Groups

Revenue Group	Allocation Percentage
Residential	8.89%
Commercial	4.34%
Industrial	8.77%
Total*	22.00%

* Total may not add up due to rounding.

3. Combined Revenue Groups

Revenue Group	Allocation Percentage
Residential	40.43%
Commercial	19.72%
Industrial	39.85%
Total*	100.00%

* Total may not add up due to rounding.

The financing order provides that the allocation percentages established for the CRR Revenue Groups will remain in effect for all future standard true-up adjustments unless and until modified pursuant to a nonstandard true-up adjustment. Upon the occurrence of a significant change from historical conditions of operation, the servicers must jointly file for a nonstandard true-up adjustment with the West Virginia Commission to reallocate the CRR charges among the CRR Revenue Groups. For this purpose, a significant change is deemed to have occurred if the applicants collectively experience or project an increase or decrease of ten percent or more in the billing determinants that are the basis for the allocation factor for any CRR Revenue Group, calculated by comparing the revised forecasted allocator for that group against the then-applicable threshold forecasted allocator. Please read “The Servicing Agreement—CRR Charge Adjustment Process” in this prospectus.

The nonbypassable charge applicable to each CRR Revenue Group for any period will be determined based on the allocation percentage of such class and the periodic billing requirement, which includes the amount necessary to make payments on the CRR bonds and pay ongoing financing costs for the related period, and the most recent forecast of billing determinants for that class. The periodic billing requirement represents the

aggregate dollar amount of the CRR charges that must be billed during the period so that the projected CRR charge collections will be sufficient to meet, on a timely basis, the entire aggregate periodic payment requirement for that period, based upon: (a) forecasted usage data for the period; (b) forecasted uncollectibles for the period; and (c) projected lags in the collection of billed CRR charges for the period. In the true-up process, the over-collection or under-collection from any prior period will be added to or subtracted from, as the case may be, the periodic billing requirement for the upcoming period.

The true-up adjustment methodology approved in the financing order requires that any delinquencies or under-collections, regardless of the customer class in which they arise, are reflected in the cumulative difference between the periodic payment requirement and actual collections and are taken into account in the application of the true-up mechanism.

The CRR charges will be calculated to recover the periodic payment requirement for the CRR bonds, including the financing costs (consisting of the remaining upfront financing costs and ongoing financing costs), and will be allocated among the CRR Revenue Groups in accordance with the cost classification and allocation methodology approved in the financing order. The CRR charges for each class will then be determined using the most recent forecast of billing determinants for that class, consistent with the tariff and true-up methodology approved in the financing order.

The initial CRR charge would represent approximately % of the total bill for a typical 1,000 kWh/month West Virginia Commission-jurisdictional area customer as of , 20 .

Billing and Collection Terms and Conditions

APCo and WPCo each bills its customers, on average, every business day based on a 21-day cycle. Residential and most commercial customers are billed in established cycles, with the total number of days between meter readings ranging from 28 to 30 days. Commercial and industrial customers with more complex billing arrangements (normally dictated by contractual terms) are manually billed on a calendar month basis.

CRR charges will be collected by the servicers. The servicers will remit CRR charge collections to the joint collection account under the terms of the indenture, the servicing agreement, and the intercreditor agreements. On each servicer business day, each servicer will remit to the joint collection account the CRR charge payments estimated to have been received on that day (based on the billed CRR charges and the weighted average days outstanding then in effect, reduced by the system-wide charge-off percentage), subject to subsequent reconciliation with actual customer receipts, in accordance with the procedures described below under “The Servicing Agreement—Remittances to Joint Collection Account.”

So long as the intercreditor agreements are in effect, each of APCo and WPCo will allocate, or cause to be allocated, amounts owed to us and the other recipients of remittances described therein in accordance with the terms of the intercreditor agreements. Any amounts collected by APCo or WPCo, as applicable, that represent partial payments of: (a) if any intercreditor agreement remains in effect, the portion of the customer bill allocable to CRR charges pursuant to the terms of such intercreditor agreement; or (b) otherwise, the amount paid by a customer will be applied to all charges on such customer’s bill, including without limitation electric service charges and all consumer rate relief charges (under the financing order or future financing orders) and all similar securitization charges, based, as to a bill with charges covering more than one month, on the chronological order of billing, and, as to those charges with the same billing date, on a pro-rata basis. In addition, subject to any applicable intercreditor agreements, in the event APCo sponsors future offerings of CRR bonds or other securitization bonds, partial collections representing CRR charges and any other similar securitization charges shall be allocated among all such securitization bonds on a pro-rata basis based upon the amounts billed with respect to each issuance of securitization bonds.

THE SECURITIZATION LAW

Overview

In 2023, the West Virginia Legislature enacted legislation authorizing the securitization of certain utility costs (referred to herein as the "**Securitization Law**"), establishing a financing mechanism through which APCo and WPCo can use securitization financing for consumer rate relief costs by issuing "consumer rate relief bonds." The consumer rate relief bonds must be approved in a financing order issued by the West Virginia Commission. The Securitization Law is codified at W. Va. Code § 24-2-4h. A qualifying utility subject to the jurisdiction of the West Virginia Commission must apply to, and obtain a financing order from, the West Virginia Commission in order to be authorized to issue consumer rate relief bonds. Under the Securitization Law, a qualifying utility includes an affiliated electric utility, such as WPCo, that has applied jointly for and receives a financing order.

APCo and WPCo jointly, as a collective qualifying utility, applied for a financing order under the Securitization Law, which was issued on March 31, 2026. The original financing order became final and no longer subject to appeal on April 30, 2026. The July 21, 2026 order that modified the original financing order became final and no longer subject to appeal on August 21, 2026.

Under the Securitization Law and the financing order, APCo's and WPCo's West Virginia Commission-jurisdictional area customers will pay CRR charges, which are nonbypassable charges included in their charges for electric service. CRR charges will fund the payment of principal of and interest on the CRR bonds, together with related ongoing financing costs. CRR charges will be collected from APCo customers by APCo, as initial servicer, or its successor or assignee, and from WPCo customers by WPCo, as initial subservicer, or its successor or assignee, in each case as provided for in the financing order. CRR charges are required to be reviewed and adjusted at least annually, and more frequently as provided in the financing order, to correct overcollections or undercollections and otherwise to ensure the projected recovery of amounts sufficient to provide for the full and timely payment of the scheduled principal of and interest on the CRR bonds and related ongoing financing costs.

APCo and Other Qualifying Utilities May Securitize Consumer Rate Relief Costs and Related Financing and Ongoing Costs

We May Issue CRR Bonds to Recover APCo's Consumer Rate Relief Costs.

Under the Securitization Law, the West Virginia Commission may issue financing orders approving the issuance of consumer rate relief bonds, such as the CRR bonds, to recover certain costs of APCo, including the eligible costs to be securitized (which may include environmental control costs, expanded net energy costs, storm recovery costs, and undepreciated generation utility plant balances) and the related upfront and ongoing financing costs associated with the issuance of the CRR bonds. APCo, its successors, or an assignee may issue consumer rate relief bonds. The Securitization Law requires the proceeds of the consumer rate relief bonds to be used for the recovery of the eligible costs to be securitized that occasioned their issuance, including the retirement of related debt or equity, and for no other purpose. The CRR bonds are secured by and payable from the CRR property, which includes the right to impose, charge, and collect the CRR charges, the right to obtain adjustments to those charges as provided in the financing order, and any revenues, receipts, collections, rights to payment, payments, money, claims, or other proceeds arising from the rights and interests created under the financing order. Under the financing order, the latest scheduled final payment date of any series of CRR bonds is required to be no later than 33 years from the date of issuance of such series, and the latest legal final maturity date is required to be no later than 35 years after issuance of such series; the legal final maturity date of each tranche is later than the scheduled final payment date for such tranche.

Under the financing order, the CRR charges generally are to be allocated among the CRR Revenue Groups in accordance with the cost classification and allocation methodology approved in the financing order. CRR charges can be imposed only when and to the extent that CRR bonds are issued.

The Securitization Law contains a number of provisions designed to facilitate the securitization of consumer rate relief costs and related upfront and ongoing financing costs.

Creation of CRR Property.

As authorized by the Securitization Law, and provided by the financing order, the CRR property is approved and, upon its transfer to us, the CRR property will be created and will consist of (a) the property rights and interests of APCo, or an assignee, under the financing order, including the right to impose, charge, and collect the CRR charges that will be used to pay and secure the payment of CRR Bonds and financing costs authorized in the financing order and the right to obtain adjustments to those charges as provided in the financing order, and (b) any revenues, receipts, collections, rights to payment, payments, money, claims, or other proceeds arising from the rights and interests created under the financing order. The creation of the CRR property is conditioned upon, and will be simultaneous with, the sale or other transfer of the CRR property to us and the pledge of the CRR property to secure the CRR bonds, in connection with the issuance of the CRR bonds.

A Financing Order is Irrevocable.

A financing order, once effective, together with the consumer rate relief charges authorized in such financing order, is irrevocable and not subject to amendment or modification by the West Virginia Commission, except for true-up adjustments pursuant to the Securitization Law in order to correct over-collections or under-collections and to ensure the projected recovery of amounts sufficient to provide full and timely payment of debt service and all other upfront and ongoing financing costs in connection with the related consumer rate relief bonds. Although a financing order is irrevocable, the Securitization Law permits the West Virginia Commission, upon petition or upon its own motion, to commence a proceeding and issue a subsequent financing order providing for the retiring and refunding of CRR bonds issued under the financing order, if the West Virginia Commission finds that the subsequent financing order satisfies the statutory requirements and does not violate the terms of the outstanding CRR bonds.

State of West Virginia and West Virginia Commission Pledges.

The State of West Virginia has pledged in the Securitization Law, for the benefit and protection of the CRR bondholders, assignees, and financing parties, that it will not take or permit any action that impairs the value of the CRR property, or revises the consumer rate relief costs for which recovery is authorized under the financing order, or, except pursuant to the true-up adjustments discussed in "The Financing Order—True-Ups" and "The Servicing Agreement—CRR Charge Adjustment Process," reduce, alter, or impair the CRR charges to be imposed, charged, collected, or remitted for the benefit of the CRR bondholders, assignees, and financing parties, until the principal of, interest on, and redemption premium (if any) in respect of the CRR bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement have been paid or performed in full. Each BondCo is authorized to include this pledge in the documentation relating to the CRR bonds. Please read "Risk Factors—Risks Associated with Potential Judicial, Legislative or Regulatory Actions" in this prospectus.

The West Virginia Commission is a state agency created and continued under Chapter 24 of the West Virginia Code and has jurisdiction over APCo. As expressly provided in the financing order, the financing order is irrevocable, and, except for changes made pursuant to the formula-based true-up adjustment mechanism authorized in the financing order, the West Virginia Commission may not impair, postpone or terminate the CRR charges approved in the financing order, or impair the CRR property or the collection of the CRR charges or the recovery of the total securitized costs (including upfront financing costs) and ongoing financing costs, until the CRR bonds and the related financing costs have been paid in full. No adjustment through the true-up adjustment mechanism will affect the irrevocability of the financing order. Please read "Risk Factors—Risks Associated with Potential Judicial, Legislative or Regulatory Actions" in this prospectus.

The electorate of the State of West Virginia does not have the power to enact new laws, constitutional amendments or repeal existing laws. The West Virginia Constitution vests the power to enact or repeal laws solely in the Legislature. Thus, absent an amendment of the West Virginia Constitution to provide for such rights, the Securitization Law cannot be amended or repealed by direct action of the electorate of the State of West Virginia.

Constitutional Matters

To date, no federal or West Virginia cases addressing the repeal or amendment of the Securitization Law or securitization provisions analogous to those contained in the Securitization Law have been decided. There have been cases in which federal courts have applied the Contract Clause of the United States Constitution to strike down legislation regarding similar matters (such as legislation reducing or eliminating taxes, public charges or other sources of revenues servicing other types of bonds issued by public instrumentalities or private issuers) or otherwise substantially impairing or eliminating the security for bonds or other indebtedness. However, while West Virginia courts apply the Contract Clause of the West Virginia Constitution set forth in West Virginia Constitution Art. III, § 4 in a similar manner to the Contract Clause of the United States Constitution, West Virginia courts have not addressed the Contract Clause of the West Virginia Constitution in the context of similar utility securitizations, leaving the federal Contract Clause as the better-tested constitutional contract clause challenge to any legislation that substantially impairs private contractual rights with respect to the CRR bonds.

Based upon this case law, Sidley Austin LLP, as counsel to APCo and us, with respect to the Contract Clause of the United States Constitution, and Steptoe & Johnson PLLC, as West Virginia counsel to APCo and us, with respect to the Contract Clause of the West Virginia Constitution, expect to deliver opinions prior to the closing of the offering of the CRR bonds described in this prospectus to the effect that, for the purposes of the Contract Clause of the United States Constitution and the Contract Clause of the West Virginia Constitution, respectively, the state pledge described above unambiguously indicates the State of West Virginia's intent to be bound with the holders of the CRR bonds and, subject to all of the qualifications, limitations and assumptions set forth in their opinions, supports the conclusion that, for the purposes of the Contract Clause of the United States Constitution and the Contract Clause of the West Virginia Constitution, respectively, the state pledge constitutes a binding contractual relationship between the State of West Virginia and the holders of the CRR bonds.

Subject to all of the qualifications, limitations and assumptions set forth in such opinion, including that any impairment of the contract be "substantial," (a) the opinion of Sidley Austin LLP with respect to the Contract Clause of the United States Constitution is expected to state that a reviewing court of competent jurisdiction would conclude that, absent a demonstration by the State of West Virginia that the same is necessary to further a significant and legitimate public purpose, the holders of the CRR bonds could successfully challenge under the Contract Clause of the United States the constitutionality of any action by the West Virginia legislature which becomes law and any action of a legislative character of the West Virginia Commission, including any action to rescind or amend the financing order, provided that such action is determined by such court to limit, alter, impair or reduce the value of the CRR charges or CRR property or otherwise cause an impairment of the terms of the CRR bonds or the rights and remedies of the holders of the CRR bonds prior to the time that the CRR bonds are fully paid and discharged, and (b) the opinion of Steptoe & Johnson PLLC with respect to the Contract Clause of the West Virginia Constitution is expected to state that a reviewing West Virginia court of competent jurisdiction would conclude that the state pledge constitutes a contractual relationship which provides a basis for the holders of the CRR bonds to successfully challenge under the Contract Clause of the West Virginia Constitution any action by the legislature of the State of West Virginia and any action of a legislative character by the West Virginia Commission, including any action to rescind or amend the financing order, provided that such action violates the state pledge in a manner that substantially impairs or would substantially impair the value of the CRR charges or CRR property prior to the time that the CRR bonds are paid and performed in full, unless the action is a proper exercise of the State of West Virginia's police power and the adjustment of the rights and responsibilities with respect to the CRR bonds are based upon reasonable conditions and of a character appropriate to the public purpose justifying the action.

In addition, any action of the West Virginia legislature adversely affecting the CRR property or the ability to collect CRR charges may be considered a "taking" under the United States or West Virginia Constitutions. Sidley Austin LLP has advised us that it is not aware of any federal court cases, and Steptoe & Johnson PLLC has advised us that it is not aware of any West Virginia court cases, addressing the applicability of the Takings Clause of the United States or West Virginia Constitution, respectively, in a situation analogous to an amendment or repeal of the Securitization Law. It is possible that a court would decline even to apply a Takings Clause analysis to a claim based on an amendment or repeal of the Securitization Law because such court might determine that a Contract Clause analysis rather than a Takings Clause analysis should be applied. Accordingly, while the application is uncertain (a) assuming applicable courts would apply a Takings Clause analysis under the Takings Clause of the United States Constitution, the opinion of Sidley Austin LLP is expected to state that, under the Takings Clause of the United States Constitution, the State of West Virginia would be required to pay just compensation to holders of the CRR bonds if the State of West Virginia, including through a legislative action of the West Virginia Commission, repealed or amended the Securitization Law or took any other action in contravention of the state pledge and doing so (i) constituted a permanent appropriation of a substantial property interest of the holders of the CRR property or denied all economically productive use of the CRR property, (ii) destroyed the CRR property other than in response to emergency conditions, or (iii) substantially impaired the value of the CRR property or the CRR charges (other than as contemplated under the formula-based true-up mechanism authorized by the Securitization Law and the financing order) so as to unduly interfere with the reasonable expectations of the holders of the CRR bonds arising from their investments in the bonds and (b) although there is an absence of judicial precedent directly on point, and assuming applicable West Virginia courts would apply a Takings Clause analysis under the Takings Clause of the West Virginia Constitution, the opinion of Steptoe & Johnson PLLC is expected to state that, under the Takings Clause of the West Virginia Constitution, a reviewing West Virginia court of competent jurisdiction would hold that the state would be required to pay just compensation to holders of the CRR bonds if the state of West Virginia, including through a legislative action of the West Virginia Commission, repealed or amended the Securitization Law or took any other action in contravention of the state pledge and doing so (i) constituted a permanent appropriation of a substantial property interest of the holders of the CRR bonds in the CRR property or denied all economically productive use of the CRR property, (ii) destroyed the CRR property other than in response to emergency conditions, or (iii) substantially impaired the value of the CRR property or the CRR charges (other than as contemplated under the formula-based true-up mechanism authorized by the Securitization Law and the financing order) so as to unduly interfere with the reasonable expectations of the holders of the CRR bonds arising from their investments in the bonds. In examining whether action of the West Virginia legislature amounts to a regulatory taking, both federal and state courts may consider the character of the governmental action, the economic impact of the governmental action on the holders of the CRR bonds, and the extent to which the governmental action interferes with distinct investment-backed expectations. There is no assurance, however, that any such award of compensation would be sufficient to pay the full amount of principal and interest on the CRR bonds.

In connection with the foregoing, Sidley Austin LLP has advised us that issues relating to the Contract and Takings Clauses of the United States Constitution, and Steptoe & Johnson PLLC has advised us that issues relating to the Contract and Takings Clauses of the West Virginia Constitution, are typically analyzed on a case-by-case basis and that the courts' determinations, in most cases, are usually strongly influenced by the facts and circumstances of the particular case. Each has further advised us that there are no reported controlling judicial precedents that are directly on point. The opinions described above will be subject to the qualifications included in them. The degree of impairment necessary to meet the standards for relief under a Takings Clause analysis or Contract Clause analysis could be substantially in excess of what a holder of the CRR bonds would consider material.

In addition, Steptoe & Johnson PLLC expects to render an opinion prior to the closing of the offering of the CRR bonds described in this prospectus to the effect that the Securitization Law was duly enacted by the West Virginia legislature in accordance with all applicable laws of the State of West Virginia, is in full force and effect, and Steptoe & Johnson PLLC is unaware of any pending appeal or litigation challenging the validity of the Securitization Law.

We and APCo will file a copy of each of the Sidley Austin LLP and Steptoe & Johnson PLLC opinions as exhibits to an amendment to the registration statement of which this prospectus is a part or to one of our periodic filings with the SEC.

For a discussion of risks associated with potential judicial, legislative or regulatory actions, please read "Risk Factors—Risks Associated with Potential Judicial, Legislative or Regulatory Actions" in this prospectus.

The West Virginia Commission May Adjust CRR Charges and CRR Revenue Group Allocations

The Securitization Law authorizes the West Virginia Commission to provide, and the West Virginia Commission has provided, in the financing order, that CRR charges be adjusted at least annually. The purposes of these true-up adjustments are:

- to correct any over-collections or under-collections; and
- to ensure the projected recovery of amounts sufficient to provide full and timely payment of debt service and all other financing costs (including any necessary replenishment of the capital subaccount).

True-up adjustments will additionally be applied semi-annually (and, beginning 12 months prior to the last scheduled final payment date of the last maturing tranche, quarterly) if a servicer forecasts a shortfall in CRR charge collections to ensure the amount of CRR charges collected is sufficient to make all scheduled payments of principal of and interest on the CRR bonds and ongoing financing costs on a timely basis, including to replenish draws on the capital subaccount.

In addition to these annual, semi-annual and quarterly true-up adjustments, APCo and WPCo will also be authorized to apply the true-up mechanism more frequently to make interim true-up adjustments from time-to-time in order to ensure recovery of amounts sufficient to the timely and full payment of interest and scheduled principal on the CRR bonds and other required amounts and charges in connection with the CRR bonds.

The financing order also provides for a nonstandard true-up to adjust, if necessary, CRR Revenue Group allocations. If the servicers jointly determine that, as a result of significant changes from historical conditions of operation, such as the addition or loss of significant electric load, or a merger of an applicant with another utility and a resulting expansion of its retail customer base, it is necessary to adjust the percentages used to allocate the CRR charges among the applicants' CRR Revenue Groups, then the servicers must file a nonstandard true-up with the West Virginia Commission.

CRR Charges Are Nonbypassable

The Securitization Law and financing order provide that the CRR charges are nonbypassable. The CRR charges are: (a) imposed on and part of all retail customer bills; (b) collected by APCo and WPCo or their respective successors or assignees (or a collection agent) separate and apart from base rates; and (c) paid by any retail customers that receive service from APCo or WPCo or their successors so long as the CRR bonds are outstanding.

Any successor to APCo or WPCo, including after reorganization, bankruptcy, merger, sale, or electric utility restructuring, must perform and satisfy APCo's or WPCo's obligations, as applicable, under the financing order in the same manner and to the same extent as APCo or WPCo, as applicable, including billing, collecting, and remitting the CRR charges. Selecting another supplier for electricity supply service does not permit a customer to bypass the CRR charges so long as the customer remains a retail customer within APCo's or WPCo's West Virginia service territory.

The Securitization Law Protects the CRR Bondholders' Security Interest in CRR Property

The Securitization Law provides that a valid and binding security interest in CRR property will be created after all of the following have occurred (a) the financing order is issued, (b) a security agreement granting such security interest is executed and delivered by the debtor or seller, (c) value is received for such CRR bonds and (d) the debtor or seller has rights in such CRR property or the power to transfer rights in such CRR property. The security interest attaches without physical delivery of collateral or other act, and upon filing of a financing statement with the Office of the Secretary of State of West Virginia.

Upon perfection by filing a financing statement in accordance with § 24-2-4h(o)(4) of the Securitization Law and otherwise in accordance with the West Virginia Uniform Commercial Code, the security interest will be valid, binding, and perfected against all parties having claims of any kind in tort, contract, or otherwise against the person granting the security interest, regardless of whether the parties have notice of the lien. Upon the filing of a financing statement with respect to a transfer in accordance with § 24-2-4h(o)(2) of the Securitization Law and a financing statement with respect to the security interest in accordance with § 24-2-4h(o)(4) of the Securitization Law, a transfer of an interest in the CRR property shall be perfected against all parties having claims of any kind, including any judicial or other lien creditors or any claims of the transferor or creditors of the transferor, and shall have priority over all competing claims other than any prior security interest, ownership interest, or assignment in the property previously perfected in accordance with the Securitization Law.

The Securitization Law provides that priority of transfers of and security interests in CRR property will not be impaired by:

- commingling of funds arising from CRR charges with other funds; or
- any application of the true-up adjustment under the financing order.

Please read "Risk Factors—Risks Associated with the Unusual Nature of the CRR Property" in this prospectus.

The Securitization Law Characterizes the Transfer of CRR Property as a True Sale

The Securitization Law provides that any sale, assignment, or other transfer of CRR property shall be an absolute transfer and true sale of, and not a pledge of or secured transaction relating to, the transferor's right, title, and interest in, to, and under the CRR property, if the documents governing the transaction expressly state that the transaction is a sale or other absolute transfer. For all purposes other than federal and state income tax purposes, the parties' characterization of a transaction as a sale of an interest in CRR property shall be conclusive that the transaction is a true sale and that ownership has passed to the party characterized as the purchaser, regardless of any fact or circumstance that might support characterization of the transfer as a secured transaction. Please read "The Sale Agreement" and "Risk Factors—Risks Associated with Potential Bankruptcy Proceedings of the Seller or a Servicer" in this prospectus.

THE FINANCING ORDER

Background. APCo's and WPCo's West Virginia Commission-jurisdictional area incurred substantial costs associated with (a) Expanded Net Energy Cost (ENEC) under-recovery balances, (b) the West Virginia Commission-jurisdictional area share of the undepreciated generation utility plant balances of APCo's Amos and Mountaineer and WPCo's Mitchell generating facilities as of December 31, 2022, (c) environmental control costs related to Coal Combustion Residuals (CCR) and Effluent Limitation Guidelines (ELG), (d) certain major storm costs, and (e) each of APCo's and WPCo's carrying charges accruing on its respective portion of the foregoing eligible costs. On March 13, 2025, APCo, jointly with WPCo, completed filing a petition with the West Virginia Commission under the State of West Virginia's Securitization Law, requesting a financing order authorizing securitization of the previously discussed costs and related financing costs. Following notice, Staff investigation, and an evidentiary hearing on July 1, 2025, the West Virginia Commission issued its financing order on March 31, 2026, authorizing the issuance of CRR bonds.

The financing order created a single "consumer rate relief property" that is jointly owned by APCo and WPCo. Such consumer rate relief property grants each of APCo and WPCo the right to impose, charge and collect consumer rate relief charges in amounts necessary to recover all principal and interest on the bonds issued by the respective issuing entity plus the related ongoing financing costs incurred by or allocable to each issuing entity. In connection with CRR bonds being issued by us, the financing order authorizes APCo to sell its interest in the above-described consumer rate relief property (i.e., the CRR property described herein) to us (and WPCo to sell its interest in the above-described consumer rate relief property for its separate bond issuance).

The financing order authorizes APCo specifically, through the issuance of CRR bonds by us, to recover its portion of the previously discussed costs and related financing costs in an aggregate principal amount of approximately $1.673 billion, such aggregate amount equal to the sum of: (a) approximately $1.662 billion of eligible costs to be securitized, consisting primarily of the West Virginia Commission-jurisdictional share of the undepreciated Amos and Mountaineer generation plant balances as of December 31, 2022 of approximately $1,145.5 million, together with the expanded net energy cost under-recovery balance of approximately $274.1 million, deferred storm expenses of approximately $155 million, and coal combustion residuals and effluent limitation guidelines environmental control costs of approximately $87.6 million plus APCo's carrying charges; plus (b) up-front financing costs allocable to APCo, which are estimated at approximately $10.4 million, in each case subject to update through the issuance advice letter process.

The financing order also authorizes: (a) APCo's and WPCo's proposed financing structure and issuance of the CRR bonds; (b) the creation and sale of consumer rate relief property, including the right for the imposition, collection and periodic adjustments of CRR charges sufficient to timely pay the CRR bonds and associated financing costs; (c) the sale of the CRR property by APCo to us; and (d) the CRRC Schedule to implement the CRR charges. The original financing order became final and no longer subject to appeal on April 30, 2026. The July 21, 2026 order that modified the original financing order became final and no longer subject to appeal on August 21, 2026.

We have filed the financing order with the SEC as an exhibit to the registration statement of which this prospectus forms a part.

The financing order and the Securitization Law include the State of West Virginia's pledge that the State of West Virginia shall not take or permit any action that impairs the value of the CRR property under the financing order or revises the consumer rate relief costs for which recovery is authorized under the financing order or, except for changes made pursuant to the true-up adjustment allowed under Section 24-2-4h(k) of the Securitization Law, reduce, alter, or impair CRR charges that are imposed, billed, charged, collected, or remitted for the benefit of the CRR bondholders, assignees, and financing parties, until any principal, interest and redemption premium in respect of the CRR bonds, all financing costs and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid and performed in full. This pledge is binding upon issuance

of the CRR bonds and is legally enforceable; however, the CRR bonds are not a debt or a pledge of the faith and credit or taxing power of the State of West Virginia or of any county, municipality or any political subdivision. Bondholders have no right to have taxes levied by the State of West Virginia or the taxing authority of any county, municipality or any other political subdivisions for the payment of the principal of or interest on the CRR bonds.

Issuance of CRR Bonds. The financing order authorizes APCo to cause us to issue CRR bonds in an aggregate principal amount of approximately $1.673 billion plus carrying charges.

Collection of CRR Charges. The financing order authorizes APCo and WPCo to impose, collect and receive nonbypassable CRR charges from APCo's and WPCo's retail customers in amounts designed, through a formula-based true-up mechanism, to be sufficient to provide for full and timely payment of scheduled principal of and interest on the CRR bonds and to pay all related ongoing financing costs associated with the CRR bonds.

No Cap; Duration of CRR Charges. There is no "cap" on the level of CRR charges that may be imposed on customers to provide for the full and timely payment of scheduled principal and interest on the CRR bonds and all related financing costs and other required amounts and charges payable in connection with the CRR bonds. There is also no limit on how long CRR charges may be imposed; pursuant to the financing order, the CRR charges will be imposed until the CRR bonds and all related financing costs have been paid in full.

Issuance Advice Letter. Following the determination of the final terms of the CRR bonds and prior to their issuance, APCo and WPCo are required to jointly submit to the West Virginia Commission within one business day after actual pricing of the CRR bonds an issuance advice letter, which will:

- describe the final structure and terms of the CRR bond issuance, including an updated accounting of the up-front financing costs, and on-going financing costs;
- demonstrate compliance with and certify that the structuring, pricing and financing costs of the CRR bonds achieved the statutory cost objectives, as set forth in the financing order; and
- provide an updated analysis of the net present value calculation, as compared to traditional methods of finance.

Both the issuance advice letter and the accompanying CRRC Schedule become effective on the date of issuance of the CRR bonds.

Subsequently, unless the West Virginia Commission, before noon on the fourth business day after pricing, issues a disapproval letter stating the basis for such disapproval and directing the stopping of the issuance of CRR bonds, the issuance advice letter shall be effective and the transaction shall proceed without any further action by the West Virginia Commission.

CRRC Schedule. We are required, prior to the issuance of any CRR charges, to complete and file the CRRC Schedule in the form attached to the financing order. The CRRC Schedule establishes the initial CRR charges. It also implements the procedures for periodic adjustments to the CRR charges.

True-Ups. The financing order provides that CRR charges will be reviewed and adjusted at least annually to correct any overcollections or undercollections and to ensure the billing of amounts necessary to generate collections of the CRR charges sufficient to timely provide payment of all amounts due on the CRR bonds and all other ongoing financing costs. This true-up mechanism will additionally be applied semi-annually (and, beginning 12 months prior to the scheduled final payment date of the last maturing tranche, quarterly) if the servicers forecast a shortfall in CRR charge collections to ensure the amount of CRR charges collected is sufficient to make all scheduled payments of principal of and interest on the CRR bonds and ongoing financing costs on a timely basis, including to replenish draws on the the capital subaccount. In addition to these annual,

semi-annual and quarterly true-up adjustments, APCo and WPCo will also be authorized to apply the true-up mechanism more frequently to make interim true-up adjustments from time-to-time in order to ensure recovery of amounts sufficient to the timely and full payment of interest and scheduled principal on the CRR bonds and other required amounts and charges in connection with the CRR bonds.

In addition to the true-up mechanism described above, the servicers also have the right to effect a nonstandard true-up in the event that (a) the servicers collectively experience or anticipate a change of 10% or more in the billing determinants for the allocations of the CRR Revenue Groups, including but not limited to the consumption of electricity or (b) the servicers otherwise jointly determine that a nonstandard true-up adjustment is required due to significant changes from historical conditions of operation.

To effect a nonstandard true-up, the servicers shall jointly file the proposed nonstandard true-up with the West Virginia Commission, including the justification for such changes as necessary to address the specific causes of the proposed nonstandard true-up, and the effective date for the adjustment, which must be at least 60 days after the date of the filing with the West Virginia Commission. On the same day that the servicers jointly file for a true-up adjustment, but only if the true-up adjustment would result in an increase to the amount of the CRR charges, the servicers will give public notice through the publication of a Class I Legal advertisement in Kanawha County as required by § 24-2-4h(k)(2) of the Securitization Law. The West Virginia Commission will allow financing parties to comment on a servicer's filing and will hold a hearing, if it deems necessary, within 40 days of such servicer's filing, in accordance with § 24-2-4h(k)(4) of the Securitization Law. Upon administrative approval or the passage of 60 days without notification from the West Virginia Commission regarding the nonstandard true-up, no further action of the West Virginia Commission will be required prior to implementation of the nonstandard true-up. Once a nonstandard true-up adjustment filing has become effective, the modified allocation percentages set forth therein will remain effective for all future standard true-up adjustment filings unless and until a subsequent nonstandard true-up adjustment filing is initiated in accordance with the financing order.

The nonstandard true-up is distinct from the true-up mechanism, both of which are intended to address, as applicable, under- or over-collections and, in the case of a nonstandard true-up, may reallocate CRR charges among CRR Revenue Groups in a manner that is consistent with the allocation methodology approved in APCo's or WPCo's most recent base rate case, as applicable.

For more discussion of the true-up mechanism and the nonstandard true-up, see "The Servicing Agreement—CRR Charge Adjustment Process" in this prospectus.

West Virginia Pledge and True-Up Mechanism. The State of West Virginia, pursuant to § 24-2-4h(s) of the Securitization Law, and the West Virginia Commission, pursuant to the financing order, have each pledged not to take or permit any action that would impair the value of CRR property or, except as allowed pursuant to the true-up mechanism in §24-2-4h(k) of the Securitization Law, reduce, alter or impair the CRR charges to be imposed, charged, collected, or remitted for the benefit of the CRR bondholders, assignees and any financing parties, until the principal of, interest on and redemption premium, if any, and ongoing financing costs and all amounts to be paid to an assignee or financing party under any ancillary agreement are paid or performed in full. However, nothing will preclude limitation or alteration if and when full compensation is made by law for the full protection of the CRR charges collected pursuant to the financing order and the full protection of the CRR bondholders and any assignee or financing party entering into a contract with APCo. Please read "Risk Factors—Risks Associated with Potential Judicial, Legislative or Regulatory Actions" in this prospectus.

Servicing Agreement. In the financing order, the West Virginia Commission authorized APCo, as the initial servicer, and WPCo, as the initial subservicer, to enter into the servicing agreement which is described under "The Servicing Agreement" in this prospectus.

Binding on Successors and Assignees. The financing order, along with the CRR charges authorized in the financing order, is binding on:

- APCo;
- any successor to APCo with respect to customers in APCo's service territory;
- WPCo with respect to customers in its service territory;
- any successor to WPCo with respect to customers in WPCo's service territory;
- any other entity responsible for billing and collecting charges on our behalf; and
- any successor to the West Virginia Commission.

THE DEPOSITOR, SELLER, INITIAL SERVICERS AND SPONSOR

About APCo

Background Information. APCo is a regulated electric utility engaged principally in the generation, purchase, transmission, distribution, and sale of electricity in West Virginia, central and western Virginia and northeast Tennessee. As of December 31, 2025, APCo served approximately 418,000 West Virginia Commission-jurisdictional area customers through its retail business. APCo is a Virginia corporation and a wholly owned subsidiary of AEP, a public utility holding company. APCo, acting as the initial servicer, and any successor servicer, referred to in this prospectus as the "**servicer**," will service the CRR property securing the CRR bonds under a servicing agreement with us and will bill and collect CRR charges from APCo customers. Neither APCo nor AEP nor any other affiliate (other than us) is an obligor on the CRR bonds. APCo is subject to the jurisdiction of the Federal Energy Regulatory Commission ("**FERC**") under the Federal Power Act of 2005 with respect to the issuance of securities, acquisitions and divestitures of utility assets, certain affiliate transactions and other matters. APCo is regulated by the West Virginia Commission with respect to rates charged for delivery of electricity over its transmission and distribution system for end-use consumption by retail customers, quality of service, and service area certification.

Service Territory. APCo provides integrated electric utility services, including generation, transmission, distribution and sale of electricity, to approximately 418,000 West Virginia Commission-jurisdictional area customers in West Virginia through its retail business. As of December 31, 2025, for APCo's operations in the West Virginia Commission-jurisdictional territory, West Virginia Commission-jurisdictional service territory it had approximately 20,616 miles of distribution lines and 2,707 miles of transmission lines. As of December 31, 2025, APCo owned or partially owned 16 generating plants, consisting of 46 generating units for an aggregate net generating capacity of 6,927 MW. APCo also has additional generation and capacity through power purchase agreements and capacity purchase agreements of 1,043 MW. The generating and power purchase agreement capacity by fuel mix was the following: coal and lignite—58%; natural gas—21%; and renewables (wind)—21%.

Executive Offices. APCo's principal executive offices are located at 1 Riverside Plaza, Columbus, Ohio 43215. The phone number at this address is (614) 716-1000.

Where to Find Information About APCo. AEP, a public utility holding company that wholly owns APCo, files periodic reports with the SEC as required by the Exchange Act. These SEC filings are available to the public over the internet at the SEC's website at www.sec.gov. AEP maintains a website at https://www.aep.com/, where it posts AEP's SEC filings as well as other filings and reports about APCo. Except as provided in this prospectus, no other information contained on that website constitutes part of this prospectus.

About WPCo

Background Information. WPCo is a regulated electric utility engaged principally in the generation, purchase, transmission, distribution, and sale of electricity in West Virginia. As of December 31, 2025, WPCo served approximately 41,000 West Virginia Commission-jurisdictional area customers through its retail business. WPCo is a West Virginia corporation and a wholly owned subsidiary of AEP, a public utility holding company. WPCo, acting as the initial subservicer, and any successor subservicer, referred to in this prospectus as the "**subservicer**," will service the CRR property securing the CRR bonds under a servicing agreement with us and will bill and collect the CRR charges from WPCo customers. Neither WPCo nor AEP nor any other affiliate (other than us) is an obligor on the CRR bonds. WPCo is subject to the jurisdiction of FERC under the Federal Power Act of 2005 with respect to the issuance of securities, acquisitions and divestitures of utility assets, certain affiliate transactions and other matters. WPCo is regulated by the West Virginia Commission with respect to rates charged for delivery of electricity over its transmission and distribution system for end-use consumption by retail customers, quality of service, and service area certification.

Service Territory. WPCo provides integrated electric utility services, including generation, transmission, distribution and sale of electricity, to approximately 41,000 West Virginia Commission-jurisdictional area customers in West Virginia through its retail business. As of December 31, 2025, for WPCo's operations in the West Virginia Commission-jurisdiction area, West Virginia Commission-jurisdictional service territory it had approximately 1,579 miles of distribution lines and 178 miles of transmission lines. As of December 31, 2025, WPCo owned or partially owned one generating plant, consisting of two generating units for an aggregate net generating capacity of 780 MW. WPCo also has additional generation and capacity through APCo's power purchase agreements and capacity purchase agreements of 1,043 MW. The generating and power purchase agreement capacity by fuel mix was the following: coal and lignite—57%; natural gas—0%; and renewables (wind)—43%.

Executive Offices. WPCo's principal executive offices are located at 1 Riverside Plaza, Columbus, Ohio 43215. The phone number at this address is (614) 716-1000.

Where to Find Information About WPCo. AEP, a public utility holding company that wholly owns WPCo, files periodic reports with the SEC as required by the Exchange Act. These SEC filings are available to the public over the internet at the SEC's website at www.sec.gov. AEP maintains a website at https://www.aep.com/, where it posts AEP's SEC filings as well as other filings and reports about WPCo. Except as provided in this prospectus, no other information contained on that website constitutes part of this prospectus.

Municipalization

West Virginia law authorizes municipalities to seek to acquire portions of an electric utility's electric distribution facilities through voluntary transactions. Under current West Virginia law, a municipality may not condemn a privately owned electric utility's distribution system, or any portion of it, to create or expand a municipal electric system. The Securitization Law specifies that CRR charges approved by a financing order shall be collected by a qualifying utility as well as its successors. In the servicing agreement, APCo and WPCo have each covenanted to assert in an appropriate forum that any municipality that acquires any portion of APCo's or WPCo's electric distribution facilities in the State of West Virginia by exercise of the power of condemnation, including upon the expiration of any franchise agreement applicable to APCo's or WPCo's operations in the State of West Virginia, must be treated as a successor to APCo or WPCo, as applicable, under the Securitization Law and the financing order and that customers in such municipality remain responsible for payment of CRR charges. However, the involved municipality might assert that it should not be treated as a successor to APCo or WPCo, as applicable, for these purposes and that its distribution customers are not responsible for payment of CRR charges. Please read "Risk Factors —Risks Associated with Potential Judicial, Legislative or Regulatory Actions—A municipal entity may seek to acquire portions of APCo's or WPCo's electric distribution facilities in the State of West Virginia and avoid payment of the CRR charges" in this prospectus.

Joint Ratemaking Process for APCo and WPCo

APCo and WPCo (together, the "**companies**"), currently maintain symmetrical rates throughout the West Virginia Commission-jurisdictional service territory with the exceptions of the companies' expanded net energy cost rates and APCo's existing consumer rate relief charges. While the two companies' rates are symmetrical, APCo's existing consumer rate relief charges are embedded within APCo's expanded net energy cost rates such that APCo's expanded net energy cost rates, combined with APCo's existing consumer rate relief charges are equal to WPCo's expanded net energy cost rates, which equal the total expanded net energy cost rates as reflected on Original Sheet No. 34 within the companies' tariff book.

When the companies propose to establish new rates or change existing rates, the companies combine underlying relevant West Virginia Commission-jurisdictional service territory data, including, among other things, cost of service and billing determinants, to produce comprehensive rates. The resulting comprehensive rates, along with a proposal to charge such updated rates to both APCo and WPCo customers, are then submitted to the West Virginia Commission for approval.

Servicing Experience

The CRR bonds are the first issuance of bonds APCo has sponsored in West Virginia that are secured by CRR property pursuant to the Securitization Law; however, APCo has sponsored an issuance of similar bonds in West Virginia under a law similar to the Securitization Law, referred to as the 2013 APCo CRR Bonds below. APCo also has prior experience as a servicer in the issuance of bonds similar to the CRR bonds as described below, but WPCo has no prior experience as a servicer. However, APCo's and WPCo's parent, AEP, through its subsidiaries, has prior experience as servicer in the issuance of bonds similar to the CRR bonds, including the issuance of the following:

(a) $1,375,500,000 aggregate principal amount of senior secured recovery bonds by Appalachian Power Recovery Funding LLC, a wholly owned special purpose subsidiary of APCo, issued on May 27, 2026, for the purpose of recovering certain securitized asset costs, where APCo, a subsidiary of AEP, acted as servicer (the "**2026 APCo Virginia Bonds**");

(b) $477,749,000 aggregate principal amount of senior secured recovery bonds by Kentucky Power Cost Recovery LLC, a wholly owned special purpose subsidiary of Kentucky Power Company ("**Kentucky Power**"), issued on June 12, 2025, for the purpose of recovering certain extraordinary costs, including recovery of deferred costs and retired generation costs, where Kentucky Power, a subsidiary of AEP, acted as servicer (the "**2025 Kentucky Power Bonds**");

(c) $336,700,000 aggregate principal amount of senior secured storm recovery bonds by SWEPCO Storm Recovery Funding LLC, a wholly owned special purpose subsidiary of Southwestern Electric Power Company ("**SWEPCO**"), issued on December 18, 2024, for the purpose of recovering certain storm recovery costs, including carrying charges, related to Hurricanes Laura and Delta and winter storm Uri, and funding a new storm recovery reserve account, where SWEPCO, a subsidiary of AEP, acted as servicer (the "**2024 SWEPCO Bonds**");

(d) $696,920,000 aggregate principal amount of ratepayer-backed bonds by The Oklahoma Development Finance Authority, a public trust and instrumentality of the State of Oklahoma, issued September 7, 2022, for the purpose of allowing Public Service Company of Oklahoma ("**PSO**") to recover certain costs it incurred as a result of winter storm Uri, where PSO, a subsidiary of AEP, acted as servicer (the "**2022 ODFA-PSO RBB Bonds**");

(e) $235,282,000 aggregate principal amount of senior secured system restoration bonds by AEP Texas Restoration Funding LLC, a wholly owned special purpose subsidiary of AEP Texas Inc. ("**AEP Texas**"), issued on September 18, 2019, for the purpose of allowing AEP Texas to recover certain distribution-related system restoration costs in its Central Division related to Hurricane Harvey and certain other weather-related events occurring after December 2008 but prior to Hurricane Harvey, where AEP Texas, a subsidiary of AEP, acted as the servicer (the "**2019 AEP Texas SRC Bonds**");

(f) $380,300,000 aggregate principal amount of senior secured consumer rate relief bonds by Appalachian Consumer Rate Relief Funding LLC, a wholly owned special purpose subsidiary of APCo, issued on November 15, 2013, for the purpose of allowing APCo to recover certain uncollected expanded net energy costs and associated financing costs, where APCo acted as the servicer (the "**2013 APCo CRR Bonds**");

(g) $267,408,000 aggregate principal amount of senior secured phase-in recovery bonds by Ohio Phase-In-Recovery Funding LLC, a wholly owned special purpose subsidiary of Ohio Power Company ("**OPCo**"), issued on August 1, 2013, for the purpose of allowing OPCo to recover certain uncollected previously approved phase-in costs and associated financing costs, where OPCo, a subsidiary of AEP, acted as the servicer (the "**2013 OPCo PIR Bonds**"); and

(h) $800,000,000 aggregate principal amount of senior secured transition bonds by AEP Texas Central Transition Funding III LLC, a wholly owned special purpose subsidiary of AEP Texas, issued on March 14, 2012, for the purpose of allowing AEP Texas's Central Division to recover certain costs

related to its transition-to-competition in the State of Texas, where AEP Texas, a subsidiary of AEP, acted as the servicer (the "**2012 AEP TCC Transition Bonds**" and together with the 2026 APCo Virginia Bonds, 2025 Kentucky Power Bonds, 2024 SWEPCO Bonds, 2022 ODFA-PSO RBB Bonds, the 2019 AEP Texas SRC Bonds, the 2013 APCo CRR Bonds, the 2013 OpCo PIR Bonds, the "**prior securitizations**").

The underlying structure of the prior securitizations is comparable to the underlying structure of the CRR bonds, with the exception of the use in 2022 of an issuing entity created by the State of Oklahoma rather than a special purpose wholly-owned subsidiary of the applicable AEP subsidiary. AEP's servicing obligations are substantially similar to its previous servicer experience identified above.

APCo's and WPCo's Retail Customer Base and Electric Energy Consumption

The following tables show electric revenue, average number of retail customers and electricity sales for each of APCo's and WPCo's West Virginia Commission-jurisdictional area CRR Revenue Groups for the five preceding years. There can be no assurances that the revenue, average number of retail customers and electricity sales, or the composition of any of the foregoing, will remain at or near the levels reflected in the following tables.

APCo Revenue by Revenue Group[1]

	2021	2022	2023	2024	2025
Residential	$ 682,190,730	$ 751,224,746	$ 713,277,745	$ 776,639,936	$ 819,336,860
Commercial	$ 309,015,513	$ 348,436,251	$ 346,454,031	$ 379,302,633	$ 391,726,124
Industrial	$ 276,134,298	$ 294,301,531	$ 313,380,879	$ 340,281,380	$ 349,893,088
Total[2]	$ 1,267,340,541	$ 1,393,962,528	$ 1,373,112,656	$ 1,496,223,950	$ 1,560,956,072

(1) Calculations based on APCo's West Virginia Commission-jurisdictional area customers.
(2) Totals may not add due to rounding.

WPCo Revenue by Revenue Group[1]

	2021	2022	2023	2024	2025
Residential	$ 57,101,172	$ 61,828,106	$ 60,131,807	$ 64,784,535	$ 67,939,503
Commercial	$ 38,785,579	$ 42,325,659	$ 43,087,160	$ 45,961,297	$ 47,594,666
Industrial	$ 223,220,009	$ 261,967,637	$ 272,078,072	$ 301,466,173	$ 307,982,815
Total[2]	$ 319,106,760	$ 366,121,401	$ 375,297,039	$ 412,212,005	$ 423,516,984

(1) Calculations based on WPCo's West Virginia Commission-jurisdictional area customers.
(2) Totals may not add due to rounding.

Combined Revenue by Revenue Group[1]

	2021	2022	2023	2024	2025
Residential	$ 739,291,902	$ 813,052,852	$ 773,409,552	$ 841,424,471	$ 887,276,363
Commercial	$ 347,801,092	$ 390,761,909	$ 389,541,192	$ 425,263,930	$ 439,320,790
Industrial	$ 499,354,307	$ 556,269,168	$ 585,458,951	$ 641,747,554	$ 657,875,903
Total[2]	$ 1,586,447,301	$ 1,760,083,929	$ 1,748,409,695	$ 1,908,435,955	$ 1,984,473,056

(1) Calculations based on both APCo's and WPCo's West Virginia Commission-jurisdictional area customers.
(2) Totals may not add due to rounding.

Average APCo Retail Customers by Revenue Group[1][2]

	2021	2022	2023	2024	2025
Residential	353,652	351,800	350,279	348,946	347,654
Commercial	65,897	66,134	66,282	66,285	66,229
Industrial	2,246	2,213	2,190	2,181	2,163
Total[3]	421,795	420,146	418,751	417,412	416,046

(1) Calculations based on APCo's West Virginia Commission-jurisdictional area customers.
(2) Calculated as the average of the end-of-month customer counts for the applicable period.
(3) Totals may not add due to rounding.

Average WPCo Retail Customers by Revenue Group[1][2]

	2021	2022	2023	2024	2025
Residential	34,889	34,707	34,561	34,392	34,202
Commercial	6,249	6,288	6,273	6,276	6,293
Industrial	410	426	433	440	443
Total[3]	41,548	41,421	41,267	41,108	40,937

(1) Calculations based on WPCo's West Virginia Commission-jurisdictional area customers.
(2) Calculated as the average of the end-of-month customer counts for the applicable period.
(3) Totals may not add due to rounding.

Average Combined Retail Customers by Revenue Group[1][2]

	2021	2022	2023	2024	2025
Residential	388,541	386,507	384,840	383,338	381,856
Commercial	72,147	72,422	72,555	72,561	72,522
Industrial	2,656	2,639	2,623	2,620	2,605
Total[3]	463,344	461,567	460,018	458,520	456,983

(1) Calculations based on both APCo's and WPCo's West Virginia Commission-jurisdictional area customers.
(2) Calculated as the average of the end-of-month customer counts for the applicable period.
(3) Totals may not add due to rounding.

Billed and Accrued kWh by Revenue Group (APCo)[1]

	2021	2022	2023	2024	2025
Residential	4,961,169,866	4,907,189,081	4,451,267,189	4,632,296,345	4,828,303,114
Commercial	3,078,505,584	3,117,252,260	2,951,394,330	3,074,673,317	3,079,234,662
Industrial	3,864,980,173	3,784,300,448	3,894,835,568	3,883,179,697	3,876,987,065
Total[2]	11,904,655,623	11,808,741,789	11,297,497,087	11,590,149,359	11,784,524,841

(1) Calculations based on APCo's West Virginia Commission-jurisdictional area customers.
(2) Totals may not add due to rounding.

Billed and Accrued kWh by Revenue Group (WPCo)[1]

	2021	2022	2023	2024	2025
Residential	398,798,841	387,426,908	360,995,617	372,161,850	385,795,722
Commercial	387,266,592	377,027,653	366,730,047	372,505,507	374,322,823
Industrial	3,868,411,702	4,053,870,494	4,071,941,830	4,213,677,920	4,084,632,618
Total[2]	4,654,477,135	4,818,325,055	4,799,667,494	4,958,345,277	4,844,751,163

(1) Calculations based on APCo's West Virginia Commission-jurisdictional area customers.
(2) Totals may not add due to rounding.

Billed and Accrued kWh by Revenue Group (Combined)[1]

	2021	2022	2023	2024	2025
Residential	5,359,968,707	5,294,615,989	4,812,262,806	5,004,458,195	5,214,098,836
Commercial	3,465,772,176	3,494,279,913	3,318,124,377	3,447,178,824	3,453,557,485
Industrial	7,733,391,875	7,838,170,942	7,966,777,398	8,096,857,617	7,961,619,683
Total[2]	16,559,132,758	16,627,066,844	16,097,164,581	16,548,494,636	16,629,276,004

(1) Calculations based on both APCo's and WPCo's West Virginia Commission-jurisdictional area customers.
(2) Totals may not add due to rounding.

Forecasting Electricity Consumption

Each of APCo and WPCo produces a base rate revenue forecast annually for planning purposes. These forecasts are inputs to earnings projections. Base rate revenues are defined as non-fuel revenues with rider revenues removed so that only the customer charge, MWh charges, MW charges, and other demand-related charges are included.

Each of APCo's and WPCo's base rate revenue forecast is developed by applying the consumption forecast for each customer class within each CRR Revenue Group, through the next budget year (typically only the first two years of the forecast horizon), to estimated price-consumption relationships. These price-consumption relationships are regression models that estimate class-level average base rate revenue realizations as a function of either monthly MWh consumption per customer (for the residential and commercial classes) or monthly MWh sales (for all other classes). But the functions may occasionally be nonlinear due to either the nature of on-peak/off-peak pricing structures or tariff price tiers. The functions are estimated based on monthly data taken from APCo's and WPCo's billing systems. Due to the combination of fixed and variable charges inherent in these revenues, these functions are generally downward sloping since the higher fixed charges make up less of the revenue collected as more energy is consumed. The final estimated functions maintain their estimated slopes but are shifted to ensure they pass through data since the most recent base rate case. Once these functions have been estimated, the projected monthly MWh sales from the consumption forecast are applied to arrive at the projected monthly base rate revenue value.

In producing a consumption forecast (an input into the base rate revenue forecast), each of APCo and WPCo employs regression analysis of customer end-use electricity demand. This method considers economic trends, changes in competing and complementary fuel prices and changes in appliance saturations, as well as changes in appliance efficiencies such as those mandated by legislation. Weather patterns are also accounted for in weather-sensitive classes. This method captures customer response to changes in the economic environment as well as trends in customer preferences. Peak demand forecasts are then generated using the consumption forecast as a basis.

The forecast cycle completed during the third quarter is typically adopted as the official budget for APCo or WPCo, as applicable. Each of APCo and WPCo monitors the accuracy of each forecast by conducting variance analysis on a monthly basis while taking into account weather impacts on MWh sales and other deviations from the forecast.

Annual Forecast Variance For Electricity Consumption (APCo)[1]

	Electricity Consumption (MWh)				
	2021	2022	2023	2024	2025
Residential					
Forecast	4,915,680	4,801,112	4,796,541	4,757,948	4,683,765
Actual	5,013,006	4,849,777	4,505,091	4,610,102	4,780,875
Variance	97,326	48,665	(291,450)	(147,846)	97,110
Variance (%)	1.98%	1.01%	-6.08%	-3.11%	2.07%
Commercial					
Forecast	3,107,055	3,078,706	3,205,978	3,120,906	2,990,029
Actual	3,114,520	3,079,695	2,983,710	3,055,011	3,068,754
Variance	7,465	989	(222,268)	(65,895)	78,725
Variance (%)	0.24%	0.03%	-6.93%	-2.11%	2.63%
Industrial					
Forecast	3,993,952	4,079,355	3,701,090	3,723,690	3,957,686
Actual	3,913,519	3,757,778	3,905,222	3,868,112	3,881,443
Variance	(80,433)	(321,577)	204,132	144,422	(76,243)
Variance (%)	-2.01%	-7.88%	5.52%	3.88%	-1.93%
Total					
Forecast	12,016,687	11,959,173	11,703,609	11,602,544	11,631,480
Actual	12,041,046	11,687,250	11,394,023	11,533,225	11,731,071
Variance	24,359	(271,923)	(309,586)	(69,319)	99,591
Variance (%)	0.20%	-2.27%	-2.65%	-0.60%	0.86%

(1) Forecast sales are temperature normal. Numbers not exact due to rounding. Calculations based on APCo's West Virginia Commission-jurisdictional area customers.

Annual Forecast Variance For Electricity Consumption (WPCo)[1]

	Electricity Consumption (MWh)				
	2021	2022	2023[2]	2024	2025
Residential					
Forecast	403,614	396,373	395,383	380,090	371,756
Actual	400,809	386,811	362,858	371,486	382,840
Variance	(2,805)	(9,562)	(32,525)	(8,604)	11,084
Variance (%)	-0.70%	-2.41%	-8.23%	-2.26%	2.98%
Commercial					
Forecast	386,975	383,451	385,207	370,299	373,070
Actual	388,726	376,507	368,306	371,642	373,168
Variance	1,751	(6,944)	(16,901)	1,343	98
Variance (%)	0.45%	-1.81%	-4.39%	0.36%	0.03%
Industrial					
Forecast	3,506,498	3,746,010	4,253,320	4,155,590	4,213,763
Actual	3,877,461	4,042,773	4,073,736	4,212,210	4,085,446
Variance	370,963	296,763	(179,584)	56,620	(128,317)
Variance (%)	10.58%	7.92%	-4.22%	1.36%	-3.05%
Total					
Forecast	4,297,087	4,525,834	5,033,910	4,905,979	4,958,589
Actual	4,666,995	4,806,090	4,804,901	4,955,338	4,841,454
Variance	369,908	280,256	(229,009)	49,359	(117,135)
Variance (%)	8.61%	6.19%	-4.55%	1.01%	-2.36%

(1) Forecast sales are temperature normal. Numbers not exact due to rounding. Calculations based on WPCo's West Virginia Commission-jurisdictional area customers.

(2) Variance for year 2023 was impacted due to a larger impact from weather events relative to other years.

Annual Forecast Variance For Electricity Consumption (Combined)[1]

	Electricity Consumption (MWh)				
	2021	2022	2023	2024	2025
Residential					
Forecast	5,319,294	5,197,485	5,191,924	5,138,038	5,055,521
Actual	5,413,815	5,236,587	4,867,948	4,981,589	5,163,715
Variance	94,521	39,102	(323,976)	(156,449)	108,194
Variance (%)	1.78%	0.75%	-6.24%	-3.04%	2.14%
Commercial					
Forecast	3,494,030	3,462,157	3,591,185	3,491,205	3,363,099
Actual	3,503,246	3,456,202	3,352,016	3,426,653	3,441,922
Variance	9,216	(5,955)	(239,169)	(64,552)	78,823
Variance (%)	0.26%	-0.17%	-6.66%	-1.85%	2.34%
Industrial					
Forecast	7,500,450	7,825,365	7,954,410	7,879,280	8,171,449
Actual	7,790,980	7,800,550	7,978,959	8,080,322	7,966,889
Variance	290,530	(24,815)	24,549	201,042	(204,560)
Variance (%)	3.87%	-0.32%	0.31%	2.55%	-2.50%
Total					
Forecast	16,313,774	16,485,007	16,737,519	16,508,523	16,590,069
Actual	16,708,041	16,493,340	16,198,923	16,488,564	16,572,525
Variance	394,267	8,333	(538,596)	(19,959)	(17,544)
Variance (%)	2.42%	0.05%	-3.22%	-0.12%	-0.11%

(1) Forecast sales are temperature normal. Numbers not exact due to rounding. Calculations based on both APCo's and WPCo's West Virginia Commission-jurisdictional area customers.

Credit Policy; Billing Process; Collections Process; Termination of Service

Each of APCo and WPCo bills its customers directly, and its current credit policies, billing process, and termination of service policies are described below. All information below pertains only to APCo's and WPCo's West Virginia Commission-jurisdictional area customers.

Credit Policy

In accordance with the West Virginia Commission's regulations, the servicers may require deposits from certain applicants for service of existing customers' accounts to protect it against losses. Deposits may be obtained from customers who cannot demonstrate credit worthiness.

Billing Process

Each of APCo and WPCo bills its customers once every month, and we expect that an approximately equal number of bills will be distributed each business day. Payments are generally due not later than 21 days after issuance of the related bill. If the due date falls on a holiday or weekend, the due date for payment purposes is the next business day. A bill not paid on or before the due date is considered delinquent. Based on qualifications, customers may be eligible for a budget billing plan. Failure to make timely payments while on any bill payment assistance plan allows a servicer to remove customers from that payment plan, begin account collection activities including the initiation of termination of service.

Collection Process

Each of APCo and WPCo historically received the majority of customer payments via electronic fund transfers the U.S. mail and paystations; however, other payment options such as credit/debit cards are also

available. APCo may change their collection policies and procedures, consistent with West Virginia Commission guidelines and the Financing Order, from time to time.

Write-off and Delinquencies

Gross Write-Offs as a Percentage of Revenues (APCo)[1]

The following table shows gross write-offs for electricity and gross write-offs as a percentage of revenue for the past five years for APCo's West Virginia Commission-jurisdictional area customers.

	Year ended December 31,				
	2021	2022	2023	2024	2025
Total Revenues	$1,270,526,773	$1,397,455,360	$1,376,793,824	$1,500,086,012	$1,564,838,118
Gross Write-Offs	$ 18,886,828	$ 14,402,275	$ 15,445,636	$ 16,711,592	$ 18,684,966
Percentage of Total Revenue	1.49%	1.03%	1.12%	1.11%	1.19%

(1) Calculations based on APCo's West Virginia Commission-jurisdictional area customers. Numbers not exact due to rounding. Amounts due from retail customers are considered delinquent if a retail customer has paid less than the full amount due by the due date.

Gross Write-Offs as a Percentage of Revenues (WPCo)[1]

The following table shows gross write-offs for electricity and gross write-offs as a percentage of revenue for the past five years for WPCo's West Virginia Commission-jurisdictional area customers.

	Year ended December 31,				
	2021	2022	2023	2024	2025
Total Revenues	$319,876,920	$366,953,786	$376,152,719	$413,082,461	$424,361,743
Gross Write-Offs	$ 1,154,378	$ 1,014,677	$ 1,177,314	$ 1,206,114	$ 1,289,433
Percentage of Total Revenue	0.36%	0.28%	0.31%	0.29%	0.30%

(1) Calculations based on WPCo's West Virginia Commission-jurisdictional area customers. Numbers not exact due to rounding. Amounts due from retail customers are considered delinquent if a retail customer has paid less than the full amount due by the due date.

Gross Write-Offs as a Percentage of Revenues (Combined)[1]

The following table shows gross write-offs for electricity and gross write-offs as a percentage of revenue for the past five years for both APCo's and WPCo's West Virginia Commission-jurisdictional area customers combined.

	Year ended December 31,				
	2021	2022	2023	2024	2025
Total Revenues	$1,590,403,693	$1,764,409,146	$1,752,946,543	$1,913,168,472	$1,989,199,861
Gross Write-Offs	$ 20,041,206	$ 15,416,953	$ 16,622,950	$ 17,917,706	$ 19,974,399
Percentage of Total Revenue	1.26%	0.87%	0.95%	0.94%	1.00%

(1) Calculations based on both APCo's and WPCo's West Virginia Commission-jurisdictional area customers. Numbers not exact due to rounding. Amounts due from retail customers are considered delinquent if a retail customer has paid less than the full amount due by the due date.

Net Write-Offs as a Percentage of Revenues (APCo)[1]

The following table shows, for its West Virginia Commission-jurisdictional area territories, total APCo net write-offs for electricity and total net write-offs as a percentage of revenue for the past five years. Net write-offs include amounts recovered by APCo from deposits, bankruptcy proceedings and payments received after an account has been either written-off by APCo or transferred to one of its external collection agencies.

	Year ended December 31,				
	2021	2022	2023	2024	2025
Total Revenues	$1,270,526,773	$1,397,455,360	$1,376,793,824	$1,500,086,012	$1,564,838,118
Net Write-Offs	$ 6,733,294	$ 5,069,013	$ 5,952,713	$ 6,427,784	$ 7,124,932
Percentage of Total Revenue	0.53%	0.36%	0.43%	0.43%	0.46%

(1) Calculations based on APCo's West Virginia Commission-jurisdictional area customers. Numbers not exact due to rounding.

Net Write-Offs as a Percentage of Revenues (WPCo)[1]

The following table shows, for its West Virginia Commission-jurisdictional area territories, total WPCo net write-offs for electricity and total net write-offs as a percentage of revenue for the past five years. Net write-offs include amounts recovered by WPCo from deposits, bankruptcy proceedings and payments received after an account has been either written-off by WPCo or transferred to one of its external collection agencies.

	Year ended December 31,				
	2021	2022	2023	2024	2025
Total Revenues	$319,876,920	$366,953,786	$376,152,719	$413,082,461	$424,361,743
Net Write-Offs	$ 429,473	$ 379,510	$ 471,079	$ 511,686	$ 531,656
Percentage of Total Revenue	0.13%	0.10%	0.13%	0.12%	0.13%

(1) Calculations based on WPCo's West Virginia Commission-jurisdictional area customers. Numbers not exact due to rounding.

Net Write-Offs as a Percentage of Revenues (Combined)[1]

The following table shows, for their combined West Virginia Commission-jurisdictional area territories, total APCo and WPCo net write-offs for electricity and total net write-offs as a percentage of combined revenue for the past five years. Net write-offs include amounts recovered by APCo and WPCo from deposits, bankruptcy proceedings and payments received after an account has been either written-off by APCo or WPCo or transferred to one of their respective external collection agencies.

	Year ended December 31,				
	2021	2022	2023	2024	2025
Total Revenues	$1,590,403,693	$1,764,409,146	$1,752,946,543	$1,913,168,472	$1,989,199,861
Net Write-Offs	$ 7,162,767	$ 5,448,523	$ 6,423,792	$ 6,939,470	$ 7,656,589
Percentage of Total Revenue	0.45%	0.31%	0.37%	0.36%	0.38%

(1) Calculations based on both APCo's and WPCo's West Virginia Commission-jurisdictional area customers. Numbers not exact due to rounding.

Delinquencies as a Percentage of Revenues (APCo)[1][2]

The following table sets forth information relating to the delinquency experience of APCo for residential, commercial, industrial and governmental West Virginia Commission-jurisdictional area customers for the past five years:

As of December 31,	2021	2022	2023	2024	2025
1 – 30 days past due	1.24%	1.09%	1.12%	1.00%	1.15%
31 – 60 days past due	0.19%	0.18%	0.19%	0.16%	0.50%
61 – 90 days past due	0.07%	0.06%	0.06%	0.05%	0.11%
90 + days past due	0.16%	0.13%	0.15%	0.11%	0.17%
Total	1.66%	1.46%	1.53%	1.31%	1.94%

(1) Calculations based on APCo's West Virginia Commission-jurisdictional area customers.
(2) Delinquencies are calculated based upon the past due amounts as of December 31 for each year as a percentage of total revenues for the relevant year. Totals may not add due to rounding.

APCo does not anticipate delinquency of CRR charge collections to materially differ from the approximated rates indicated above.

Delinquencies as a Percentage of Revenues (WPCo)[1][2]

The following table sets forth information relating to the delinquency experience of WPCo for residential, commercial, industrial and governmental West Virginia Commission-jurisdictional area customers for the past five years:

As of December 31,	2021	2022	2023	2024	2025
1 – 30 days past due	0.33%	0.33%	0.29%	0.26%	0.30%
31 – 60 days past due	0.06%	0.05%	0.04%	0.05%	0.04%
61 – 90 days past due	0.02%	0.02%	0.01%	0.01%	0.01%
90 + days past due	0.03%	0.03%	0.01%	0.01%	0.02%
Total	0.44%	0.43%	0.35%	0.33%	0.37%

(1) Calculations based on WPCo's West Virginia Commission-jurisdictional area customers.
(2) Delinquencies are calculated based upon the past due amounts as of December 31 for each year as a percentage of total revenues for the relevant year. Totals may not add due to rounding.

WPCo does not anticipate delinquency of CRR charge collections to materially differ from the approximated rates indicated above.

Delinquencies as a Percentage of Revenues (Combined)[1][2]

The following table sets forth information relating to the delinquency experience of both APCo and WPCo, combined, for residential, commercial, industrial and governmental West Virginia Commission-jurisdictional area customers for the past five years:

As of December 31,	2021	2022	2023	2024	2025
1 – 30 days past due	1.05%	0.93%	0.95%	0.84%	0.97%
31 – 60 days past due	0.17%	0.16%	0.16%	0.14%	0.41%
61 – 90 days past due	0.06%	0.05%	0.05%	0.04%	0.09%
90 + days past due	0.14%	0.11%	0.12%	0.09%	0.14%
Total	1.41%	1.25%	1.28%	1.10%	1.60%

(1) Calculations based on both APCo's and WPCo's West Virginia Commission-jurisdictional area customers.

(2) Delinquencies are calculated based upon the past due amounts as of December 31 for each year as a percentage of total revenues for the relevant year. Totals may not add due to rounding.

Average Days Sales Outstanding (APCo)

The following table sets forth information relating to APCo's average days sales outstanding for all of APCo's West Virginia Commission-jurisdictional area customers for the past five years. Days sales outstanding is a measure of the average number of days that APCo takes to collect its revenue. The average number of days for the collection from APCo customers of CRR charges relating to the CRR bonds is expected to be similar to APCo's revenue collection experience. The days sales outstanding numbers in the following table were generally calculated using a formula which we calculated as follows: on a billing cycle basis, the sum for all retail customers of the number of days between a bill being sent to a retail customer and such bill being paid multiplied by the amount of the bill paid by such retail customer, divided by the total amount paid by all retail customers for such billing cycle.

Year	Average Days Sales Outstanding*
2021	25.65
2022	25.02
2023	27.49
2024	23.91
2025	21.62

* Calculations based on APCo's West Virginia Commission-jurisdictional area customers. Numbers not exact due to rounding. Days Sales Outstanding excludes customers on deferred financing agreements/payment plans.

Average Days Sales Outstanding (WPCo)

The following table sets forth information relating to WPCo's average days sales outstanding for all of WPCo's West Virginia Commission-jurisdictional area customers for the past five years. Days sales outstanding is a measure of the average number of days that WPCo takes to collect its revenue. The average number of days for the collection from WPCo customers of CRR charges relating to the CRR bonds is expected to be similar to WPCo's revenue collection experience. The days sales outstanding numbers in the following table were generally calculated using a formula which we calculated as follows: on a billing cycle basis, the sum for all retail customers of the number of days between a bill being sent to a retail customer and such bill being paid multiplied by the amount of the bill paid by such retail customer, divided by the total amount paid by all retail customers for such billing cycle.

Year	Average Days Sales Outstanding*
2021	21.78
2022	20.93
2023	23.72
2024	24.43
2025	20.30

* Calculations based on WPCo's West Virginia Commission-jurisdictional area customers. Numbers not exact due to rounding. Days Sales Outstanding excludes customers on deferred financing agreements/payment plans.

Average Days Sales Outstanding (Combined)

The following table sets forth information relating to the combined average days sales outstanding for all of APCo's and WPCo's West Virginia Commission-jurisdictional area customers for the past five years. Days sales outstanding is a measure of the average number of days that APCo and WPCo, taken together, take to collect its revenue. The days sales outstanding numbers in the following table were generally calculated using a formula which we calculated as follows: on a billing cycle basis, the sum for all retail customers of the number of days between a bill being sent to a retail customer and such bill being paid multiplied by the amount of the bill paid by such retail customer, divided by the total amount paid by all retail customers for such billing cycle.

Year	Average Days Sales Outstanding[1]
2021	24.87
2022	24.17
2023	26.68
2024	24.02
2025	21.34

(1) Calculations based on both APCo's and WPCo's West Virginia Commission-jurisdictional area customers. Numbers not exact due to rounding. Days Sales Outstanding excludes customers on deferred financing agreements/payment plans.

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, THE ISSUING ENTITY

General

We are a limited liability company formed under the Delaware Limited Liability Company Act pursuant to a limited liability company agreement executed by our sole member, APCo, and the filing of a certificate of formation with the Secretary of the State of Delaware. The limited liability company agreement will be amended and restated prior to the issuance date, and all references in this prospectus to our limited liability company agreement mean our amended and restated limited liability company agreement. Our limited liability company agreement restricts us from engaging in activities other than those described in this section. We do not have any employees, but we will pay our member for out-of-pocket expenses incurred by the member in connection with its services to us in accordance with our limited liability company agreement and administration agreement. We have summarized selected provisions of our limited liability company agreement below, a copy of which will be filed as an exhibit to the registration statement of which this prospectus is a part. On the date of issuance of the CRR bonds, our capital will be equal to 0.50% of the principal amount of such CRR bonds issued or such other amount as may allow the CRR bonds to achieve the desired security rating and treat the CRR bond as debt under applicable guidance issued by the Internal Revenue Service, which we also refer to as the IRS.

As of the date of this prospectus, we have not carried on any business activities and have no operating history. Our fiscal year is the calendar year. Immediately following the issuance of the CRR bonds, our assets will include:

- the CRR property and all related CRR charges;
- our rights under the sale agreement and under the bill of sale delivered by APCo pursuant to the sale agreement;
- our rights under the servicing agreement, each intercreditor agreement, the administration agreement and any subservicing, agency, administration, intercreditor or collection agreements executed in connection with the servicing agreement, the intercreditor agreements or the administration agreement;
- the joint collection account, the payment account and all subaccounts of the payment account;
- all rights to compel the servicers to file for and obtain periodic adjustments to the CRR charges or allocations among the CRR Revenue Groups in accordance with the Securitization Law, the financing order, the CRRC Schedule and any CRRC Schedule adjustments filed in connection therewith;
- all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing;
- all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letters of credit, letters-of-credit rights, money, commercial tort claims and supporting obligations related to the foregoing; and
- all payments on or under and all proceeds in respect of any or all of the foregoing.

The indenture provides that the CRR property, as well as our other assets, other than any cash released to APCo by the trustee semi-annually as a return on its equity investment in us, will be pledged by us to the trustee to secure our obligations in respect of the CRR bonds. Pursuant to the indenture, the collected CRR charges remitted to the trustee by the servicers must be used to pay principal and interest on the CRR bonds and our other obligations specified in the indenture.

Our Purpose

We were created for the specific purposes of:

- purchasing, acquiring, owning, holding, administering, servicing and entering into agreements regarding the receipt and servicing of the CRR property and other CRR bond collateral and certain other related assets;

- managing, selling, assigning, pledging, collecting amounts due on, or otherwise dealing with, the CRR property and the other CRR bond collateral and related assets to be so acquired in accordance with the terms of the basic documents;
- negotiating, authorizing, executing, delivering and assuming our obligations under, and performing our duties under, the basic documents;
- filing with the SEC one or more registration statements under the Securities Act and filing such other documents necessary under applicable securities laws;
- authorizing, executing, delivering, issuing and registering the CRR bonds;
- making payments on the CRR bonds;
- pledging our interest in CRR property and other CRR bond collateral to the trustee under the indenture in order to secure the CRR bonds;
- distributing amounts released to our member, subject to any requirements in the basic document; and
- performing other activities that are incidental to, necessary, suitable or convenient to accomplish these purposes.

Our limited liability company agreement does not permit us to engage in any activities not directly related to these purposes, including issuing securities other than the CRR bonds, incurring indebtedness other than as contemplated by the basic documents (provided that we may incur ordinary-course obligations payable to service providers and trade creditors in connection with permitted activities) and borrowing money or making loans to other persons. The list of permitted activities set forth in our limited liability company agreement may not be altered, amended or repealed without the affirmative vote of a majority of our managers, including the affirmative vote of each independent manager.

Our Relationship with APCo

On the date of issuance of the CRR bonds, APCo will sell the CRR property to us pursuant to the sale agreement between us and APCo. Pursuant to the servicing agreement among us, APCo and WPCo, APCo will serve as the initial servicer of the CRR property with respect to APCo customers, and WPCo will serve as the initial subservicer of the CRR property with respect to WPCo customers. We will pay APCo fixed fees for performing these services. Pursuant to an administration agreement between us and APCo, APCo will provide administrative services to us, for which we will also pay APCo a fixed fee for performing these services.

Our Managers

Pursuant to our limited liability company agreement, our affairs will be managed by managers, whom we refer to in this prospectus as our "**managers**." APCo will appoint our managers from time to time or, in the event APCo transfers its interest in us, the new owner or owners will appoint our managers. Prior to the issuance of the CRR bonds, and thereafter at all times until the CRR bonds are paid in full we will have at least two independent managers, each of whom, among other things, is a natural person who is not and has not been for at least five years prior to the date of his or her appointment:

- a member, partner, equity holder, manager, director, officer or employee of us, APCo or any of our or APCo's equity holders or affiliates (other than as an independent director, independent manager or special member of us or an affiliate of ours that is required by a creditor to be a single purpose bankruptcy remote entity);
- a creditor, supplier or service provider (including provider of professional services) to us, APCo or any of their respective equity holders or affiliates, other than a nationally-recognized company that routinely provides professional independent managers or independent directors and other corporate services to us, APCo or any of its affiliates in the ordinary course of its business,

- a family member of any member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider, or
- a person who controls (whether directly, indirectly or otherwise) APCo or its affiliates or any member, partner, equity holder, manager, officer, employee, director, creditor, supplier or service provider described above;

except that the indirect or beneficial ownership of stock of APCo or its affiliates through a mutual fund or similar diversified investment vehicle with respect to which APCo does not have discretion or control over the investments held by such diversified investment vehicle shall not preclude such owner from being an independent manager.

The independent managers will also (a) have prior experience as an independent director, independent manager or independent member; (b) be employed by a nationally-recognized company that provides professional independent managers or independent directors and other corporate services in the ordinary course of business; and (c) be duly appointed as an independent manager. The managers (other than the independent managers) will be employees or officers of APCo or AEP. The managers will devote the time necessary to conduct our affairs.

Prior to the issuance of the CRR bonds, APCo, as our sole member, will appoint at least two independent managers.

None of our managers have been involved in any legal proceedings which are specified in Item 401(f) of the SEC's Regulation S-K.

The following is a list of our managers as of the date of this prospectus:

Name	Age	Background
Franz D. Messner	58	Assistant treasurer and manager of the issuing entity. Assistant treasurer of APCo and managing director of corporate finance of American Electric Power Service Corporation, a subsidiary of AEP (Service Corporation) since May 2016, and was director of corporate planning and budgeting prior to that. Assistant treasurer of certain other AEP system companies.

Manager Fees and Limitation on Liabilities

As of the date of this prospectus, we have not paid any compensation to any manager since the date we were formed. We will not compensate our managers, other than our independent managers, for their services performed on our behalf. The independent managers will be paid a manager's fee from our assets.

Our limited liability company agreement provides that to the extent permitted by law, our managers will not be liable for our debts, obligations or liabilities.

Under our limited liability company agreement, we indemnify our managers to the fullest extent permitted by law against expenses incurred by them in connection with an action, suit or proceeding if they acted in good faith and in a manner in which they reasonably believed to be in or not opposed to our best interests, except for such judgments, penalties, fines or other expenses that were directly caused by their fraud, gross negligence, willful misconduct, or in the case of an independent manager, bad faith.

We Are a Separate and Distinct Legal Entity from APCo

Under our limited liability company agreement, we may not file a voluntary bankruptcy petition or any other petition for relief under the Bankruptcy Code without prior unanimous consent of our managers (including

our independent managers). APCo has agreed that it will not cause us to file a voluntary bankruptcy petition or any other petition for relief under the Bankruptcy Code. Our limited liability company agreement requires us, except for financing reporting purposes and for federal and state income tax purposes, and, to the extent consistent with applicable state law, state income and franchise tax purposes, to maintain our existence separate from APCo, including:

- taking all steps necessary to continue our identity as a separate legal entity;
- making it apparent to third persons that we are an entity with assets and liabilities distinct from those of APCo, other affiliates of APCo, or any other person; and
- making it apparent to third persons that, except for federal and certain other tax purposes, we are not a division of APCo or any of its affiliates or any other person.

Our principal place of business is 200 Association Drive, 02, Charleston, West Virginia 25311, and our telephone number at such address is (614) 716-1522.

Administration Agreement

APCo will, pursuant to an administration agreement between APCo and us, provide administrative services to us, including services relating to the preparation of financial statements, required filings with the SEC, any tax returns we might be required to file under applicable law, qualifications to do business, and minutes of our managers' meetings. We will pay APCo a fixed fee of $50,000 per annum, payable by us in semi-annual installments of $25,000, which shall be prorated based on the fraction of a calendar year during which APCo provides any of the services set forth in the administration agreement, plus we will reimburse APCo for all costs and expenses for services performed by unaffiliated third parties and actually incurred by APCo in performing such services described above.

Intercreditor Agreements

APCo is a party to the APCo Receivables Purchase Agreement, under which APCo sells a portion of its accounts receivable to AEP Credit, an APCo affiliate, which in turn sells percentage interests in such receivables to financial institutions pursuant to the AEP Receivables Purchase Agreement. APCo has been appointed under the terms of the APCo Receivables Agency Agreement as an agent for AEP Credit and the Receivables Agent for purposes of collecting and servicing the APCo receivables sold under this arrangement. Although the CRR charges are not subject to such receivable financial arrangement, a portion of the CRR charges and accounts receivable are collected from some of the same customers of APCo and are expected to be collected for the foreseeable future under a single bill sent to those customers. The Receivables Agent for such receivables financing arrangement will, prior to the issuance of the CRR bonds, execute a joinder to the intercreditor agreement with AEP Credit, APCo, the WPCo issuing entity, U.S. Bank, National Association, as trustee for the WPCo issuing entity, us and the trustee. The intercreditor for such arrangement (as supplemented by such joinder) (the "**receivables intercreditor agreement**") will, among other things, provide that (a) the CRR charges are excluded from the assets sold under the receivables financing arrangement; (b) in the event the accounts receivable investors have the right to replace APCo as collection agent upon the occurrence of certain events, such investors will not replace APCo without the consent of the trustee (acting at the written direction of the holders of a majority in principal amount of the CRR bonds); and (c) in the event that the trustee (acting at the written direction of the holders of a majority in principal amount of the CRR bonds), has the right to replace APCo as servicer under the servicing agreement, the trustee (acting at the written direction of the holders of a majority in principal amount of the CRR bonds) will not replace APCo without the consent of the Receivables Agent for the accounts receivable investors.

APCo will also be a party to a separate intercreditor agreement (the "**CRR property intercreditor agreement**") that allocates the rights and responsibilities of APCo, WPCo, us, the WPCo issuing entity, the

trustee and the separate indenture trustee under the WPCo Bond issuance in respect of the joint collection account and other shared collateral. This includes the terms of decision making between APCo and WPCo as servicers on behalf of us and the issuing entity under the WPCo Bond issuance, transfers from the joint collection account to the payment account and such other issuing entity's individual payment account and the appointment of a control agent for the joint collection account by the trustee and such other indenture trustee. Transfers from the joint collection account will be made by the control agent, to the trustee, the WPCo indenture trustee or any other payee entitled to payment directly from the joint collection account under the indenture or the WPCo indenture, at the joint written direction of the servicers (or, if the servicers fail to agree or give conflicting instructions, at the written direction of APCo as servicer), and the control agent will be entitled to rely on the servicers' calculations and instructions without independent verification. If the funds on deposit in the joint collection account are insufficient to satisfy any payment required to be made directly from the joint collection account or the amounts owed in respect of the CRR bonds and the WPCo Bonds, the CRR property intercreditor agreement provides that any resulting shortfall will be borne by us and the WPCo issuing entity pro rata based on the principal amount of the CRR bonds and the WPCo Bonds then outstanding, regardless of which issuing entity's obligation gave rise to the payment. If, as a result of an error in the calculation or implementation of an APCo transfer amount or WPCo transfer amount, amounts are transferred from the joint collection account to a payment account in excess of the amount properly allocable to the applicable issuing entity, the servicers may instruct the applicable trustee to transfer the excess, solely to the extent of amounts then on deposit in the general subaccount of that payment account, back to the joint collection account for proper allocation and transfer in accordance with the CRR property intercreditor agreement and the applicable servicing agreement. The fees, expenses and indemnity amounts of the control agent will be allocated between us and the WPCo issuing entity in accordance with the APCo Proportion and the WPCo Proportion, except that any such amount solely attributable to one issuing entity or its bonds, servicer or trustee will be allocated solely to that issuing entity, in each case subject to the priorities and limitations of the applicable indenture. Please read "Description of the CRR Bonds—The Payment Account for the CRR Bonds" in this prospectus.

If APCo becomes a party to another future trade receivables purchase and sale arrangement or similar arrangement under which it sells all or any portion of its accounts receivables, or if APCo hereafter causes consumer rate relief property or other similar property to be created under a separate financing order and acts as servicer for such consumer rate relief property, or similar property, consisting of nonbypassable charges payable by APCo's customers comparable to those sold by the seller pursuant to the sale agreement, in connection with a separate issuance of bonds, APCo and the other parties to such arrangement shall enter into a joinder or amendment to the intercreditor agreement or into a separate intercreditor agreement in connection therewith, and the terms of the documentation evidencing such trade receivables purchase and sale arrangement or similar arrangement shall expressly exclude the CRR charges from any receivables or other assets pledged or sold under such arrangement and the rating agency condition shall be satisfied. Please read "Risk Factors—Servicing Risks—If we have to replace APCo or WPCo as a servicer, we may experience difficulties finding and using a replacement servicer" in this prospectus.

THE CRR CHARGES

APCo will be the initial servicer and will bill and collect the CRR charges from its customers, and WPCo will be the initial subservicer and will bill and collect the CRR charges from its customers. Beginning on the first day of the first billing cycle for each of APCo and WPCo that begins after the date we issue the CRR bonds (which issuance date shall not occur prior to the sixth business day after pricing of the CRR bonds), the initial CRR charges will be imposed on APCo's and WPCo's West Virginia Commission-jurisdictional area customers in each CRR Revenue Group at the applicable rate for the class determined pursuant to the financing order. These CRR charges may be adjusted annually, or more frequently under certain circumstances, by the servicers in accordance with their filings with the West Virginia Commission. Please read "The Financing Order" in this prospectus.

DESCRIPTION OF THE CRR BONDS

General

We have summarized selected provisions of the indenture and the CRR bonds below. This summary is subject to the terms and provisions of the indenture and the series supplement for the CRR bonds, forms of which we have filed with the SEC as an exhibit to the registration statement of which this prospectus forms a part. You should carefully read the summary below and the terms and provisions of the indenture that may be important to you before investing in the CRR bonds. Please read "Where You Can Find More Information" in this prospectus.

The CRR bonds are not a debt or a pledge of the faith and credit or taxing power of the State of West Virginia or of any county, municipality or any political subdivision. Bondholders have no right to have taxes levied by the State of West Virginia or the taxing authority of any county, municipality or any other political subdivisions for the payment of the principal of or interest on the CRR bonds. The issuance of the CRR bonds under the Securitization Law will not directly, indirectly or contingently obligate the State of West Virginia, or a county, municipality or any other political subdivision of the State of West Virginia to levy or to pledge any form of taxation for the CRR bonds or to make any appropriation for their payment.

We will issue the CRR bonds and secure their payment under an indenture that we will enter into with the trustee. We will issue the CRR bonds in a minimum denomination of $2,000 and in integral multiples of $1,000 in excess thereof, except that we may issue one bond of each tranche in a smaller denomination. The initial principal amount, scheduled final payment date, final maturity date and interest rate for the CRR bonds are stated in the table below. In no event shall the scheduled final payment date for the CRR bonds exceed approximately 33 years from the date of issuance of the CRR bonds. The final maturity date of each tranche is longer than the scheduled final payment date of each tranche of CRR bonds.

Tranche	Expected Weighted Average Life (Years)	Principal Amount Offered[1]	Scheduled Final Payment Date	Final Maturity Date	Interest Rate
A-1		$			%
A-2		$			%
A-3		$			%

(1) Preliminary subject to change.

The scheduled final payment date for each tranche of the CRR bonds is the date when the outstanding principal balance of that tranche will be reduced to zero if we make payments according to the expected sinking fund schedule for that tranche. The final maturity date for each tranche of the CRR bonds is the date when we are required to pay the entire remaining unpaid principal balance, if any, of all outstanding CRR bonds of that tranche. The failure to pay principal of any tranche of the CRR bonds by the final maturity date for that tranche is an event of default for the CRR bonds, but the failure to pay principal of any tranche of the CRR bonds by the respective scheduled final payment date will not be an event of default. Please read "Description of the CRR Bonds—Payments of Interest and Principal on the CRR Bonds" and "What Constitutes an Event of Default on the CRR Bonds" in this prospectus.

Payments of Interest and Principal on the CRR Bonds

Interest on each tranche of the CRR bonds will accrue on the principal balance of that tranche of CRR bonds at the interest rate indicated on the cover of this prospectus and in the table above on this page 82. Beginning , 20 , we will make payments on the CRR bonds semi-annually on and of each year, or, if that day is not a business day, the following business day (each, a "**payment date**"). Interest payments on the CRR bonds will be made from collections of the CRR charges, including amounts available in the excess funds subaccount and, if necessary, the amounts available in the capital subaccount.

On each payment date, we will pay interest on each tranche of the CRR bonds equal to the following amounts:

- any interest payable but unpaid on any prior payment date, together with interest on such unpaid interest, if any; and
- accrued interest on the principal balance of each tranche of the CRR bonds from the close of business on the preceding payment date (or with respect to the initial payment date, the date of the original issuance of the CRR bonds) after giving effect to all payments of principal made on the preceding payment date, if any.

We will pay interest on the CRR bonds before we pay principal on the CRR bonds.

The failure to pay accrued interest on the CRR bonds on any payment date (even if the failure is caused by a shortfall in CRR charges received) will result in an event of default of CRR bonds unless such failure is cured within five business days. If interest is not paid within that five-day period, we will pay such defaulted interest (plus interest on such defaulted interest at the applicable interest rate to the extent lawful) to the persons who are CRR bondholders on a special record date (as defined in the indenture). The special record date will be at least fifteen business days prior to the date on which the trustee is to make a special payment (a special payment date). We will fix any special record date and special payment date and, at least ten days before such special record date, we will send (or make available electronically) to each affected CRR bondholder a notice that states the special record date, the special payment date and the amount of defaulted interest (plus interest on such defaulted interest) to be paid. An event of default under any tranche of the CRR bonds will automatically trigger an event of default under the CRR bonds. See “What Constitutes an Event of Default on the CRR Bonds” below.

On any payment date with respect to any tranche of the CRR bonds, we generally will pay principal of a particular tranche of the CRR bonds only until the outstanding principal balance has been reduced to the principal balance specified for that payment date in the expected amortization schedule, but only to the extent funds are available. Accordingly, principal of the CRR bonds may be paid later, but not sooner, than reflected in the expected sinking fund schedule except in the case of an acceleration. Please read “Risk Factors—Other Risks Associated with an Investment in the CRR Bonds” and “Weighted Average Life and Yield Considerations for the CRR Bonds” in this prospectus.

The trustee will retain in the excess funds subaccount for payment on later payment dates any collections of CRR charges in excess of amounts payable as:

- fees, expenses and indemnities of the servicers (including the servicing fee), the independent manager and the trustee;
- payments of interest and principal in accordance with the expected sinking fund schedule on the CRR bonds;
- allocations to the capital subaccount; and
- investment earnings on amounts in the capital subaccount released to us.

If the trustee receives insufficient collections of CRR charges for the CRR bonds for any payment date, and amounts in the payment account (and the applicable subaccounts of the payment account) are not sufficient to make up the shortfall, principal of any tranche of the CRR bonds may be paid later than expected, as described in this prospectus. The failure to make a scheduled payment of principal on a tranche of the CRR bonds because there are not sufficient funds in the payment account does not constitute a default or an event of default under the indenture, except for the failure to make the payment of principal due upon the final maturity of that tranche of CRR bonds.

The trustee will pay on each payment date to the CRR bondholders to the extent of available funds in the payment account, all payments of principal and interest then due on such CRR bonds (other than special

payments as defined in the indenture). The trustee will make each such payment to the CRR bondholders, other than the final payment, on the applicable payment date. If the CRR bonds are ever issued in definitive certificated form, however, the final payment with respect to the CRR bonds will be made only upon presentation and surrender of such CRR bond at the office or agency of the trustee specified in the notice given by the trustee with respect to such final payment. The trustee will provide notice of the final payment to the CRR bondholders no later than five days prior to the final payment date, specifying that such final payment will be payable only upon presentation and surrender of such CRR bond and the place where such CRR bond may be presented and surrendered for payment.

The CRR bonds will originally be issued in book-entry form, and we do not expect that the CRR bonds will be issued in definitive certificated form. At the time, if any, we issue the CRR bonds in the form of definitive CRR bonds and not to The Depository Trust Company ("**DTC**") or its nominee, the trustee will make payments as described below under "Definitive Certificated CRR Bonds."

On each payment date, the amount to be paid as principal on a tranche of CRR bonds will equal without duplication:

- the unpaid principal amount due on any CRR bonds whose final maturity date is on that payment date, plus;
- the unpaid principal amount of CRR bonds due upon acceleration following an event of default, plus;
- the unpaid and previously scheduled payments of principal of any tranche of CRR bonds, plus;
- the principal scheduled to be paid on the CRR bonds on that payment date;

but only to the extent funds are available in the payment account (including all applicable subaccounts) after payment of certain of our fees and expenses and after payment of interest as described in the section above.

However, we will not pay principal of a tranche of the CRR bonds on any payment date if making the payment would reduce the principal balance of such tranche to an amount lower than the amount specified in the expected amortization schedule for such tranche on that payment date. Any excess funds remaining in the payment account after payment of principal, interest, applicable fees and expenses and payments to the applicable subaccounts of the payment account will be retained in the excess funds subaccount until applied on a subsequent payment date.

The entire unpaid principal amount of each tranche of the CRR bonds will be due and payable:

- on the final maturity date of that tranche; and
- if an event of default under the indenture occurs and is continuing and the trustee or the holders of a majority in principal amount of the CRR bonds have declared the CRR bonds to be immediately due and payable.

If there is a shortfall in the amounts available to make principal payments on a tranche of the CRR bonds that are due and payable at that tranche's final maturity date or upon an acceleration following an event of default under the indenture, the trustee will distribute principal from the payment account pro rata to each tranche of the CRR bonds based on the principal amount of each tranche then due and payable on the payment date; and if there is a shortfall in the remaining amounts available to make principal payments on the CRR bonds that are scheduled to be paid, and if more than one tranche is scheduled to be paid on such payment date, the trustee will distribute principal from the payment account sequentially in the numerical order of such tranches.

However, the nature of our business will result in payment of principal upon an acceleration of the CRR bonds being made only as funds become available. Please read "Risk Factors—Risks Associated with the Unusual Nature of the CRR Property" and "—You may experience material payment delays or incur a loss on your investment in the CRR bonds because the source of funds for payment is limited" in this prospectus.

If any special payment date or other date specified herein for distribution of any payments to CRR bondholders is not a business day, payments scheduled to be made on such special payment date or other date may be made on the next succeeding business day, and no interest will accrue upon such payment during the intervening period. "Business day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Charleston, West Virginia, New York, New York or Columbus, Ohio, are, or DTC or the corporate trust office of the trustee is, required or authorized by law or executive order to be closed.

Neither we nor APCo makes any representation or warranty that any amounts actually collected arising from CRR charges will in fact be sufficient to meet payment obligations on the CRR bonds or that assumptions made in calculating CRR charges will in fact be realized.

The expected amortization schedule below sets forth the principal balance that is scheduled to remain outstanding on each payment date for each tranche of the CRR bonds from the issuance date to the scheduled final payment date for that tranche. Similarly, the expected sinking fund schedule below sets forth the corresponding principal payment that is scheduled to be made on each payment date for each tranche of the CRR bonds from the issuance date to the scheduled final payment date for that tranche. In establishing these schedules, we have made the assumptions specified in the bullet points under the weighted average life sensitivity table below under "Weighted Average Life and Yield Considerations for the CRR Bonds," among other assumptions.

Expected Amortization Schedule[1]

Semi-Annual Payment Date	Tranche A-1 Principal Balance	Tranche A-2 Principal Balance	Tranche A-3 Principal Balance
Closing Date			

(1) Preliminary subject to change.

On each payment date, the trustee will make principal payments to the extent the principal balance of each tranche of the CRR bonds exceeds the amount indicated for that payment date in the table above and to the extent of funds available in the payment account after payment of certain of our fees and expenses and after payment of interest. If sufficient funds are available on each payment date, principal payments for each tranche of the CRR bonds will be in the amounts indicated for each payment date in the expected sinking fund schedule below plus any previously scheduled but unpaid principal.

Expected Sinking Fund Schedule[1]

Semi-Annual Payment Date	Tranche A-1 Principal	Tranche A-2 Principal	Tranche A-3 Principal
Total Payments			

(1) Preliminary subject to change.

We cannot assure you that principal payments will be made or that the principal balance of the CRR bonds will be reduced by the amounts indicated in the schedules above. Principal payments and the actual reduction in the principal balance of a tranche of the CRR bonds may occur more slowly. Principal payments and the actual reduction in the principal balance of a tranche of the CRR bonds will not occur more quickly than indicated in the above schedules, except that the total outstanding principal balance of and interest accrued on the CRR bonds may be accelerated upon an event of default under the indenture. The CRR bonds will not be in default if principal is not paid as specified in the schedules above unless the principal of any tranche of the CRR bonds is not paid in full on or before the final maturity date of that tranche.

Redemption of the CRR Bonds

There are no redemption rights associated with the CRR bonds.

CRR Bonds Will Be Issued in Book-Entry Form

The CRR bonds will be available to investors only in the form of book-entry CRR bonds. You may hold your bonds through DTC in the United States, Clearstream, or Euroclear in Europe. You may hold the CRR bonds directly with one of these systems if you are a participant in the system or indirectly through organizations that are participants.

The Role of DTC, Clearstream and Euroclear. Cede & Co., as nominee for DTC, will hold the global bond or bonds representing the CRR bonds. Clearstream and Euroclear will hold omnibus positions on behalf of the Clearstream customers and Euroclear participants, respectively, through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositaries. These depositaries will, in turn, hold these positions in customers' securities accounts in the depositaries' names on the books of DTC.

The Function of DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). The DTC Rules applicable to its participants are on file with the SEC. More information about DTC can be found at www.dtcc.com and www.dtc.org. The contents of such websites do not constitute a part of the registration statement of which this prospectus forms a part.

The Function of Clearstream. Clearstream is incorporated under the laws of Luxembourg. Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream customers through electronic book-entry changes in accounts of Clearstream customers, thereby eliminating the need for physical movement of securities. Transactions may be settled by Clearstream in any of various currencies, including United States dollars. Clearstream provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream also deals with domestic securities markets in various countries through established depositary and custodial relationships. Clearstream is registered as a bank in Luxembourg and therefore is subject to regulation by the Luxembourg Commission de Surveillance du Secteur Financier, which supervises Luxembourg banks. Clearstream's customers are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations, among others, and may include the underwriters of the CRR bonds. Clearstream's U.S. customers are limited to securities brokers and dealers and banks. Clearstream has customers located in various countries. Indirect access to Clearstream is also available to other institutions that clear through or maintain a custodial relationship with an account holder

of Clearstream. Clearstream has established an electronic bridge with Euroclear to facilitate settlement of trades between Clearstream and Euroclear.

The Function of Euroclear. The Euroclear System was created in 1968 in Brussels. Euroclear holds securities and book-entry interests in securities for Euroclear participants and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of securities and any risk from lack of simultaneous transfers of securities and cash. Such transactions may be settled in any of various currencies, including United States dollars. Euroclear includes various other services, including, among other things, safekeeping, administration, clearance and settlement, securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described below. Euroclear is operated by Euroclear Bank SA/NV. Euroclear participants include central banks and other banks, securities brokers and dealers and other professional financial intermediaries and may include the underwriters of the CRR bonds. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Terms and Conditions of Euroclear. Securities clearance accounts and cash accounts with Euroclear are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of Euroclear, and applicable Belgian law (collectively, the "**Terms and Conditions**"). These Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific securities to specific securities clearance accounts. Euroclear acts under the Terms and Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

The Rules for Transfers Among DTC, Clearstream or Euroclear Participants. Transfers between DTC participants will occur in accordance with DTC rules. Transfers between Clearstream customers or Euroclear participants will occur in the ordinary way in accordance with their applicable rules and operating procedures and will be settled using procedures applicable to conventional securities held in registered form.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream customers or Euroclear participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its depositary; however, those cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines, which will be based on European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depositary to take action to effect final settlement on its behalf by delivering or receiving CRR bonds in DTC and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream customers and Euroclear participants may not deliver instructions directly to Clearstream's and Euroclear's depositaries.

Because of time-zone differences, credits of securities in Clearstream or Euroclear as a result of a transaction with a participant will be made during the subsequent securities settlement processing, dated the business day following the DTC settlement date, and those credits or any transactions in those securities settled during that processing will be reported to the relevant Clearstream customer or Euroclear participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream customer or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

DTC Will Be the Holder of the CRR Bonds. CRR bondholders that are not Direct Participants or Indirect Participants but desire to purchase, sell or otherwise transfer ownership of, or other interest in, CRR bonds may do so only through Direct Participants and Indirect Participants. In addition, CRR bondholders will receive all distributions of principal of and interest on the CRR bonds from the trustee through the participants, who in turn will receive them from DTC. Under a book-entry format, CRR bondholders may experience some delay in their receipt of payments because payments will be remitted by the trustee to Cede & Co., as nominee for DTC. DTC will forward those payments to its Direct Participants, who thereafter will forward them to Indirect Participants or CRR bondholders. It is anticipated that the only "bondholder" will be Cede & Co., as nominee of DTC. The trustee will not recognize CRR bondholders as bondholders, as that term is used in the indenture, and CRR bondholders will be permitted to exercise the rights of bondholders only indirectly through the participants, who in turn will exercise the rights of CRR bondholders through DTC.

Under the rules, regulations and procedures creating and affecting DTC and its operations, DTC is required to make book-entry transfers of book-entry certificates among participants on whose behalf it acts with respect to the CRR bonds and is required to receive and transmit distributions of principal and interest on the CRR bonds. Direct Participants and Indirect Participants with whom CRR bondholders have accounts with respect to the CRR bonds similarly are required to make book-entry transfers and receive and transmit those payments on behalf of their respective CRR bondholders. Accordingly, although CRR bondholders will not possess CRR bonds, CRR bondholders will receive payments and will be able to transfer their interests.

Because DTC can act only on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of a CRR bondholder to pledge CRR bonds to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of those bonds, may be limited due to the lack of a physical certificate for those CRR bonds.

DTC has advised us that it will take any action permitted to be taken by a CRR bondholder under the indenture only at the direction of one or more participants to whose account with DTC the CRR bonds are credited. Additionally, DTC has advised us that it will take those actions with respect to specified percentages of the collateral amount only at the direction of and on behalf of participants whose holdings include interests that satisfy those specified percentages. DTC may take conflicting actions with respect to other interests to the extent that those actions are taken on behalf of participants whose holdings include those interests.

Except as required by law, none of any underwriter, the servicers, APCo, the trustee, us or any other party will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the certificates held by Cede & Co., as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

How CRR Bond Payments Will Be Credited by Clearstream and Euroclear. Distributions with respect to CRR bonds held through Clearstream or Euroclear will be credited to the cash accounts of Clearstream customers or Euroclear participants in accordance with the relevant system's rules and procedures, to the extent received by its depositary. Those distributions will be subject to tax reporting in accordance with relevant U.S. tax laws and regulations. Please read "Material U.S. Federal Income Tax Consequences" in this prospectus. Clearstream or the Euroclear operator, as the case may be, will take any other action permitted to be taken by a CRR bondholder under the indenture on behalf of a Clearstream customer or Euroclear participant only in accordance with its relevant rules and procedures and subject to its depositary's ability to effect those actions on its behalf through DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the CRR bonds among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform those procedures, and those procedures may be discontinued at any time.

Definitive Certificated CRR Bonds

The Circumstances That Will Result in the Issuance of Definitive Certificated CRR Bonds. The CRR bonds will be issued in fully registered, certificated form to beneficial owners of CRR bonds or other intermediaries, rather than to DTC or its nominee, only under the circumstances provided in the indenture, which includes any event where:

- we advise the trustee in writing that DTC is no longer willing or able to properly discharge its responsibilities under any letter of representation executed by us in favor of DTC, and we are unable to locate a qualified successor,
- we, at our option, advise the trustee in writing that we elect to terminate the book-entry system through DTC, or
- after the occurrence of an event of default under the indenture, CRR bondholders representing at least a majority of the outstanding principal balance of the CRR bonds maintained in book-entry form advise us, the trustee and DTC through the financial intermediaries and the DTC participants in writing that the continuation of a book-entry system through DTC, or a successor to DTC, is no longer in the CRR bondholders' best interest.

The Delivery of Definitive Certificated CRR Bonds. Upon the occurrence of any event described in the immediately preceding paragraph (unless otherwise specified), we will be required to notify DTC, the trustee, and all affected beneficial owners of CRR bonds in writing of the occurrence of the event and of the availability through DTC of definitive certificated CRR bonds to such owners of CRR bonds. Upon surrender by DTC to the trustee of the global bond or bonds in the possession of DTC that had represented the applicable CRR bonds and receipt of instructions for re-registration, the trustee will authenticate and deliver definitive certificated CRR bonds to the beneficial owners, and the trustee will recognize the holders of the definitive certificate CRR bonds as bondholders under the indenture.

The Payment Mechanism for Definitive Certificated CRR Bonds. Payments of principal of, and interest on, definitive certificated CRR bonds will be made by the trustee, as paying agent, in accordance with the procedures set forth in the indenture. These payments will be made directly to holders of definitive certificated CRR bonds in whose names the definitive certificated CRR bonds were registered at the close of business on the related record date. The trustee will make the final payment of the CRR bonds, however, only upon presentation and surrender of the CRR bonds at the office or agency of the trustee specified in the notice given by the trustee of the final payment. The trustee will provide notice of the final payment to the CRR bondholders no later than five days prior to the final payment date, specifying the date set for the final payment and the amount of the payment.

The Transfer or Exchange of Definitive Certificated CRR Bonds. Definitive certificated CRR bonds will be transferable and exchangeable at the offices of the transfer agent and registrar, which will initially be U.S. Bank Trust Company, National Association. No service charge will be imposed for any registration of transfer or exchange, but we and the transfer agent and registrar may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection with the transfer or exchange.

Registration and Transfer of the CRR Bonds

We will only issue the CRR bonds in definitive form under limited circumstances as described above, which will be transferable and exchangeable as described above under "Definitive Certificated CRR Bonds." There will be no service charge for any registration or transfer of the CRR bonds, but the trustee may require the owner to pay a sum sufficient to cover any tax or other governmental charge.

We will issue the CRR bonds in the minimum initial denominations and integral multiples set forth in this prospectus.

The trustee will make payments of interest and principal on each payment date to the CRR bondholders in whose names the CRR bonds were registered on the applicable record date.

The Security for the CRR Bonds

To secure the payment of principal, premium, if any, and interest on, and any other amounts owed in respect of, the CRR bonds pursuant to the indenture, we will grant to the trustee for the benefit of the CRR bondholders a security interest in all of our right, title and interest, whether now owned or later acquired, in and to the following collateral, which collectively constitutes the CRR bond collateral under the indenture:

- the CRR property;
- the CRR charges related to the CRR property;
- our rights under the sale agreement and the bill of sale delivered by APCo pursuant to the sale agreement;
- our rights under the servicing agreement, the administration agreement, each intercreditor agreement and any subservicing, agency, administration, other intercreditor or collection agreements executed in connection with the servicing agreement, the intercreditor agreements or the administration agreement;
- our rights in the joint collection account and the payment account and all subaccounts of each of the foregoing accounts, including the payment account's general subaccount, capital subaccount and the excess funds subaccount, and all cash, instruments, investment property or other assets on deposit therein or credited thereto from time to time and all financial assets and securities entitlements carried therein or credited thereto;
- all rights to compel the servicers to file for and obtain periodic adjustments to the CRR charges in accordance with the Securitization Law and the financing order;
- all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing, whether such claims, demands, causes and choses in action constitute CRR property, accounts, general intangibles, instruments, contract rights, chattel paper or proceeds of such items or any other form of property;
- all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letters of credit, letters-of-credit rights, money, commercial tort claims and supporting obligations related to the foregoing; and
- all payments on or under, and all proceeds in respect of, any or all of the foregoing.

The security interest does not extend to:

- return on invested capital on deposit with us that are required to be returned to APCo pursuant to the indenture;
- cash that has been released pursuant to the terms of the indenture;
- amounts deposited with us for payment of costs of issuance with respect to the CRR bonds (together with any interest earnings thereon); and
- proceeds from the sale of the CRR bonds that are required to pay (a) the purchase price for the CRR property and paid pursuant to the sale agreement or (b) upfront financing costs.

The Securitization Law provides that a valid and binding security interest in CRR property will attach and be perfected by the means set forth in § 24-2-4h(o) of the Securitization Law. Specifically, § 24-2-4h(o)(3) of the Securitization Law provides that a security interest in CRR property shall be created, valid and binding when all of the following have occurred: (a) a security agreement granting such security interest is executed and delivered;

and (b) value is received for such CRR bonds. Furthermore, § 24-2-4h(o)(4) of the Securitization Law also provides that a security interest in CRR property shall attach without any physical delivery of collateral or other act and, upon the filing of a financing statement with the Office of the Secretary of State of West Virginia, the lien of the security interest shall be valid, binding, and perfected against all parties having claims of any kind in tort, contract, or otherwise against the person granting the security interest, regardless of whether the parties have notice of the lien.

Upon perfection of a security interest by the filing of a financing statement under § 24-2-4h(o)(4) of the Securitization Law, the Secretary of State of West Virginia shall maintain such financing statement in the same manner that the Secretary of State of West Virginia maintains financing statements filed by transmitting utilities under the West Virginia Uniform Commercial Code.

The Payment Account for the CRR Bonds

Under the CRR property intercreditor agreement and the indenture, the securities intermediary will hold two accounts for the CRR bonds, the joint collection account and a payment account. The joint collection account is a single account held jointly by us and the WPCo issuing entity, into which the servicers will remit estimated CRR charge collections and all other amounts received in respect of the CRR bond collateral (and into which APCo and WPCo as servicers under the separate WPCo issuance will remit similar amounts under the WPCo indenture for such issuance). U.S. Bank National Association will hold the joint collection account for the benefit of U.S. Bank Trust Company, National Association as "control agent", on behalf of the trustee and such other WPCo indenture trustee. On or before each payment date and, to the extent funds are available, at such other times as ongoing financing costs become due and payable, the servicers will transfer, or will cause the control agent to transfer, in accordance with the CRR property intercreditor agreement, our allocable share of the funds then on deposit in the joint collection account—referred to as the APCo transfer amount—to the general subaccount of a segregated trust account in the name of the trustee with the securities intermediary or at another eligible institution, for the CRR bonds (such segregated trust account referred to herein as the "**payment account**"). Unless otherwise agreed between the servicers and the trustee, these transfers will be made on each business day, and the final transfer prior to each payment date will be made on the business day immediately preceding that payment date. The servicers may not transfer any APCo transfer amount to the payment account unless a corresponding WPCo transfer amount is transferred at the same time, and using the same calculation methodology, to the payment account for the WPCo Bonds.

The APCo transfer amount consists of the funds on deposit in the joint collection account relating to our interest in that account. As of any date of determination, our interest in the joint collection account is a percentage equal to (a) the interest and scheduled principal on the CRR bonds payable on the upcoming payment date and our ongoing financing costs payable on or prior to that payment date, divided by (b) the interest and scheduled principal on all of the CRR bonds and the WPCo Bonds payable on that payment date and all ongoing financing costs payable on or prior to that payment date. If, immediately prior to the final transfer from the joint collection account before a payment date, the funds on deposit in the joint collection account (together with the amounts then on deposit in the payment account) are insufficient to pay the interest and scheduled principal on the CRR bonds and our ongoing financing costs payable on that payment date, the APCo transfer amount for that final transfer will instead equal the total funds then on deposit in the joint collection account multiplied by the percentage that the outstanding principal amount of the CRR bonds represents of the aggregate outstanding principal amount of the CRR bonds and the WPCo Bonds. If the funds on deposit in the joint collection account are insufficient to satisfy any payment required to be made directly from the joint collection account or the amounts owed in respect of both the CRR bonds and the WPCo Bonds, the CRR property intercreditor agreement provides that any resulting shortfall will be borne by us and the WPCo issued entity pro rata based on the principal amount of the CRR bonds and the WPCo Bonds then outstanding. For a description of the manner in which transfers from the joint collection account are directed, please read "Appalachian Consumer Rate Relief Funding II LLC, The Issuing Entity—Intercreditor Agreements" in this prospectus.

The payment account will be under the sole dominion and exclusive control of the trustee. The payment account for the CRR bonds will be divided into the following subaccounts, which need not be separate bank accounts:

- the general subaccount;
- the capital subaccount; and
- the excess funds subaccount.

For administrative purposes, the subaccounts may be established by the securities intermediary as separate accounts that will be recognized individually as subaccounts and collectively as the payment account. Unless otherwise provided in the indenture, amounts in the payment account for the CRR bonds not allocated to any other subaccount by the servicers will be allocated to the general subaccount. Unless the context indicates otherwise, references in this prospectus to the payment account for the CRR bonds include all of the subaccounts contained therein. All monies deposited from time to time in the payment account, all deposits therein pursuant to the indenture, and all investments made in eligible investments with these monies will be held by the trustee in the payment account as part of the collateral. The following institutions are "eligible institutions" for the establishment of the payment account:

- the corporate trust department of the trustee or an affiliate thereof, so long as the trustee or such affiliate have (a) either a short-term deposit or issuer rating from Moody's of at least "P-1" or a long-term unsecured debt or issuer rating from Moody's of at least "A2"; and (b) a short-term deposit or issuer rating from S&P of at least "A-1" or a long-term unsecured debt or issuer rating from S&P of at least "A"; or
- a depository institution organized under the laws of the United States of America or any state (or any domestic branch of a foreign bank) (a) that has either (i) a long-term unsecured debt or issuer rating of "AA-" or higher by S&P and "A2" or higher by Moody's, or (ii) a short-term deposit, short-term (bank deposit) or issuer rating of "A-1" or higher by S&P and "P-1" or higher by Moody's; and (b) whose deposits are insured by the Federal Deposit Insurance Corporation;

provided, however, that if an eligible institution then being utilized for any purposes under the indenture or the series supplement no longer meets the definition of eligible institution, then the issuing entity shall replace such eligible institution within 60 days of such eligible institution no longer meeting the definition of eligible institution.

Appropriate Investments for Funds in the payment account. So long as no default or event of default has occurred and is continuing, all or a portion of the funds in the payment account for the CRR bonds must be invested by the trustee (in accordance with the written direction of the servicers) in any of the follow each of which is referred to as an eligible investment:

1. direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, the United States of America;
2. demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, or bankers' acceptances issued by, any depository institution (including, the trustee or any of its affiliates, acting in its commercial capacity) incorporated or organized under the laws of the United States of America or any state thereof, and subject to supervision and examination by U.S. federal or state banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit or contractual commitment, rated at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the CRR bonds;
3. commercial paper (including commercial paper of the trustee or any of its affiliates, acting in its commercial capacity, and other commercial paper issued by APCo, WPCo or any of their respective

affiliates), which, at the time of purchase is rated at least "A-1" or "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the CRR bonds;

4. investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the trustee or any of its affiliates is investment manager or advisor) from Moody's and S&P;

5. repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or its agencies or instrumentalities, entered into with eligible institutions (as described above);

6. repurchase obligations with respect to any security or whole loan entered into with an eligible institution or with a registered broker/dealer acting as principal and that meets certain ratings criteria: (a) a broker/dealer (acting as principal) registered as a broker or dealer under Section 15 of the Exchange Act, the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of entering into such repurchase obligations; or (b) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; or

7. any other investment permitted by each of the rating agencies.

Notwithstanding the foregoing: (a) no securities or investments that mature in 30 days or more will be eligible investments unless the issuer thereof has either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A1" from Moody's; (b) no securities or investments described in clauses "2." through "4." above which have maturities of more than 30 days but less than or equal to three months will be eligible investments unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (c) no securities or investments described in clauses "2." through "4." above which have maturities of more than three months will be eligible investments unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (d) no securities or investments described in clauses "2." through "4." above which have a maturity of 60 days or less will be eligible investments unless such securities have a rating from S&P of at least "A-1"; and (e) no securities or investments described in clauses "2." through "4." above which have a maturity of 365 days or less will be eligible investments unless such securities have a rating from S&P of at least "AA-", "A-1+" or "AAAm".

Remittances to the Joint Collection Account. On each remittance date, the servicers will remit all CRR charges estimated to have been collected, any indemnity amounts and any other proceeds of the CRR bond collateral securing the CRR bonds to the securities intermediary for deposit in the joint collection account. Indemnity amount means any amount paid by the servicers or APCo to the trustee, for the trustee or on behalf of the CRR bondholders, in respect of indemnification obligations pursuant to the servicing agreement or the sale agreement. Please read "The Servicing Agreement" and "The Sale Agreement" in this prospectus. To the extent that the combined amounts remitted by an APCo customer are insufficient to satisfy amounts owed in respect of consumer rate relief charges relating to the CRR bonds or any other bonds being serviced by the servicers or for electricity service (other than late fees), the remitted amounts will be allocated pro rata among such consumer rate relief charges and electricity charges. Please read "The Servicing Agreement—Remittances to Joint Collection Account" in this prospectus.

General Subaccount. Each APCo transfer amount transferred from the joint collection account will be deposited into the general subaccount upon receipt. In addition, at the written request of the servicers, the trustee

will pay from the payment account to the servicers, or transfer from the general subaccount to the joint collection account, any amounts required to be so paid or transferred under the servicing agreement in connection with the monthly reconciliation of estimated and actual CRR charge collections or under the CRR property intercreditor agreement to return to the joint collection account amounts transferred to the payment account in excess of the amount properly allocable to us as a result of an error in the calculation or implementation of an APCo transfer amount or WPCo transfer amount. Please read "The Servicing Agreement—Remittances to Joint Collection Account" and "Appalachian Consumer Rate Relief Funding II LLC, The Issuing Entity—Intercreditor Agreements" in this prospectus. On each payment date, the trustee will allocate amounts in the general subaccount among the other subaccounts as described under "How Funds in the Payment Account Will Be Allocated." Amounts in the general subaccount will be invested in the eligible investments described above in accordance with the written direction of the servicers.

Capital Subaccount. Prior to or concurrent with the issuance of the CRR bonds, APCo will make a capital contribution to us in an amount equal to 0.50% of the initial principal amount of the CRR bonds, and such payment shall not come from the proceeds of the sale of the CRR bonds. We will pay this amount to the trustee for deposit into the capital subaccount which will be invested in eligible investments by the trustee in accordance with the written direction of the servicers. The trustee will draw on amounts in the capital subaccount to the extent that, in allocating funds in accordance with clauses 1 through 9 in "How Funds in the Payment Account Will Be Allocated," below, amounts on deposit in the general subaccount and, the excess funds subaccount are insufficient to make scheduled payments on the CRR bonds and payments of fees and expenses specified in clauses 1 through 9. The trustee will allocate collected CRR charges available on any payment date that are not necessary to pay amounts described in clauses 1 through 9 in "How Funds in the Payment Account Will Be Allocated," below, to the capital subaccount in an amount sufficient to replenish any amounts drawn from the capital subaccount (other than distributed investment earnings on the capital subaccount) and any shortfall of investment earnings on the capital subaccount. On each payment date, any excess investment earnings on the capital subaccount above the allowed rate of return shall be allocated to the excess funds subaccount.

Excess Funds Subaccount. The trustee will allocate collected CRR charges available on any payment date that are not necessary to pay clauses 1 through 11 in "How Funds in the Payment Account Will Be Allocated," below, to the excess funds subaccount. The trustee will invest amounts in the excess funds subaccount in eligible investments in accordance with the written direction of the servicers. On each payment date, the trustee will draw on the excess funds subaccount in allocating funds in accordance with clauses 1 through 11 in "How Funds in the Payment Account Will Be Allocated," below, to the extent that amounts on deposit in the general subaccount are insufficient to make scheduled payments on the CRR bonds and payments of fees and expenses specified in clauses 1 through 11.

How Funds in the Payment Account Will Be Allocated

Amounts remitted by the servicers to the trustee with respect to the CRR bonds, including any amounts received by us relating to the indemnification obligations payable by the seller pursuant to the sale agreement or the servicers pursuant to the servicing agreement and all investment earnings on amounts in the general subaccount of the payment account will be deposited into the general subaccount. Investment earnings on amounts in the capital subaccount (other than excess investment earnings that are allocated to the excess funds subaccount) and the excess funds subaccount will be deposited into the capital subaccount and the excess funds subaccount, respectively.

On each payment date for the CRR bonds, the trustee shall apply all amounts on deposit in the payment account, including all investment earnings thereon, to pay the following amounts for the CRR bonds in the following priority:

1. payment of (a) all amounts owed by us to the trustee (including legal fees and expenses and outstanding indemnity amounts) and (b) all amounts owed by us to the control agent (including legal

fees and outstanding indemnity amounts); provided that the amounts in clauses (a) and (b) shall collectively not exceed $200,000 in any 12-month period; provided, however, that such cap shall be disregarded and inapplicable upon the acceleration of the CRR bonds following the occurrence of an event of default;

2. payment of the servicing fees relating to the CRR bonds with respect to such payment date, plus any unpaid servicing fees relating to the CRR bonds from prior payment dates;

3. payment of the due and unpaid administration fee, which will be a fixed amount specified in the administration agreement between us and APCo, and the due and unpaid fees of our independent managers, which will be in an amount specified in an agreement between us and our independent managers;

4. payment of all of our other ordinary and periodic operating expenses relating to the CRR bonds for such payment date, such as accounting and audit fees, rating agency fees, legal fees and certain costs of the servicers under the servicing agreement;

5. payment of the interest then due on the CRR bonds, including any past-due interest;

6. payment of the principal due to be paid on the CRR bonds on any final maturity date of a tranche or acceleration upon an event of default;

7. payment of the principal then scheduled to be paid on a tranche of the CRR bonds pursuant to the expected sinking fund schedule, including any previously unpaid scheduled principal;

8. payment of any unpaid fees, expenses and indemnity amounts owed to the trustee; and, to the extent allocable to the CRR bonds under the CRR property intercreditor agreement, the control agent, including any amounts owing to the trustee and the control agent but unpaid due to the $200,000 cap in clause 1 above, to the trustee and control agent pro rata;

9. payment of any of our unpaid operating expenses and any remaining amounts owed pursuant to the basic documents, pro rata to the parties to which such unpaid operating expenses are owed;

10. replenishment of the amount, if any, by which the required capital balance of the capital subaccount exceeds the amount in the capital subaccount as of such payment date;

11. the return on invested capital to APCo then due and payable;

12. allocation of the remainder, if any, to the excess funds subaccount for distribution on subsequent payment dates; and

13. after the CRR bonds have been paid in full and discharged, and all of the other foregoing amounts have been paid in full, the balance, together with all amounts in the capital subaccount and the excess funds subaccount, released to us free and clear of the lien of the indenture and series supplement, and credited (other than an amount equal to 0.50% of the initial principal amount of the CRR bonds) to customers through normal ratemaking processes consistent with the Financing Order.

The amount of the annual servicing fees referred to in clause 2 above shall be 0.10% of the aggregate initial principal amount of the CRR bonds. In the event of the appointment of a successor servicer that is not an affiliate of APCo or WPCo, the servicing fee shall not, unless the West Virginia Commission consents, exceed 0.25% of the initial aggregate principal amount of the CRR bonds. The amount of the annual administration fee referred to in clause 3 above shall be fixed at $50,000.

Interest means, for any payment date for any tranche of the CRR bonds, the sum, without duplication, of:

- an amount equal to the interest accrued on that tranche of CRR bonds at the applicable interest rate from the prior payment date or, with respect to the first payment date, the amount of interest accrued since the issuance date;

- any unpaid interest plus, to the fullest extent permitted by law, any interest accrued on this unpaid interest; and
- if the CRR bonds have been declared due and payable, all accrued and unpaid interest thereon.

Principal means, with respect to any payment date, the sum, without duplication, of:

- the amount of principal due as a result of the occurrence and continuance of an event of default and acceleration of the CRR bonds;
- the amount of principal of a tranche due on the applicable final maturity date of that tranche;
- any unpaid and previously scheduled payments of principal of any tranche and overdue payments of principal of such tranche(s); and
- the amount of principal of any tranche scheduled to be paid on such payment date in accordance with the expected sinking fund schedule.

If on any payment date, or for any amounts payable under clauses 1 through 4 above, on any business day, funds in the general subaccount are insufficient to make the allocations or payments contemplated by clauses 1 through 9 of the first paragraph of this subsection with respect to the CRR bonds, the trustee will draw from amounts on deposit in the following subaccounts in the following order up to the amount of the shortfall:

1. from the excess funds subaccount for allocations and payments contemplated in clauses 1 through 9, and
2. from the capital subaccount for allocations and payments contemplated by clauses 1 through 9.

How Funds in the Subaccounts Will Be Used Upon Repayment of the CRR Bonds

Upon the payment in full of all CRR bonds authorized in the financing order and the discharge of all obligations, including all financing costs and any fees, expenses and indemnity amounts due to any party, all remaining amounts in the payment account (including investment earnings) shall be released by the trustee to us for distribution to APCo. With regard to the remaining amounts in the payment account (excluding amounts in the capital subaccount and any unpaid return on invested capital due to APCo), APCo shall notify the West Virginia Commission of the amount of such funds available for crediting to the benefit of customers. With regard to the amounts in the capital subaccount of the payment account, all such funds shall be released to us for distribution to, and retention by, APCo. Until such funds are returned by us to APCo, APCo may earn a rate of return on its capital investment in us equal to the authorized pre-tax weighted average cost of capital established in APCo's then most recent base rate case. Such rate of return shall be paid by us by means of periodic distributions that are funded first by the income earned through investment by the trustee in eligible investments, and second by any deficiency being collected through the true-up adjustments.

Reports to CRR Bondholders

On or before each payment date, the trustee shall make available electronically on its reporting website to each of the CRR bondholders a statement provided and prepared by the servicers. This statement will include, to the extent applicable, the following information, as well as any other information so specified in the series supplement, as to the CRR bonds with respect to that payment date or the period since the previous payment date, as applicable:

- the amount of the payment to CRR bondholders allocable to principal;
- the amount of the payment to CRR bondholders allocable to interest;
- the aggregate outstanding principal amount of the CRR bonds, before and after giving effect to any payments allocated to principal reported above;

- the difference, if any between the aggregate outstanding amount specified immediately above and the outstanding amount specified in the amortization schedule;
- any other transfers and payments to be made on such payment date, including amounts paid to the trustee and to the servicers; and
- the amounts on deposit in the capital subaccount and the excess funds subaccount, after giving effect to the foregoing payments.

Please read "The Servicing Agreement—The Servicers Will Provide Assessments Concerning Compliance with the Servicing Agreement" in this prospectus.

Website Disclosures

We will, to the extent permitted by and consistent with our legal obligations under applicable law, cause to be posted on a website associated with APCo, currently located at www.aep.com, periodic reports containing to the extent such information is reasonably available to us:

- the final prospectus for the CRR bonds;
- statements of any remittances of CRR charges made to the trustee;
- a statement reporting the balance of the outstanding CRR bonds and the balances in the payment account and in each subaccount as of all payment dates and as of the end of the year;
- the semi-annual servicer's certificate as required to be submitted pursuant to the servicing agreement;
- the monthly servicer's certificate as required to be submitted pursuant to the servicing agreement;
- the text (or a link to the website where a reader can find the text) of each filing of a true-up adjustment and the results of each such filing;
- any change in the long-term or short-term credit ratings of the servicers assigned by the rating agencies;
- any material legislative enactment or regulatory order or rule directly relevant to the CRR bonds; and
- any reports and other information that we are required to file with the SEC under the Exchange Act.

Information contained on AEP's website or that can be accessed through the website is not incorporated into and does not constitute a part of this registration statement.

We and the Trustee May Modify the Indenture

Modifications of the Indenture That Do Not Require Consent of CRR Bondholders. Without the consent of any of the holders of the outstanding CRR bonds but with prior notice to the rating agencies, we and the trustee may execute a supplemental indenture for any of the following purposes:

- to correct or amplify the description of any property, including the collateral, at any time subject to the lien of the indenture or to better assure, convey and confirm unto the trustee the collateral, or to subject additional property to the lien of the indenture and the series supplement, or to subject to the lien of the indenture and the series supplement additional property;
- to evidence the succession, in compliance with the applicable provisions of the indenture, of another entity to us, and the assumption by any applicable successor of our covenants contained in the indenture and in the CRR bonds;
- to add to our covenants, for the benefit of the holders of the CRR bonds, or to surrender any right or power therein conferred upon us;

- to convey, transfer, assign, mortgage or pledge any property to or with the trustee;
- to cure any ambiguity or mistake, to correct or supplement any provision of the indenture or series supplement which may be inconsistent with any other provision of the indenture or series supplement, to make any other provisions with respect to matters or questions arising under the indenture or series supplement; provided, however, that:
  - this action shall not, as evidenced by an officer's certificate from us, adversely affect in any material respect the interests of any CRR bondholder; and
  - the rating agency condition shall have been satisfied with respect thereto;
- to evidence and provide for the acceptance of the appointment under the indenture by a successor trustee with respect to the CRR bonds and to add to or change any of the provisions of the indenture as shall be necessary to facilitate the administration of the CRR bond collateral under the indenture by more than one trustee, pursuant to the requirements specified in the indenture;
- to modify, eliminate or add to the provisions of the indenture to the extent necessary to effect the qualification of the indenture under the Trust Indenture Act and to add to the indenture any other provisions as may be expressly required by the Trust Indenture Act;
- to evidence the final terms of the CRR bonds in the series supplement;
- to qualify the CRR bonds for registration with a clearing agency;
- to satisfy any rating agency requirements;
- to make any amendment to the indenture or the CRR bonds relating to the transfer and legending of the CRR bonds to comply with applicable securities laws;
- to conform the text of the indenture or the CRR bonds to any provisions of the registration statement filed by us with the SEC with respect to the issuance of the CRR bonds to the extent that such provision was intended to be a verbatim recitation of a provision of the indenture of the CRR bonds; or
- to authorize the appointment of any fiduciary for the CRR bonds required or advisable with the listing on any stock exchange and otherwise amend the indenture to incorporate changes requested or required by any governmental authority, stock exchange authority or fiduciary of the CRR bonds in connection with such listing.

Additional Modifications to the Indenture That Do Not Require the Consent of CRR Bondholders. We and the trustee may also, without the consent of any of the CRR bondholders, execute one or more other agreements supplemental to the indenture as long as:

- the supplemental agreement does not, as evidenced by an opinion of counsel of nationally recognized counsel experienced in structured finance transactions, adversely affect in any material respect the interests of any CRR bondholder; and
- the rating agency condition shall have been satisfied with respect thereto.

Modifications That Require the Approval of the Commission. We and the trustee may execute a supplemental indenture that would increase the ongoing financing costs only with the consent of the Public Service Commission of West Virginia, such consent to be procured in accordance with the terms of the indenture.

Modifications to the Indenture That Require the Approval of the CRR Bondholders. We and the trustee also may, with the consent of the holders of a majority of the outstanding amount of the CRR bonds of each tranche to be adversely affected, execute a supplemental indenture to add any provisions to, or change in any manner or eliminate any of the provisions of, the indenture or modify in any manner the rights of the CRR bondholders

under the indenture. Under no circumstance may the supplemental indenture be modified without the consent of the holders of each CRR bond tranche affected thereby:

- change the date of payment of any installment of principal of or premium, if any, or interest on any CRR bond of such tranche, or reduce the principal amount thereof, the interest rate thereon or the premium, if any, with respect thereto;
- change the provisions of the indenture and the series supplement relating to the application of collections on, or the proceeds of the sale of, the CRR bond collateral to payment of principal of or premium, if any, or interest on the CRR bonds, or change any place of payment where, or the coin or currency in which, any CRR bond or any interest thereon is payable;
- reduce the percentage of the aggregate amount of the outstanding CRR bonds or of a tranche thereof, the consent of the CRR bondholders of which is required for any supplemental indenture, or the consent of the CRR bondholders of which is required for any waiver of compliance with those certain provisions of the indenture specified therein or of certain defaults specified therein and their consequences provided for in the indenture;
- reduce the percentage of the outstanding amount of the CRR bonds required to direct the trustee to direct us to sell or liquidate the collateral;
- modify any provision of the section of the indenture relating to the consent of CRR bondholders with respect to supplemental indentures or any provision of the other basic documents similarly specifying the rights of CRR bondholders to consent to modification thereof, except to increase any percentage specified therein or to provide that those provisions of the indenture or the basic documents specified in the indenture cannot be modified or waived without the consent of each outstanding CRR bondholder affected thereby;
- modify any of the provisions of the indenture in a manner as to affect the calculation of the amount of any payment of interest, principal or premium, if any, due on any CRR bond on any payment date (including the calculation of any of the individual components of such calculation) or change the expected sinking fund schedule or final maturity date of any tranche of the CRR bonds;
- decrease the required capital amount;
- permit the creation of any lien ranking prior to or on a parity with the lien of the indenture with respect to any of the collateral for the CRR bonds or, except as otherwise permitted or contemplated in the indenture, terminate the lien of the indenture on any property at any time subject thereto or deprive the holder of any CRR bond of the security provided by the lien of the indenture;
- cause any material adverse U.S. federal income tax consequence to us, APCo, the managers, the trustee or the then-existing CRR bondholders; or
- impair the right to institute suit for the enforcement of the provisions of the indenture regarding payment or application of funds.

Enforcement of the Sale Agreement, the Administration Agreement, the Servicing Agreement and the Intercreditor Agreements. The indenture provides that we will take all lawful actions to enforce our rights under the sale agreement, the administration agreement, the servicing agreement, each intercreditor agreement and the other basic documents to which it is a party. The indenture also provides that we will take all lawful actions to compel or secure the performance and observance by APCo, the administrator and the servicers of their respective obligations to us under or in connection with the sale agreement, the administration agreement, the servicing agreement, each intercreditor agreement and joinder and the other basic documents to which it is a party. So long as no event of default occurs and is continuing, we may exercise any and all rights, remedies, powers and privileges lawfully available to us under or in connection with the sale agreement, the administration agreement, the servicing agreement and each intercreditor agreement and joinder; provided that such action shall not adversely affect the interests of the CRR bondholders in any material respect. However, if we or the servicers propose to amend,

modify, waive, supplement, terminate or surrender in any material respect, or agree to any material amendment, modification, supplement, termination, waiver or surrender of, the process for adjusting the CRR charges, we must provide written notice to the trustee, and the trustee shall notify the CRR bondholders of such proposal. In addition, the trustee may consent to this proposal only with the written consent of the holders of a majority of the principal amount of the outstanding CRR bonds affected thereby and only if the rating agency condition is satisfied.

If an event of default occurs and is continuing, the trustee may, and, at the written direction of the holders of a majority of the outstanding amount of the CRR bonds affected thereby, shall exercise all of our rights, remedies, powers, privileges and claims against APCo, the administrator and servicers, under or in connection with the sale agreement, the servicing agreement, the administration agreement and each intercreditor agreement and joinder, and any right of ours to take this action shall be suspended.

Modifications to the Sale Agreement, the Administration Agreement, the Intercreditor Agreements and the Servicing Agreement. The sale agreement, the administration agreement, the intercreditor agreements and the servicing agreement, may be amended in accordance with the provisions thereof, so long as the rating agency condition is satisfied in connection therewith, at any time and from time to time, without the consent of the CRR bondholders if all conditions precedent for such amendment have been satisfied and if the amendment increases ongoing financing costs, satisfaction of the commission condition (as described in the indenture, the administration agreement, the sale agreement, or the servicing agreement, as applicable) as evidenced by an opinion of counsel. Notwithstanding the foregoing, the sale agreement, the administration agreement and the servicing agreement may be amended in accordance with the provisions thereof with ten business days' prior written notice given to the rating agencies and with the prior written consent of the trustee acting at the written direction of the joint majority holders (except that any amendment to the administration agreement or the sale agreement will not require the consent of the trustee), but without the consent any of the CRR bondholders, (a) to cure any ambiguity, to correct or supplement any provisions in the applicable agreement or for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions in such agreement or of modifying in any manner the rights of the CRR bondholders; provided, however, that such action shall not adversely affect in any material respect the interests of any holder; or (b) to conform the provisions of the applicable agreement to the description of such agreement in the prospectus. In the case of an amendment described in the preceding sentence, the issuing entity shall furnish copies of such amendment to the rating agencies promptly after execution thereof.

Notification of the Rating Agencies, the Trustee and the CRR Bondholders of any Modification.

If we, APCo, WPCo or the servicers or any other party to the applicable agreement:

- proposes to amend, modify, waive, supplement, terminate or surrender, or agree to any other amendment, modification, waiver, supplement, termination or surrender of, the terms of the sale agreement, the servicing agreement or any intercreditor agreement; or
- waives timely performance or observance by the Seller, APCo, WPCo, the administrator or any servicer under the sale agreement, any intercreditor agreement and joinder, the administration agreement or the servicing agreement,

in each case in a way which would materially and adversely affect the interests of CRR bondholders, we must first notify the rating agencies of the proposed action and must promptly notify the trustee, the paying agent (if not the trustee), the CRR Bond Registrar (if not the trustee) and the Commission, and the trustee shall notify the CRR bondholders on our behalf. The trustee will consent to this proposed amendment, modification, supplement or waiver only if the rating agency condition is satisfied and only with the written consent of the holders of a majority of the outstanding principal amount of the CRR bonds of the tranches materially and adversely affected thereby (provided that, in order to determine which CRR bondholders are materially and adversely affected, the trustee may rely upon an officer's certificate of the issuing entity.)

What Constitutes an Event of Default on the CRR Bonds

An event of default with respect to the CRR bonds is defined in the indenture as being:

1. a default in the payment of any interest on any CRR bond when the same becomes due and payable and the continuation of this default for five business days;

2. a default in the payment of the then unpaid principal of any CRR bonds of a tranche on the final maturity date for such tranche;

3. a default in the observance or performance of any of our covenants or agreements made in the indenture, other than those specifically dealt with in clause 1 or 2 above, or any of our representations or warranties made in the indenture or the series supplement or in any certificate or other writing delivered pursuant to the indenture or in connection with the indenture proving to have been incorrect in any material respect as of the time when made, and if such default continues or is not cured for a period of 30 days after the earlier of (a) written notice of the default is given to us by the trustee or to us and the trustee by the holders of at least 25% of the outstanding principal amount of the CRR bonds or (b) the date we have actual notice of the default;

4. any representation or warranty made by us in the indenture or the series supplement, or in any certificate or other writing delivered pursuant hereto or the series supplement or in connection therewith proving to have been incorrect in any material respect as of the time when the same shall have been made, and the circumstance or condition in respect of which such representation or warranty was incorrect shall not have been eliminated or otherwise cured, 30 days after the earlier of (a) the date that there shall have been given, by registered or certified mail, us by the trustee or to us and the trustee by the holders of CRR bonds representing at least 25 percent of the outstanding amount of the CRR bonds, a written notice specifying such incorrect representation or warranty and requiring it to be remedied and stating that such notice is a "Notice of Default" thereunder or (b) the date that we have actual knowledge of the default;

5. the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of us or any substantial part of the collateral in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of us or for any substantial part of the collateral, or ordering the winding-up or liquidation of our affairs, and such decree or order remains unstayed and in effect for a period of 90 consecutive days;

6. the commencement by us of a voluntary case under any applicable U.S. federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by us to the entry of an order for relief in an involuntary case or proceeding under any such law, or the consent by us to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of us for any substantial part of the collateral, or the making by us of any general assignment for the benefit of creditors, or the failure by us generally to pay our debts as such debts become due, or the taking of action by us in furtherance of any of the foregoing; or

7. any act or failure to act by the State of West Virginia or any of its agencies (including the West Virginia Commission), officers or employees that violates or is not in accordance with the pledge of the State of West Virginia in the Securitization Law. Please read "The Securitization Law" in this prospectus.

Remedies Available Following an Event of Default. If an event of default with respect to the CRR bonds, other than event number 7 above, occurs and is continuing, the trustee or holders holding not less than a majority in principal amount of the CRR bonds may declare the unpaid principal balance of CRR bonds, together with accrued interest, to be immediately due and payable. This declaration may, under the circumstances specified therein, be rescinded by the holders of a majority in principal amount of the CRR bonds. The nature of our business will result in payment of principal upon such a declaration being made as funds become available. Please read "Risk Factors—Risks Associated with the Unusual Nature of the CRR Property—Foreclosure of the

trustee's lien on the CRR property might not be practical, and acceleration of the CRR bonds before maturity might have little practical effect" and "—You may experience material payment delays or incur a loss on your investment in the CRR bonds because the source of funds for payment is limited" in this prospectus.

In addition to acceleration of the CRR bonds described above, the trustee may exercise one or more of the following remedies upon an event of default (other than event number 7 above):

1. the trustee may institute proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the CRR bonds or under the indenture with respect to the CRR bonds, whether by declaration of acceleration or otherwise, and, subject to the limitations on recovery set forth in the indenture, enforce any judgment obtained, and collect from us moneys adjudged due, upon the CRR bonds;

2. the trustee may institute proceedings from time to time for the complete or partial foreclosure of the indenture with respect to the collateral securing the CRR bonds;

3. the trustee may exercise any remedies of a secured party under the Uniform Commercial Code or the Securitization Law or any other applicable law and take any other appropriate action to protect and enforce the rights and remedies of the trustee and the CRR bondholders;

4. at the written direction of the holders of a majority in the principal amount of the CRR bonds, the trustee may either sell all or a portion of the collateral securing the CRR bonds or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by applicable law provided that certain conditions set forth in the indenture are met, or elect that we maintain possession of all or a portion of the collateral securing the CRR bonds pursuant to the terms of the indenture and continue to apply the CRR charges as if there had been no declaration of acceleration; and

5. the trustee may exercise all of our rights, remedies, powers, privileges and claims against the seller, administrator and the servicers under or in connection with the sale agreement, the administration agreement, the intercreditor agreements or the servicing agreement.

If event of default number 7 above occurs and is continuing, the trustee may to the extent allowed by applicable law institute or participate in proceedings necessary to compel performance of or to enforce the pledge of either the State of West Virginia or the West Virginia Commission and to collect any monetary damages incurred by the CRR bondholders or the trustee as a result of such event of default. This is the only remedy the trustee may exercise if this event of default has occurred.

When the Trustee Can Sell the Collateral. If the CRR bonds have been declared to be due and payable following an event of default, the trustee shall, at the written direction of the holders of a majority in principal amount of the CRR bonds, either:

- subject to the paragraph immediately below, sell the collateral securing the CRR bonds;
- elect to have us maintain possession of the collateral securing the CRR bonds; or
- take such other remedial action as the trustee, at the written direction of the holders of a majority in principal amount of the CRR bonds then outstanding and declared to have been due and payable, may direct and continue to apply distributions on the collateral securing the CRR bonds as if there had been no declaration of acceleration.

The trustee is prohibited from selling the collateral securing the CRR bonds following an event of default unless the final payment date of the CRR bonds has occurred or the CRR bonds have been declared due and payable and:

- the holders of 100% of the principal amount of the CRR bonds consent to the sale;

- the proceeds of the sale or liquidation are sufficient to pay in full the principal of and premium, if any, and accrued interest on the outstanding CRR bonds; or
- the trustee determines that funds provided by the collateral securing the CRR bonds would not be sufficient on an ongoing basis to make all payments on the CRR bonds as these payments would have become due if the CRR bonds had not been declared due and payable, and the trustee obtains the written consent of the holders of at least two-thirds of the aggregate outstanding principal amount of the CRR bonds.

Right of CRR Bondholders to Direct Proceedings. Subject to the provisions for indemnification and the limitations contained in the indenture, the holders of a majority in principal amount of the outstanding CRR bonds will have the right to direct the time, method and place of conducting any proceeding or any remedy available to the trustee or exercising any trust or power conferred on the trustee; provided that, among other things:

- this direction does not conflict with any rule of law or with the indenture or the series supplement and shall not involve the trustee in any personal liability or expense;
- any direction to the trustee to sell or liquidate any of the collateral securing the CRR bonds shall be by the holders of the CRR bonds representing not less than 100% of the outstanding CRR bonds; and
- so long as the conditions specified in the indenture have been satisfied and the trustee elects to retain the collateral securing the CRR bonds pursuant to the indenture and elects not to sell or liquidate that collateral, any direction to the trustee to sell or liquidate the collateral securing the CRR bonds or any portion thereof by the holders representing not less than 100% of the outstanding amount of the CRR bonds, shall be of no force and effect.

However, in case an event of default occurs and is continuing, the trustee will be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any of the holders of the CRR bonds if:

- the trustee may take any other action deemed proper by the trustee that is not inconsistent with this direction;
- it reasonably believes it will not be indemnified to its satisfaction against any cost, expense or liabilities; or
- it determines that this action might materially adversely affect the rights of any CRR bondholder not consenting to the action.

Waiver of Past Defaults. Prior to the declaration of acceleration of the maturity of the CRR bonds, the holders of a majority in principal amount of the CRR bonds of an affected tranche, together with the West Virginia Commission by written notice to the trustee, may, subject to certain conditions specified in the indenture, waive any default with respect to the CRR bonds. However, they may not waive a default in the payment of principal of or premium, if any, or interest on any of the CRR bonds or a default in respect of a covenant or provision of the indenture that cannot be modified without the waiver or consent of all of the holders of the outstanding CRR bonds.

Limitation of Proceedings. Under the indenture, no CRR bondholder will have the right to institute any proceeding, judicial or otherwise, or to avail itself of the right to foreclose on the CRR property or otherwise enforce the lien in the CRR property pursuant to the Securitization Law, unless:

- the holder previously has given to the trustee written notice of a continuing event of default;
- the holders of a majority in principal amount of the outstanding CRR bonds have made written request of the trustee to institute the proceeding in its own name as trustee;

- the holder or holders have offered the trustee indemnity satisfactory to the trustee against the costs, expenses and liabilities to be incurred in complying with the request;
- the trustee for 60 days after its receipt of the notice, request and offer of indemnity has failed to institute the proceeding; and
- no direction inconsistent with this written request has been given to the trustee during the 60-day period referred to above by the holders of a majority in principal amount of the outstanding CRR bonds.

In addition, each of the trustee, the CRR bondholders and the servicers will covenant that it will not, prior to the date that is one year and one day after the termination of the indenture, acquiesce, petition or otherwise invoke or cause us or any manager to invoke against us or against our managers or our member or members any bankruptcy, reorganization or other proceeding under any federal or state bankruptcy or similar law. By purchasing CRR bonds, each CRR bondholder will be deemed to have made this covenant.

Our Covenants

Consolidation, Merger or Sale of Assets. We will keep in effect our existence, rights and franchises as a limited liability company under Delaware law, provided that we may consolidate or merge with or into any other entity, or sell, exchange, transfer or otherwise dispose of any of our properties or assets included in the collateral securing the CRR bonds, if:

- the entity formed by or surviving the consolidation or merger, or that acquires our properties and assets, shall be an entity organized under the laws of the United States or any state thereof and expressly assumes by a supplemental indenture the performance of every agreement and covenant of the indenture and the series supplement on our part to be performed or observed and assume all of our obligations and succeeds to all of our rights under the sale agreement, the servicing agreement and each other basic document to which we are a party;
- immediately after giving effect to such transaction, no default or event of default by us, and no default by a servicer under the servicing agreement, will have occurred and be continuing;
- the rating agency condition will have been satisfied with respect to such transaction; and
- we have received an opinion of independent counsel to the effect that (a) the consolidation, merger or disposition, as applicable, will not result in a material adverse U.S. federal or state income tax consequence to us, APCo, the trustee or any CRR bondholder, (b) any action as is necessary to maintain the lien and the perfected security interest in the collateral securing the CRR bonds has been taken, and (c) the consolidation, merger or disposition, as applicable, complies with the indenture and series supplement and all conditions precedent therein provided relating to the consolidation, merger or disposition have been complied with.

Additional Covenants. We will from time to time execute and deliver all documents, make all filings and take any other action necessary or advisable to, among other things, maintain and preserve the lien of the indenture and the priority thereof. We will not, among other things:

- except as expressly permitted by the indenture, the series supplement, or other basic documents, sell, transfer, convey, exchange or otherwise dispose of any of our properties or assets, including those included in the collateral securing the CRR bonds unless in accordance with the indenture;
- claim any credit on, or make any deduction from the principal or premium, if any, or interest payable in respect of, the CRR bonds, other than amounts properly withheld from such payments under the Internal Revenue Code of 1986, the Treasury regulations promulgated thereunder or other tax laws, or assert any claim against any present or former CRR bondholder because of the payment of taxes levied or assessed upon any part of the collateral securing the CRR bonds;

- terminate our existence, dissolve or liquidate in whole or in part, except as otherwise permitted by the indenture;
- permit the validity or effectiveness of the indenture or other basic documents to be impaired or the lien of the indenture to be amended, hypothecated, subordinated, terminated or discharged;
- permit any person to be released from any covenants or obligations with respect to the CRR bonds under the indenture except as expressly permitted by the indenture;
- permit any lien, charge, claim, security interest, mortgage or other encumbrance, other than the lien of the indenture, to be created on or extend to or otherwise arise upon or burden the collateral or any part thereof or any interest therein or the proceeds thereof (other than tax liens arising by operation of law with respect to amounts not yet due);
- permit the lien of the indenture not to constitute a valid first priority perfected security interest in the collateral securing the CRR bonds;
- enter into any swap, hedge or similar financial instrument;
- elect to be classified as an association taxable as a corporation for U.S. federal income tax purposes or otherwise take any action, file any tax return, or make any election inconsistent with our treatment for purposes of U.S. federal income tax purposes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes, as a disregarded entity that is not separate from our sole owner;
- change our name, identity or structure or the location of our chief executive office or state of formation, unless, at least ten business days prior to the effective date of any such change, we deliver to the trustee, with copies to the rating agencies, such documents, instruments or agreements, executed by us, as are necessary to reflect such change and to continue the perfection of the security interest of the indenture;
- take any action which is the subject of a rating agency condition without satisfying the rating agency condition;
- except to the extent permitted by applicable law, voluntarily suspend or terminate our filing obligations with the SEC as described in the indenture; or
- issue or incur any debt obligations other than CRR bonds permitted by the indenture.

We may not engage in any business other than financing, purchasing, owning, administering, managing and servicing CRR property and the assets in the collateral securing the CRR bonds and the issuance of CRR bonds in the manner contemplated by the financing order and the indenture and other basic documents and activities incidental thereto.

We may not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any indebtedness except for the CRR bonds permitted by the indenture and any other indebtedness expressly permitted by or arising under the basic documents. Also, we may not guarantee or otherwise become contingently liable in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire, or agree contingently to acquire, any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person, except as otherwise contemplated by the indenture, the sale agreement, or the servicing agreement. We may not, except as contemplated by the indenture, the sale agreement, the servicing agreement and related documents (or as contemplated by an additional financing order issued by the West Virginia Commission to APCo), including our limited liability company agreement, make any loan or advance or credit to any person. We will not make any expenditure for capital assets or lease any capital asset other than the CRR property purchased from APCo pursuant to, and in accordance with, the sale agreement. We may not make any payments, distributions or dividends to any member in respect of its membership interest except in accordance with the indenture.

The servicers will deliver to the trustee the annual accountant's report, compliance certificates and reports regarding distributions and other statements required by the servicing agreement. Please read "The Servicing Agreement" in this prospectus.

Access to the List of CRR Bondholders

Any CRR bondholder, or group of CRR bondholders, owning at least ten percent of the outstanding amount of the CRR bonds may, by written request to the trustee, obtain access to the list of all CRR bondholders maintained by the trustee for the purpose of communicating with other CRR bondholders with respect to their rights under the indenture or the CRR bonds; provided, that the trustee gives prior written notice to us of such request.

We Must File an Annual Compliance Statement

We will deliver to the trustee, the West Virginia Commission and each rating agency not later than March 31 of each year (commencing with March 31, 20), an officer's certificate stating, as to the responsible officer signing such officer's certificate, that:

- a review of our activities during the preceding 12 months ended December 31, (or, in the case of the first such officer's certificate, since the issuance date) and of performance under the indenture has been made; and
- to the best of such responsible officer's knowledge, based on such review, we have in all material respects complied with all conditions and covenants under the indenture throughout such period, or, if there has been a default in the compliance of any such condition or covenant, specifying each such default known to the responsible officer and the nature and status thereof.

The Trustee Must Provide an Annual Report to All CRR Bondholders

If required by the Trust Indenture Act, the trustee will be required to make available electronically on its investor reporting website to all CRR bondholders a brief report. This report may state, in accordance with the requirements of the Trust Indenture Act, among other items:

- the trustee's eligibility and qualification to continue as the trustee under the indenture;
- any amounts advanced by it under the indenture;
- the amount, interest rate and maturity date of specific indebtedness owed by us to the trustee in the trustee's individual capacity;
- the property and funds physically held by the trustee; and
- any action taken by it that materially affects the CRR bonds and that has not been previously reported.

What Will Trigger Satisfaction and Discharge of the Indenture

The indenture will cease to be of further effect with respect to the CRR bonds, and the trustee, on our reasonable written demand and at our expense, will execute instruments acknowledging satisfaction and discharge of the indenture with respect to the CRR bonds, when:

- either all CRR bonds which have already been authenticated or delivered, with certain exceptions set forth in the indenture, have been delivered to the trustee for cancellation or either scheduled final payment date has occurred with respect to all CRR bonds that have not been delivered to the trustee for cancellation or the CRR bonds will be due and payable on their respective scheduled final payment dates within one year, and we have irrevocably deposited in trust with the trustee cash or U.S. government obligations specified in the indenture, in an amount sufficient to make payments of

principal of and premium, if any, and interest on the CRR bonds not theretofore delivered to the trustee for cancellation, ongoing financing costs and all other sums payable to us pursuant to the indenture with respect to the CRR bonds when scheduled to be paid and to discharge the entire indebtedness on those CRR bonds not previously delivered to the trustee when due;

- we have paid or caused to be paid all other sums payable by us under the indenture with respect to the CRR bonds; and
- we have delivered to the trustee an officer's certificate, an opinion of external counsel, and if required by the Trust Indenture Act or the trustee, a certificate from a firm of independent registered public accountants, each stating that there has been compliance with the conditions precedent in the indenture or relating to the satisfaction and discharge of the indenture with respect to the CRR bonds.

Our Legal Defeasance and Covenant Defeasance Options

We may, at any time, terminate:

- all of our obligations under the indenture with respect to the CRR bonds, referred to herein as the legal defeasance option; or
- our obligations to comply with some of the covenants in the indenture, including some of the covenants described under "Our Covenants," referred to herein as our covenant defeasance option.

The legal defeasance option is our right to terminate at any time our obligations under the indenture with respect to the CRR bonds. The covenant defeasance option is our right at any time to terminate our obligations to comply with some of the covenants in the indenture. We may exercise the legal defeasance option with respect to the CRR bonds notwithstanding our prior exercise of the covenant defeasance option. If we exercise the legal defeasance option, the CRR bonds will be entitled to payment only from the funds or other obligations set aside under the indenture for payment thereof on the scheduled final payment date therefor as described below. The CRR bonds will not be subject to payment through acceleration prior to the scheduled final payment date. If we exercise the covenant defeasance option, the final payment of the CRR bonds may not be accelerated because of an event of default relating to a default in the observance or performance of our covenants or as described in "What Constitutes an Event of Default on the CRR bonds" above.

We may exercise the legal defeasance option or the covenant defeasance option with respect to CRR bonds only if:

- we have irrevocably deposited or caused to be irrevocably deposited in trust with the trustee cash or U.S. government obligations specified in the indenture that through the scheduled payments of principal and interest in respect thereof in accordance with their terms are in an amount sufficient to pay principal, interest and premium, if any, on the CRR bonds not theretofore delivered to the trustee for cancellation and ongoing financing costs and all other sums payable under the indenture by us with respect to the CRR bonds when scheduled to be paid and to discharge the entire indebtedness on the CRR bonds when due;
- we deliver to the trustee a certificate from a nationally recognized firm of independent registered public accountants expressing its opinion that the payments of principal of and interest on the deposited U.S. government obligations when due and without reinvestment plus any cash deposited in the defeasance subaccount will provide cash at times and in sufficient amounts to pay in respect of the CRR bonds principal in accordance with the expected sinking fund schedule therefor, interest when due and all other ongoing financing costs and other sums payable by us under the indenture with respect to the CRR bonds;
- in the case of the legal defeasance option, 95 days pass after the deposit is made and during the 95-day period no default relating to events of our bankruptcy, insolvency, receivership or liquidation occurs and is continuing at the end of the period;

- no default has occurred and is continuing on the day of this deposit and after giving effect thereto;
- in the case of an exercise of the legal defeasance option, we shall have delivered to the trustee an opinion of external counsel stating that we have received from, or there has been published by, the Internal Revenue Service a ruling, or since the date of execution of the indenture, there has been a change in the applicable U.S. federal income tax law, and in either case confirming that the holders of the CRR bonds will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the legal defeasance had not occurred;
- in the case of an exercise of the covenant defeasance option, we shall have delivered to the trustee an opinion of external counsel to the effect that the holders of the CRR bonds will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the covenant defeasance had not occurred;
- we deliver to the trustee a certificate of one of our officers and an opinion of counsel, each stating that all conditions precedent to the legal defeasance option or the covenant defeasance option, as applicable, have been complied with as required by the indenture;
- we deliver to the trustee an opinion of external counsel to the effect that (a) in a case under the Bankruptcy Code in which APCo (or any of its affiliates, other than us) is the debtor, the court would hold that the deposited cash or U.S. government obligations would not be in the bankruptcy estate of APCo (or any of its affiliates, other than us, that deposited the moneys or U.S. government obligations); and (b) in the event APCo (or any of its affiliates, other than us, that deposited the moneys or U.S. government obligations), were to be a debtor in a case under the Bankruptcy Code, the court would not disregard the separate legal existence of APCo (or any of its affiliates, other than us, that deposited the moneys or U.S. government obligations) and us so as to order substantive consolidation under the Bankruptcy Code of our assets and liabilities with the assets and liabilities of APCo or such other affiliate; and
- each rating agency has notified us and the trustee that the exercise of the proposed defeasance option will not result in a downgrade or withdrawal of the then current rating of any then outstanding CRR bonds.

No Recourse to Others

No recourse may be taken directly or indirectly, by the holders of the CRR bonds with respect to our obligations, or the obligations of the trustee, on the CRR bonds or under the indenture or the series supplement or any certificate or other writing delivered in connection therewith, against (a) us, other than from the CRR bond collateral; (b) any owner of a membership interest in us (including APCo); (c) WPCo; or (d) any shareholder, partner, owner, beneficiary, agent, officer, director or employee of the trustee, the managers or any owner of a membership interest in us (including APCo) in its respective individual capacity, or of any successor or assign of any of them in their respective individual or corporate capacities, except as any such person may have expressly agreed in writing.

Notwithstanding any provision of the indenture or the series supplement to the contrary, bondholders shall look only to the CRR bond collateral with respect to any amounts due to the CRR bondholders under the indenture and the CRR bonds, and, in the event such CRR bond collateral is insufficient to pay in full the amounts owed on the CRR bonds, shall have no recourse against us in respect of such insufficiency. Each bondholder by accepting a CRR bond specifically confirms the nonrecourse nature of these obligations, and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the CRR bonds.

Governing Law

The indenture will be governed by the laws of the State of New York, provided that the creation, attachment and perfection of any liens created thereunder in the CRR property and all rights and remedies of the trustee, securities intermediary and the holders with respect to the CRR property shall be governed by the laws of the State of West Virginia.

THE TRUSTEE

U.S. Bank Trust Company, National Association, a national banking association ("**U.S. Bank Trust Co.**"), will be the trustee, and will act as the paying agent and registrar for the CRR bonds. U.S. Bank National Association ("**U.S. Bank N.A.**") made a strategic decision to reposition its corporate trust business by transferring substantially all of its corporate trust business to its affiliate, U.S. Bank Trust Co., a non-depository trust company (U.S. Bank N.A. and U.S. Bank Trust Co. are collectively referred to herein as "**U.S. Bank**"). Upon U.S. Bank Trust Co.'s succession to the business of U.S. Bank N.A., it became a wholly owned subsidiary of U.S. Bank N.A. The trustee will maintain the accounts of the issuing entity in the name of the trustee at U.S. Bank N.A.

U.S. Bancorp, with total assets exceeding $725 billion as of June 30, 2026, is the parent company of U.S. Bank, the fifth largest commercial bank in the United States. As of June 30, 2026, U.S. Bancorp operated over 2,000 branch offices in 26 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, and institutions.

U.S. Bank has one of the largest corporate trust businesses in the country with a network of more than 50 domestic offices and international locations in London, England; and Dublin, Ireland. The indenture will be administered from U.S. Bank's corporate trust office located at 190 South LaSalle Street, 7th Floor, Chicago, Illinois 60603.

U.S. Bank has provided corporate trust services since 1924. As of June 30, 2026, U.S. Bank was acting as trustee with respect to over 166,000 issuances of securities with an aggregate outstanding principal balance of over $7.2 trillion. This portfolio includes corporate and municipal bonds, mortgage-backed and asset-backed securities and collateralized debt obligations.

The trustee shall make each monthly statement available to the bondholders via the trustee's internet website at https://pivot.usbank.com. CRR bondholders with questions may direct them to the trustee's bondholder services group at (800) 934-6802.

U.S. Bank serves or has served as trustee, paying agent and registrar on several issues of utility rate-payer backed securities.

U.S. Bank N.A. and other large financial institutions have been sued in their capacity as trustee or successor trustee for certain residential mortgage backed securities ("**RMBS**") trusts. The complaints, primarily filed by investors or investor groups against U.S. Bank N.A. and similar institutions, allege the trustees caused losses to investors as a result of alleged failures by the sponsors, mortgage loan sellers and servicers to comply with the governing agreements for these RMBS trusts. Plaintiffs generally assert causes of action based upon the trustees' purported failures to enforce repurchase obligations of mortgage loan sellers for alleged breaches of representations and warranties, notify securityholders of purported events of default allegedly caused by breaches of servicing standards by mortgage loan servicers and abide by a heightened standard of care following alleged events of default.

U.S. Bank N.A. denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of losses to investors, that it has meritorious defenses, and it has contested and intends to continue contesting the plaintiffs' claims vigorously. However, U.S. Bank N.A. cannot assure you as to the outcome of any of the litigation, or the possible impact of these litigations on the trustee or the RMBS trusts.

On March 9, 2018, a law firm purporting to represent fifteen Delaware statutory trusts (the "**DSTs**") that issued securities backed by student loans (the "**Student Loans**") filed a lawsuit in the Delaware Court of

Chancery against U.S. Bank N.A. in its capacities as indenture trustee and successor special servicer, and three other institutions in their respective transaction capacities, with respect to the DSTs and the Student Loans. This lawsuit is captioned The National Collegiate Student Loan Master Trust I, et al. v. U.S. Bank National Association, et al., C.A. No. 2018-0167-JRS (Del. Ch.) (the "NCMSLT Action"). The complaint, as amended on June 15, 2018, alleged that the DSTs have been harmed as a result of purported misconduct or omissions by the defendants concerning administration of the trusts and special servicing of the Student Loans. Since the filing of the NCMSLT Action, certain Student Loan borrowers have made assertions against U.S. Bank N.A. concerning special servicing that appear to be based on certain allegations made on behalf of the DSTs in the NCMSLT Action.

U.S. Bank N.A. has filed a motion seeking dismissal of the operative complaint in its entirety with prejudice pursuant to Chancery Court Rules 12(b)(1) and 12(b)(6) or, in the alternative, a stay of the case while other prior filed disputes involving the DSTs and the Student Loans are litigated. On November 7, 2018, the Court ruled that the case should be stayed in its entirety pending resolution of the first-filed cases. On January 21, 2020, the Court entered an order consolidating for pretrial purposes the NCMSLT Action and three other lawsuits pending in the Delaware Court of Chancery concerning the DSTs and the Student Loans, which remains pending.

U.S. Bank N.A. denies liability in the NCMSLT Action and believes it has performed its obligations as indenture trustee and special servicer in good faith and in compliance in all material respects with the terms of the agreements governing the DSTs and that it has meritorious defenses. It has contested and intends to continue contesting the plaintiffs' claims vigorously.

While the legal proceedings discussed above involve certain affiliates of the trustee, none of such legal proceedings are material to the holders.

The trustee may resign at any time upon 30 days' prior written notice to us. The holders of a majority in principal amount of the CRR bonds then outstanding may remove the trustee upon 30 days' prior written notice to the trustee and may appoint a successor trustee. We will remove the trustee if the trustee ceases to be eligible to continue in this capacity under the indenture, the trustee becomes a debtor in a bankruptcy proceeding or is adjudicated insolvent, a receiver, other public officer takes charge of the trustee or its property, the trustee becomes incapable of acting or the trustee fails to provide to us certain information we reasonably request which is necessary for us to satisfy our reporting obligations under the securities laws. If the trustee resigns or is removed or a vacancy exists in the office of trustee for any reason, we will be obligated promptly to appoint a successor trustee eligible under the indenture and notice of such appointment is required to be promptly given to each rating agency by the successor trustee. No resignation or removal of the trustee will become effective until acceptance of the appointment by a successor trustee. We are responsible for payment of the expenses associated with any such removal or resignation.

The trustee will at all times satisfy the requirements of the Trust Indenture Act and Rule 3a-7 under the Investment Company Act and have a combined capital and surplus of at least $50 million and a long-term debt or issuer rating of "Baa3" or better by Moody's and "BBB-" or better by S&P. If the trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another entity, the resulting, surviving or transferee entity will without any further action be the successor trustee; provided, however, that if such successor trustee is not eligible under the indenture, the successor trustee will be replaced in accordance with the terms of the indenture. We and our affiliates may, from time to time, maintain various banking, investment banking and trust relationships with the trustee and its affiliates. Please read "The Sale Agreement" and "The Servicing Agreement" in this prospectus.

The trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided that its conduct does not constitute willful misconduct, negligence or bad faith. The trustee shall not be deemed to have notice or knowledge of any default or event of default (other than a payment default) unless a responsible officer of the trustee has actual knowledge thereof or

the trustee has received written notice thereof pursuant to the indenture. The trustee shall not be required to take any action it is directed to take under the indenture if the trustee determines in good faith that the action so directed is inconsistent with the indenture, any other basic document or applicable law, or would involve the trustee in personal liability. We have agreed to indemnify the trustee and its officers, directors, employees and agents against any and all loss, liability or expense (including reasonable attorney's fees and expenses, the fees of experts and agents and the reasonable fees, expenses and costs incurred in connection with any action, claim or suit brought to enforce the trustee's right to indemnification) incurred by it in connection with the administration of the trust and the performance of its duties under the indenture, the series supplement and other basic documents, provided that we are not required to pay any expense or indemnify against any loss, liability or expense incurred by the trustee through the trustee's own willful misconduct, negligence or bad faith, and in the case of the settlement of any action, proceeding or investigation, subject to the written consent of the issuing entity and certain other requirements.

We, APCo and our respective affiliates may from time to time enter into normal banking and trustee relationships with U.S. Bank Trust Company, National Association and its affiliates. No relationships currently exist or existed during the past two years between APCo, us and our respective affiliates, on the one hand, and U.S. Bank Trust Company, National Association and its affiliates, on the other hand, that would be outside the ordinary course of business or on terms other than would be obtained in an arm's length transaction with an unrelated third party.

WEIGHTED AVERAGE LIFE AND YIELD CONSIDERATIONS FOR THE CRR BONDS

The amount of principal payments, the amount of each interest payment and the actual final payment date of each tranche of the CRR bonds and the weighted average life thereof will depend primarily on the timing of receipt of collected CRR charges by the trustee and the true-up mechanism. The aggregate amount of collected CRR charges and the rate of principal amortization on the CRR bonds will depend, in part, on actual energy usage and energy demands, and the rate of delinquencies and write-offs. The CRR charges are required to be adjusted from time to time based in part on the actual rate of collected CRR charges. However, we can give no assurance that the servicers will be able to forecast accurately actual electricity usage and the rate of delinquencies and write-offs or implement adjustments to the CRR charges that will cause collected CRR charges to be received at any particular rate. Please read "Risk Factors—Servicing Risks," "Other Risks Associated with an Investment in the CRR Bonds" and "The Financing Order—True-Ups" in this prospectus.

If the servicers receive CRR charges at a slower rate than expected, the CRR bonds may be retired later than expected. Except in the event of the acceleration of the final payment date of the CRR bonds after an event of default, however, the CRR bonds will not be paid at a rate faster than that contemplated in the expected amortization schedule of the CRR bonds even if the receipt of collected CRR charges is accelerated. Instead, receipts in excess of the amounts necessary to amortize the CRR bonds in accordance with the applicable expected amortization schedules, to pay interest and related fees and expenses and to fund subaccounts of the payment account will be allocated to the excess funds subaccount. A payment on a date that is earlier than forecast might result in a shorter weighted average life, and a payment on a date that is later than forecast might result in a longer weighted average life. In addition, if a larger portion of the delayed payments on the CRR bonds is received in later years, the CRR bonds may have a longer weighted average life.

Weighted Average Life Sensitivity

Weighted average life refers to the average amount of time from the date of issuance of a security until each dollar of principal of the security has been repaid to the investor. The amount of principal payments on each tranche of the CRR bonds, the aggregate amount of each interest payment on each tranche of the CRR bonds and the actual final payment date of the CRR bonds will depend on the timing of the servicers' receipt of CRR charges from APCo's and WPCo's West Virginia Commission-jurisdictional area customers. Changes in the expected weighted average life of the CRR bonds in relation to variances in actual electricity consumption levels from forecast levels are shown below. Severe stress cases on electricity consumption result in very minor changes, if any, in the weighted average life.

The CRR bonds may be retired later than expected. Except in the event of an acceleration of the expected amortization schedule of the CRR bonds after an event of default, however, the CRR bonds will not be paid at a rate faster than that contemplated in the expected amortization schedule even if the receipt of CRR charges collections is accelerated. Instead, receipts in excess of the amounts necessary to amortize the CRR bonds in accordance with the expected amortization schedule, to pay interest, ongoing transaction costs and any other related fees and expenses, and to fund deficiencies in the capital subaccount of the payment account will be allocated to the excess funds subaccount. Amounts on deposit in the excess funds subaccount will be taken into consideration in calculating the next true-up adjustment. Acceleration of the CRR bonds after an event of default in accordance with the terms thereof may result in payment of principal earlier than the scheduled final payment date. A payment on a date that is earlier than forecast might result in a shorter weighted average life, and a payment on a date that is later than forecast might result in a longer weighted average life. In addition, if a larger portion of the delayed payments on the CRR bonds is received in later years, the CRR bonds may have a longer weighted average life.

		Weighted Average Life Sensitivity			
		-5% (Standard Deviations from Mean)		-15% (Standard Deviations from Mean)	
Tranche	Expected Weighted Average Life (Years)	WAL (Years)	Change (days)*	WAL (Years)	Change (days)*
A-1					
A-2					
A-3					

* Number is rounded to whole day.

There can be no assurance that the weighted average life of the CRR bonds will be as shown in the above table.

For the purposes of preparing the above chart, the following assumptions, among others, have been made: (a) in relation to the initial forecast, the forecast error stays constant over the life of the CRR bonds and is equal to an overestimate of electricity consumption of 5% (standard deviations from mean) or 15% (standard deviations from mean); (b) the servicers make timely and accurate filings to make a true-up adjustment to the CRR charges at least annually; (c) customer write-off rates are held constant at ; (d) customers remit all CRR charges days after such charges are billed; (e) ongoing financing costs are equal to projections; (f) a permanent loss of all customers has not occurred; (g) there is no acceleration of the final maturity date of the CRR bonds; and (h) the issuance date of the CRR bonds is , 20 . There can be no assurance that the weighted average life of the CRR bonds will be as shown.

ESTIMATED ANNUAL FEES AND EXPENSES

Estimated initial annual fees and expenses payable from the CRR charges are shown below. For the priorities in application of funds under the indenture and the series supplement, please refer to "Description of the CRR Bonds—How Funds in the Payment Account Will Be Allocated" in this prospectus.

As set forth in the table below, we are obligated to pay fees to the trustee, APCo, as a servicer, APCo, as administrator and our independent manager. We are also obligated to pay APCo an annual return on its invested capital. The following table illustrates these arrangements:

Recipient	Source of Payment	Estimated Fees and Expenses Payable
Trustee	CRR charges and investment earnings	$ per annum, plus certain additional expenses and indemnities, if applicable
Control agent	CRR charges and investment earnings	$ per annum, plus certain additional expenses
Servicer	CRR charges and investment earnings	$ per annum (so long as APCo is a servicer), payable in installments on each payment date, plus reimbursable expenses
Subservicer	CRR charges and investment earnings	$ per annum (so long as WPCo is a servicer), payable in installments on each payment date, plus reimbursable expenses
Administrator	CRR charges and investment earnings	$ per annum (so long as APCo is a servicer), payable in installments on each payment date, plus reimbursable expenses
Independent managers	CRR charges and investment earnings	$ per annum
APCo return on invested capital	CRR charges and investment earnings	Initially, $ per annum[(1)]

(1) APCo's return on invested capital is equal to the authorized pre-tax weighted average cost of capital established in its most recent base rate case.

If APCo or any of it or WPCo's affiliates is not a servicer, an amount agreed upon by the successor servicer and the trustee (acting at the written direction of the holders of a majority in principal amount of the CRR bonds), provided, that the fee will not, unless the West Virginia Commission consents, exceed 0.25% of the initial principal amount of the CRR bonds on an annualized basis.

The CRR charges will also be used by the trustee for the payment of our other financing costs and expenses relating to the CRR bonds, such as accounting and audit fees, rating agency fees and legal fees.

THE SALE AGREEMENT

The following summary describes particular material terms and provisions of the sale agreement pursuant to which we will purchase the CRR property from APCo. We have filed the form of the sale agreement with the SEC as an exhibit to the registration statement of which this prospectus forms a part, and we urge you to read such document in its entirety.

APCo's Sale and Assignment of the CRR Property

In connection with the issuance of the CRR bonds, APCo, as the seller, will offer and sell the CRR property to us pursuant to the terms and conditions of the sale agreement. The sale of the CRR property to us by APCo will be financed through the corresponding issuance of the CRR bonds. Pursuant to the sale agreement, APCo will sell, transfer, assign, set over and otherwise convey to us concurrently with the issuance and sale of the CRR bonds to the underwriters, without recourse, except as expressly provided therein, its rights, title and interests in and to the CRR property created or arising under the financing order. The CRR property will represent the property rights and interests of APCo under the financing order that are sold and transferred to us pursuant to the sale agreement and the related bill of sale, including the right to impose, charge and collect the CRR charges that will be used to pay and secure the payment of CRR bonds and financing costs authorized in the financing order, the right to obtain periodic adjustments to the CRR charges as provided in the financing order and any revenues, receipts, collections, rights to payment, payments, moneys, claims or other proceeds of or arising from the CRR charges as related to the CRR property, as the same may be adjusted from time to time. We will apply a portion of the net proceeds that we receive from the sale of the CRR bonds to the purchase of the CRR property.

As provided by the Securitization Law, our purchase of the CRR property from APCo will be pursuant to the sale agreement, which will expressly provide that such transfer is an absolute transfer and true sale, and is not a pledge of or secured transaction relating to APCo's right, title and interest in, to and under, the CRR property, and all title and ownership to the CRR property will pass to us. Under the Securitization Law, the characterization of the sale as an absolute transfer and true sale shall not be affected or impacted by an occurrence of any of the following:

- Commingling of CRR charges with other amounts occurs;
- APCo retains a partial or residual interest, including an equity interest, in the CRR property, whether direct or indirect, or whether subordinate or otherwise;
- APCo retains any right to recover costs associated with taxes, franchise fees or license fees imposed on the collection of CRR charges;
- any recourse we have against APCo;
- any indemnification rights, obligations or repurchase rights made or provided by APCo;
- the obligation of APCo to collect CRR charges on behalf of us;
- the treatment of the sale, assignment or transfer for tax, financial reporting or other purposes; or
- any application of the true-up adjustment mechanism under the financing order.

Under the Securitization Law, as of the effective date of a financing order, the CRR property is approved and, upon transfer of the CRR property to us and the pledge of the CRR property to the trustee pursuant to the indenture, the CRR property shall be created, and shall consist of (a) the property rights and interests of APCo or an assignee under the financing order, including the right to impose, charge and collect CRR charges authorized in the financing order and to obtain true-up adjustments to such charges as provided in the financing order, and (b) any revenues, receipts, collections, rights to payment, payments, moneys, claims or other proceeds arising from the rights and interests created under the financing order. The creation of CRR property is conditioned upon, and shall he simultaneous with, the sale or other transfer of the CRR property to us, and the issuance of the CRR bonds and the pledge of the CRR property to secure the CRR bonds.

Upon the issuance of a financing order, the execution and delivery of the related sale agreement and bill of sale and the filing of a financing statement under the Securitization Law, our purchase of the CRR property from APCo will be perfected as against all third persons, including subsequent judicial or other lien creditors.

If such sale, transfer, assignment, setting over and conveyance is held by any court of competent jurisdiction not to be a true sale as provided in Section 24-2-4h(p)(1) a of the Securitization Law, then such sale, assignment and transfer shall be treated as a pledge of the CRR property and as the creation of a security interest (within the meaning of the Securitization Law and the Uniform Commercial Code) in the CRR property and, without prejudice to the position that APCo has absolutely transferred all of the rights in the CRR property to us.

Our records and computer systems, and those of APCo, will reflect the sale and assignment of APCo's rights and interests under the financing order to us. However, we expect that the CRR bonds will be reflected as debt on APCo's financial statements. In addition, we anticipate that the CRR bonds will be treated as debt of APCo for federal income tax purposes. Please read "Material U.S. Federal Income Tax Consequences" in this prospectus.

Conditions to the Sale of the CRR Property

APCo's obligation to sell, and our obligation to purchase, the CRR property on the issuance date, are both subject to and conditioned upon the satisfaction or waiver of each of the following conditions:

- on or prior to the issuance date, APCo must deliver to us a duly executed bill of sale identifying the CRR property to be conveyed on that date;
- on or prior to the issuance date, APCo must receive the financing order creating the CRR property;
- as of the issuance date, APCo must not be insolvent and will not have been made insolvent by the sale of the CRR property, and APCo must not be aware of any pending insolvency with respect to itself;
- as of the issuance date, (a) the representations and warranties of APCo in the sale agreement must be true and correct with the same force and effect as if made on the closing date (except to the extent that they relate to an earlier date); (b) no breach by APCo of its covenants in the sale agreement shall exist; and (c) no default by the servicers shall have occurred and be continuing under the servicing agreement, as certified by APCo;
- as of the issuance date, (a) we must have sufficient funds available to pay the purchase price for the CRR property to be conveyed on such date; and (b) all conditions to the issuance of the CRR bonds intended to provide such funds set forth in the indenture must have been satisfied or waived;
- on or prior to the issuance date, APCo must have taken all action required to transfer ownership of the CRR property to us, free and clear of all liens other than liens created by us pursuant to the basic documents and to perfect such transfer, including, without limitation, filing any statements or making any filings pursuant to the Securitization Law or the Uniform Commercial Code; and we or the servicers, on our behalf, must have taken any action required for us to grant the trustee a first priority perfected security interest in the CRR bond collateral securing the CRR bonds and maintain such security interest as of the issuance date;
- APCo must deliver to each rating agency and to us any opinion of counsel requested by the ratings agencies;
- on and as of the issuance date, each of the basic documents must be in full force and effect;
- the CRR bonds must have received the rating or ratings required by the financing order;
- APCo must have received the purchase price in funds immediately available on the issuance date;
- the issuance advice letter must have been provided to the West Virginia Commission in accordance with the procedure set forth in the financing order, and the West Virginia Commission must not have issued a disapproval letter directing that the CRR bonds not be issued; and

- APCo must have delivered to the trustee and to us an officer's certificate confirming the satisfaction of each of these conditions.

APCo's Representations and Warranties

In the sale agreement, APCo, as seller, will make representations and warranties to us, as of the issuance date, to the effect, among other things, that:

- the seller is a corporation duly organized and validly existing and is in good standing under the laws of the Commonwealth of Virginia, with the requisite corporate or other power and authority to own its properties as such properties are owned on the issuance date and to conduct its business as such business is conducted by it on the issuance date, and has the requisite corporate or other power and authority to obtain the Financing Order and own the rights and interests under the Financing Order and to sell and assign those rights and interests to us;
- the seller is duly qualified to do business as a foreign corporation in West Virginia and is in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business require such qualifications, licenses or approvals (except where the failure to so qualify or obtain such licenses and approvals would not be reasonably likely to have a material adverse effect on the seller's business, operations, assets, revenues or properties);
- the seller has the requisite corporate or other power and authority to execute and deliver the sale agreement and to carry out its terms and the execution, delivery and performance of the sale agreement have been duly authorized by all necessary action on the part of the seller under its organizational or governing documents and laws;
- the sale agreement constitutes a legal, valid and binding obligation of the seller enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other laws relating to or affecting creditors' or secured parties' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law;
- the consummation by the seller of the transactions contemplated by the sale agreement and the fulfillment by the seller of the terms thereof do not:
  - conflict with or result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the seller's organizational documents, or any indenture or other agreement or instrument to which the seller is a party or by which it or any of its property is bound;
  - result in the creation or imposition of any lien upon any of the seller's properties pursuant to the terms of any such indenture, agreement or other instrument (other than any lien that may be granted in our favor or any lien created in favor of the trustee for the benefit of the CRR bondholders pursuant to the Securitization Law or any lien that may be granted under the basic documents); or
  - violate in any material respect any existing law or any existing order, rule or regulation applicable to the seller of any governmental authority having jurisdiction over the seller or its properties;
- subject to the clause below regarding assumptions used in calculating the CRR charges as of the issuance date, all written information, as amended or supplemented from time to time, provided by the seller to us with respect to the CRR property (including the expected amortization schedule, the financing order and the issuance advice letter relating to the CRR property) is true and correct in all material respects;

- there are no proceedings pending and, to the seller's knowledge, there are no proceedings threatened and, to the seller's knowledge, there are no investigations pending or threatened, before any governmental authority having jurisdiction over the seller or its properties involving or relating to the seller or us the or, to the seller's knowledge, any other person:
  - asserting the invalidity of the Securitization Law, the Financing Order, the sale agreement, any of the other basic documents or the CRR bonds;
  - seeking to prevent the issuance of the CRR bonds or the consummation of any of the transactions contemplated by the sale agreement or any of the other basic documents;
  - seeking any determination or ruling that could reasonably be expected to materially and adversely affect the performance by the seller of its obligations under, or the validity or enforceability of the Securitization Law, the Financing Order, the sale agreement, any of the other basic documents or the CRR bonds; or
  - seeking to adversely affect the federal income tax or state income or franchise tax classification of the CRR bonds as debt;
- no approval, authorization, consent, order or other action of, or filing with, any governmental authority is required in connection with the execution and delivery by the seller of the sale agreement, the performance by the seller of the transactions contemplated hereby or the fulfillment by the seller of the terms hereof, except (i) those that have been obtained or made, (ii) those that the seller, in its capacity as servicer under the servicing agreement, is required to make in the future pursuant to the servicing agreement, and (iii) Uniform Commercial Code financing statement filings under the Uniform Commercial Code and the Securitization Law;
- no portion of the CRR property has been sold, transferred, assigned or pledged or otherwise conveyed by the seller to any person other than us, and no security agreement, financing statement, or equivalent security or lien instrument listing the seller as debtor covering all or any part of the CRR property is on file or of record in any jurisdiction, except such as may have been filed, recorded or made in favor of us or the trustee in connection with the basic documents;
- the seller has not authorized the filing of and is not aware (after due inquiry) of any Uniform Commercial Code financing statement against it that includes a description of collateral including the CRR property other than:
  - any financing statement filed, recorded or made in favor of us or the trustee in connection with the basic documents; and
  - any financing statement being amended in connection with an intercreditor agreement to expressly exclude the CRR property from the description of collateral;
- the seller is not aware (after due inquiry) of any judgment or tax lien filings against either the seller or us;
- as of the issuance date, immediately prior to the sale of the CRR property pursuant to the sale agreement, the seller is the original and the sole owner of the CRR property free and clear of all liens and rights of any other person, and no offsets, defenses or counterclaims exist or have been asserted with respect thereto;
- on the issuance date, immediately upon the sale under the sale agreement, the CRR property shall be validly sold, transferred, assigned, set over and otherwise conveyed to us, and we will own the CRR property free and clear of all liens (except for liens created in favor of the trustee for the benefit of the CRR bondholders, granted under the indenture and perfected pursuant to the Securitization Law or any lien that may be granted under the basic documents) and all filings and actions to be made or taken by the seller (including, without limitation, filings with the Secretary of State of the State of West Virginia under the Securitization Law) necessary in any jurisdiction to give us a perfected ownership interest

(subject to any lien created in favor of the trustee, for the benefit of the CRR bondholders, pursuant to the indenture and perfected pursuant to the Securitization Law and any lien that may be granted under the basic documents) in the CRR property have been made or taken (and no further action is required to maintain such ownership interest, subject to any lien created in favor of the trustee for the benefit of the CRR bondholders pursuant to the indenture and perfected pursuant to the Securitization Law and any lien that may be granted under the basic documents, and to give the trustee a first priority perfected security interest int eh CRR property) and all filings and action to be made or taken to perfect the security interest in the CRR property granted by the seller to us (subject to any lien created by us in favor of the trustee for the benefit of the CRR bondholders pursuant to the indenture and perfected pursuant to the Securitization Law and any lien that may be granted under the basic documents) and, to the extent necessary, the trustee;

- on the issuance date, under the laws of the State of West Virginia and the United States in effect on such date:
  - the financing order pursuant to which the rights and interests of the seller, including the right of APCo and any successor to impose, charge and collect the CRR charges, and to which the CRR property transferred on such date have been created, is final and non-appealable and is in full force and effect;
  - as of the issuance of the CRR bonds, the CRR bonds are entitled to the protection of the Securitization Law and, accordingly, the financing order, the CRR charges and the issuance advice letter are not revocable by the West Virginia Commission;
  - as of the issuance of the CRR bonds, the CRRC Schedule has been filed and is in full force and effect and is not subject to modification by the West Virginia Commission except as provided under § 24-2-4h(k) of the Securitization Law;
  - the process by which the financing order creating the CRR property transferred on such date was adopted and approved, and the financing order, the CRRC Schedule and the issuance advice letter comply with all applicable laws, rules and regulations;
  - the issuance advice letter has been provided to the West Virginia Commission in accordance with the issuance advice letter procedure outlined in the financing order creating the CRR property transferred on such date and an officer of the seller has provided the certification to the West Virginia Commission required by the issuance advice letter; and
  - no other approval, authorization, consent, order or other action of, or filing with any governmental authority is required in connection with the creation of the CRR property transferred on such date, except those that have been obtained or made;
- under the laws of the State of West Virginia in effect on the issuance date, pursuant to § 24-2-4h(s)(1) of the Securitization Law, the State of West Virginia has pledged to and agrees with the CRR bondholders, assignees and financing parties under the financing order that the State of West Virginia will not take or permit any action that impairs the value of the CRR property under the financing order or revises the consumer rate relief costs for which recovery is authorized under the financing order, except as allowed under § 24-2-4h(k) of the Securitization Law, reduce, alter, or impair CRR charges that are imposed, charged, collected or remitted for the benefit of the CRR bondholders, assignees and financing parties under the financing order, until any principal, interest and redemption premium in respect of the CRR bonds, all financing costs and all amounts to be paid to any assignee or financing party under an ancillary agreement are paid or performed in full;
- under the contract clauses of the United States and West Virginia Constitutions, the state pledge constitutes a contractual relationship between the CRR bondholders and the State of West Virginia, and the State of West Virginia could not, absent a demonstration that such action was necessary to serve a significant and legitimate public purpose, repeal or amend the Securitization Law nor could the State of

West Virginia (or the Commission in exercising its legislative powers) take any action in contravention of the state pledge if the repeal or amendment, or the action, would substantially impair the value of the CRR property;

- Under the takings clauses of the United States and West Virginia Constitutions, the State of West Virginia could not repeal or amend the Securitization Law or take any other action in contravention of the State Pledge without paying just compensation to the bondholders, as determined by a court of competent jurisdiction, if doing so would constitute a permanent appropriation of a substantial property interest of the bondholders in the CRR property or substantially impair the value of the CRR property so as to unduly interfere with the reasonable expectations of the bondholders arising from their investments in the CRR bonds; there is no assurance, however, that, even if a court were to award just compensation, it would be sufficient to pay the full amount of principal and interest on the CRR bonds;
- as of the issuance date, based upon the information available to the seller on such date, the assumptions used in calculating the CRR charges are reasonable and are made in good faith; however, notwithstanding the foregoing, the seller makes no representation or warranty, express or implied, that amounts actually collected arising from those CRR charges will in fact be sufficient to meet the payment obligations on the related CRR bonds or that the assumptions used in calculating such CRR charges will in fact be realized;
- upon the effectiveness of the financing order, the completion of the issuance advice letter procedure, the transfer of the CRR property pursuant to the sale agreement and the pledge of the CRR property to the trustee pursuant to the indenture:
  - the rights and interests of the seller under the financing order, including the right of APCo and any successor to impose, charge and collect the CRR charges authorized in the financing order, become "consumer rate relief property" as defined in § 24-2-4h(b)(9) of the Securitization Law;
  - the CRR property constitutes an existing, present property right vested in us;
  - the CRR property includes (a) the property, rights and interests of the seller or an assignee in the financing order, including the right of APCo or an assignee and any successor to impose, charge and collect CRR charges from customers, and including the right to obtain true-up adjustments, and any revenues, receipts, collections, rights to payment, payments, moneys, claims or other proceeds arising from rights and interests created under the financing order, and (b) the right of APCo and any successor to impose, charge and collect periodic adjustments (with respect to adjustments, in the manner and with the effect provided in the servicing agreement) of such CRR charges, and the rates and other charges authorized by the financing order and any revenues, receipts, collections, claims, payments, moneys or proceeds of or arising from the CRR charges;
  - the owner of the CRR property is legally entitled to bill CRR charges and collect payments in respect of the CRR charges in the aggregate sufficient to pay the interest on and principal of the CRR bonds in accordance with the indenture, to pay upfront financing costs, the fees and expenses of servicing the CRR bonds and other ongoing financing costs, to replenish the capital subaccount to the required capital level until the CRR bonds are paid in full; and
  - the CRR property will not be subject to any lien other than any lien created in favor of the trustee for the benefit of the secured parties pursuant to the indenture and perfected pursuant to § 24-2-4h(o)(4) of the Securitization Law or any lien that may be granted under the basic documents;
- as of the date of issuance, the information describing the seller under the caption "The Depositor, Seller, Initial Servicers and Sponsor" in this prospectus is true and correct in all material respects;
- after giving effect to the sale of the CRR property under the sale agreement, APCo:
  - is solvent and expects to remain solvent;

- is adequately capitalized to conduct its business and affairs considering its size and the nature of its business and intended purposes;
- is not engaged and does not expect to engage in a business for which its remaining property represents an unreasonably small portion of its capital;
- reasonably believes that it will be able to pay its debts as they become due; and
- is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity; and

- there is no order by any court providing for the revocation, alteration, limitation or other impairment of the Securitization Law, the financing order, the issuance advice letter, the CRR property or the CRR charges or any rights arising under any of them or that seeks to enjoin the performance of any obligations under the financing order.

The seller will not make any representation or warranty, express or implied, that billed charges will be actually collected from customers.

Certain of the representations and warranties that the seller makes in the sale agreement involve conclusions of law. The seller makes those representations and warranties not on the basis that the seller purports to be a legal expert or to be rendering legal advice, but rather to reflect the parties' good faith understanding of the legal basis on which the parties are entering into the sale agreement and the other basic documents and the basis on which the CRR bondholders are purchasing the CRR bonds, and to reflect the parties' agreement that, if such understanding turns out to be incorrect or inaccurate, the seller will be obligated to indemnify us and its permitted assigns (to the extent required by and in accordance with the sale agreement), and that we and along with seller's permitted assigns will be entitled to enforce any rights and remedies under the basic documents, on account of such inaccuracy to the same extent as if the seller had breached any other representations or warranties thereunder.

The representations and warranties made by the seller will survive the execution and delivery of the sale agreement. The seller will not be in breach of any representation or warranty as a result of any change in law occurring after the issuance date including by means of any legislative enactment, constitutional amendment or voter initiative that renders any of the representations or warranties untrue.

APCo's Covenants

In the sale agreement, APCo will make the following covenants:

- So long as the CRR bonds are outstanding, APCo (a) will keep in full force and effect its existence and remain in good standing under the laws of the jurisdiction of its organization; (b) will obtain and preserve its qualification to do business in each jurisdiction in which it operates, in each case to the extent that in each such jurisdiction such existence or qualification is or shall be necessary to protect the validity and enforceability of the sale agreement, the other basic documents to which it is a party and each other instrument or agreement necessary or appropriate to the proper administration of the sale agreement and the transactions contemplated hereby or to the extent necessary for it to perform its obligations thereunder and (c) will continue to operate its electric transmission and distribution system to provide service to the APCo customers (or, if transmission and distribution are split, to provide wire service directly to the APCo customers);
- Except for the conveyance under the sale agreement or any lien pursuant to the indenture, or otherwise under the Securitization Law, in favor of the trustee for the benefit of the CRR bondholders and any lien that may be granted under the basic documents the seller will not sell, pledge, assign or transfer, or grant, create, incur, assume or suffer to exist any lien on, any of the CRR property, or any interest therein, and the seller will defend the right, title and interest of us and of the trustee on behalf of the

CRR bondholders, in, to and under the CRR property against all claims of third parties claiming through or under the seller. APCo also covenants that, in its capacity as seller, it will not at any time assert any lien against, or with respect to, any of the CRR property;

- In the event that the seller receives any CRR charge collections or other payments in respect of the CRR charges or the proceeds thereof other than in its capacity as a servicer, the seller agrees to pay to the servicers, on behalf of us, all payments received by it in respect thereof as soon as practicable after receipt thereof. Prior to such remittance to the servicers by the seller, the seller agrees that such amounts are held by it in trust for us and the trustee;
- The seller will notify us and the trustee promptly after becoming aware of any lien on any of the CRR property, other than the conveyance under the sale agreement and any lien pursuant to the basic documents, including the lien in favor of the trustee for the benefit of the CRR bondholders;
- The seller agrees to comply with its organizational or governing documents and all laws, treaties, rules, regulations and determinations of any governmental authority applicable to it, except to the extent that failure to so comply would not materially adversely affect our or the trustee's interests in the CRR property or under the basic documents to which the seller is a party or the seller's performance of its obligations under the basic documents to which it is a party;
- So long as any of the CRR bonds are outstanding, the seller will:
  - treat the CRR property as our property for all purposes other than for financial reporting, state or federal regulatory or tax purposes, and treat the CRR bonds as debt for all purposes and specifically as our debt, other than for financial reporting, state or federal regulatory or tax purposes;
  - solely for the purposes of U.S. federal taxes and, to the extent consistent with applicable state, local and other tax law, for purposes of state, local and other taxes, the seller agrees to treat the CRR bonds as indebtedness of the seller (as the sole owner of us) secured by the CRR bond collateral unless otherwise required by appropriate taxing authorities;
  - disclose in its financial statements that we and not the seller are the owner of the CRR property and that our assets are not available to pay creditors of the seller or its affiliates (other than us);
  - not own or purchase any CRR bonds; and
  - disclose the effects of all transactions between the seller and us in accordance with generally accepted accounting principles.
- The seller agrees that, upon the sale by the seller of CRR property to us pursuant to the sale agreement:
  - to the fullest extent permitted by law, including, applicable West Virginia Commission regulations and the Securitization Law, we will have all of the rights originally held by the seller with respect to the CRR property, including the right (subject to the terms of the servicing agreement) to exercise any and all rights and remedies to collect any amounts payable by any customer in respect of the CRR property, notwithstanding any objection or direction to the contrary by the seller (and the seller agrees not to make any such objection or to take any such contrary action); and
  - any payment by any customer directly to us shall discharge such customer's obligations, if any, in respect of the CRR property to the extent of such payment, notwithstanding any objection or direction to the contrary by the seller.
- So long as any of the CRR bonds are outstanding:
  - in all proceedings relating directly or indirectly to the CRR property, the seller shall affirmatively certify and confirm that it has sold all of its rights and interests in and to such property (other than for financial reporting or tax purposes);

- the seller shall not make any statement or reference in respect of the CRR property that is inconsistent with our ownership interest (other than for financial accounting or tax purposes or as required by state or federal regulatory purposes);
- the seller shall not take any action in respect of the CRR property except solely in its capacity as a servicer thereof pursuant to the servicing agreement or as otherwise contemplated by the basic documents;
- the seller shall not sell "consumer rate relief property" or other property similar to the CRR property under a separate "financing order" in connection with the issuance of additional bonds under the Securitization Law or similar law of the State of West Virginia unless the rating agency condition shall have been satisfied; and
- neither the seller nor we will take any action, file any tax return, or make any election inconsistent with the treatment of us, for purposes of federal taxes and, to the extent consistent with applicable state, local and other tax law, for purposes of state, local and other taxes, as a disregarded entity that is not separate from the seller (or, if relevant, from another sole owner of us).

- The seller will execute (if applicable) and file such filings, including, without limitation, filings with the Secretary of State of the State of West Virginia pursuant to the Securitization Law, and cause to be executed (if applicable) and filed such filings, all in such manner and in such places as may be required by law to fully preserve, maintain, protect and perfect our ownership interest and backup precautionary security interest pursuant to the sale agreement in, and the trustee's first priority security interest in, the CRR property, including all filings required under the Securitization Law and the Uniform Commercial Code relating to the transfer of the ownership of the rights and interests in the CRR property by the seller to us or the pledge of our interest in the CRR property to the trustee. The seller will deliver or cause to be delivered to us and the trustee file-stamped copies of, or filing receipts for, any documents filed as provided above, as soon as available following such filing. The seller will institute any action or proceeding necessary to compel performance by the West Virginia Commission, the State of West Virginia or any of their respective agents of any of their obligations or duties under the Securitization Law, the financing order or any issuance advice letter. The seller also will take those legal or administrative actions, including defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, in each case, as may be reasonably necessary (a) to protect us, the CRR bondholders and the trustee from claims, state actions or other actions or proceedings of third parties which, if successfully pursued, would result in a breach of any representation or warranty of the seller in the sale agreement and (b) to block or overturn any attempts to cause a repeal of, modification of or supplement to the Securitization Law, the financing order, any issuance advice letter or the rights of CRR bondholders by legislative enactment or constitutional amendment that would be materially adverse to us, the trustee or the CRR bondholders or which would otherwise cause an impairment of our rights or those of the CRR bondholders and the trustee. The costs of any such actions or proceedings will be payable by the seller;
- Even if the sale agreement or the indenture is terminated, the seller will not, prior to the date which is one year and one day after the termination of the indenture and payment in full of the CRR bonds or any other amounts owed under the indenture, petition or otherwise invoke or cause us to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against us under any federal or state bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of us or any substantial part of our property, or ordering the winding up or liquidation of our affairs;
- So long as any of the CRR bonds are outstanding, the seller will, and will cause each of its subsidiaries to, pay all material taxes, assessments and governmental charges imposed upon it or any of its properties or assets or with respect to any of its franchises, business, income or property before any penalty accrues thereon if the failure to pay any such taxes, assessments and governmental charges would, after any applicable grace periods, notices or other similar requirements, result in a lien on CRR

property; provided that no such tax need be paid if the seller or any of its affiliates is contesting the same in good faith by appropriate proceedings promptly instituted and diligently conducted and if the seller or such affiliate has established appropriate reserves as shall be required in conformity with generally accepted accounting principles;

- The seller will not withdraw any issuance advice letter provided to the West Virginia Commission;
- Promptly after a responsible officer of the seller obtains knowledge of any breach in any material respect (without regard to any materiality qualifier contained in such representation, warranty or covenant) of its representations, warranties or covenants in the sale agreement, the seller will promptly notify us, the trustee, the West Virginia Commission and the rating agencies in writing of the breach;
- The seller will use the proceeds of the sale of the CRR property in accordance with the financing order and the Securitization Law;
- Upon request by us, the seller shall execute and deliver such further instruments and do such further acts as may be reasonably necessary to carry out the provisions and purposes of the sale agreement; and
- If the seller becomes a party to (x) any future trade receivables purchase and sale arrangement or similar arrangement under which it sells all or any portion of its accounts receivables owing from APCo customers (a "Future Receivables Arrangement") or (y) any future sale agreement where Seller (1) sells additional consumer rate relief property or similar property to be created under a separate financing order and (2) acts as servicer for such consumer rate relief property, or similar property, consisting of non bypassable charges payable by the APCo customers comparable to those sold by the seller pursuant to the sale agreement, in connection with a separate issuance of bonds (a "Future Sale Arrangement"), then in each case:

  (a) the terms of the documentation evidencing any such Future Receivables Arrangement or Future Sale Arrangement shall expressly exclude the CRR property from any receivables or other assets pledged or sold under such Future Receivables Arrangement or Future Sale Arrangement; and

  (b) the seller and the other parties to such Future Receivables Arrangement or Future Sale Arrangement, as applicable, shall enter into an amendment or joinder to the receivables intercreditor agreement or CRR property intercreditor agreement, as applicable, or enter into a separate intercreditor agreement, in connection therewith.

APCo's Obligation to Indemnify Us and the Trustee and to Take Legal Action

Under the sale agreement, APCo is obligated to indemnify us and the trustee (for itself and on behalf of the bondholders) and each of our and the trustee's officers, directors, employees, trustees, managers and agents for, and defend and hold harmless each such person from and against:

- any and all taxes (other than any taxes imposed on the CRR bondholders solely as a result of their ownership of the CRR bonds) that may at any time be imposed on or asserted against any of those persons under existing law as of the issuance date as a result of the sale of the CRR property by the seller to us, the acquisition or holding of the CRR property by us, or the issuance and sale by us of the CRR bonds, our acquisition or holding of the CRR property, or the issuance and sale by us of the CRR bonds, including any franchise, sales, gross receipts, general corporation, tangible personal property, privilege or license taxes but excluding any taxes imposed as a result of a failure of such person to withhold or remit taxes with respect to payments on any CRR bond, in the event and to the extent such taxes are not recoverable as ongoing financing costs, it being understood that the CRR bondholders will be entitled to enforce their rights against the seller under the indemnification provision of the sale agreement solely through a cause of action brought for their benefit by the trustee in accordance with the terms of the indenture; and
- any and all amounts of principal and interest on the CRR bonds not paid when due or when scheduled to be paid in accordance with their terms and the amounts of any deposits by or to us required to have

been made in accordance with the terms of the basic documents or the financing order which are not made when so required and any and all other liabilities, obligations, losses, claims, damages, payments, costs or expenses of any kind whatsoever.

However, APCo is not required to indemnify the trustee or related parties against any liabilities, obligations, claims, damages, payments, costs or expenses incurred by them through their own willful misconduct, bad faith or gross negligence. APCo is not required to indemnify a party for any amount paid or payable by such party in the settlement of any action, proceeding or investigation without the prior written consent of APCo which consent shall not be unreasonably withheld.

These indemnification obligations will rank equally in right of payment with other general unsecured obligations of APCo.

The sale agreement will also require APCo to institute any action or proceeding necessary to compel performance by the West Virginia Commission, the State of West Virginia or any of their respective agents, of any of their obligations or duties under the Securitization Law, the financing order or the issuance advice letter. Except for the foregoing and subject to APCo's further covenant to fully preserve, maintain and protect our interests in the CRR property, APCo will not be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its obligations under the sale agreement.

Successors to APCo

Any entity (a) into which the seller may be merged, converted or consolidated (by operation of law or otherwise) and which is a "Successor" (as defined in the Securitization Law), (b) that may result from any merger, conversion or consolidation to which the seller shall be a party and which is a Successor, (c) that may succeed to the properties and assets of the seller substantially as a whole and which is a Successor, (d) which is a successor entity resulting from the division of the seller into two or more entities and which is a Successor, or (e) which is otherwise a Successor who succeeds to all or substantially all of the electric transmission and distribution business of the seller in the State of West Virginia (or, if the transmission and distribution business is split, any entity which provides wire service directly to APCo customers), in each case which executes an agreement of assumption to perform all obligations of APCo under the sale agreement shall assume the rights and obligations of APCo under the sale agreement. So long as the conditions of any such assumption are met, APCo will automatically be released from its obligations under the sale agreement. Such conditions include that:

- immediately after giving effect to such transaction, no representation, warranty or covenant made in the sale agreement by APCo will have been breached in any material respect, and no servicer default, to the extent that APCo is a servicer, and no event that, after notice or lapse of time, or both, would become a servicer default will have occurred and be continuing;
- the successor must execute an agreement of assumption to perform all of the obligations of the seller under the sale agreement;
- officers' certificates and opinions of counsel stating that all filings by APCo and us have been executed or filed as necessary to preserve and protect all of our and the trustee's respective interests in all of the CRR property or stating that no action will be necessary to protect such interest will have been delivered to us, the trustee and the rating agencies; and
- opinions of independent tax counsel stating that, for U.S. federal income tax purposes, such consolidation, conversion, merger, division or succession and such agreement of assumption will not result in a material U.S. federal income tax consequence to us or the CRR bondholders will have been delivered to us, the trustee, the ratings agencies and the West Virginia Commission; and
- the rating agencies will have received prior written notice of the transaction.

Amendment

The sale agreement may be amended from time to time (without the consent of the trustee or any of the CRR bondholders) by a written amendment duly executed and delivered by each of the seller and us with ten (10) business days' prior written notice given to the rating agencies and, if the contemplated amendment may in the judgment of the servicers increase ongoing financing costs, the consent or deemed consent of the West Virginia Commission, pursuant to the terms of the indenture, to (a) cure any ambiguity, to correct or supplement any provisions in the sale agreement or for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions in the sale agreement or of modifying in any manner the rights of the CRR bondholders; provided, however, that we and the trustee shall receive an officer's certificate stating that the execution of such amendment shall not adversely affect in any material respect the interests of any CRR bondholder or (b) conform the provisions hereof to the description of the sale agreement in this prospectus. Promptly after the execution of any such amendment or consent, we will furnish copies of such amendment or consent to each of the rating agencies.

In addition, the sale agreement may be amended in writing by the seller and us with: (a) the satisfaction of the rating agency condition, and (b) if such amendment may in the judgment of the servicers increase ongoing financing costs, the consent of the West Virginia Commission pursuant to the terms of indenture; provided that any such amendment may not adversely affect the interest of any CRR bondholders, in any material respect, as evidenced by an officer's certificate of the seller as delivered to us and the trustee, without the consent of both the holders of a majority of the CRR bonds and the holders of a majority of the WPCo Bonds.

THE SERVICING AGREEMENT

The following summary describes the material terms and provisions of the servicing agreement pursuant to which the servicers will undertake to service the CRR property. We have filed the form of the servicing agreement with the SEC as an exhibit to the registration statement of which this prospectus forms a part, and we urge you to read such document in its entirety.

Servicing Procedures

The servicers, as our agents, will manage, service, administer, and make collections in respect of the CRR property according to the terms of the servicing agreement. APCo, as the initial servicer of the CRR bonds, will bill and collect the CRR charges from its customers and WPCo, as the initial subservicer, will bill and collect the CRR charges from its customers. While the servicers have shared responsibilities under the servicing agreement, APCo as the initial servicer will initially perform all primary duties with respect to the CRR bonds under the servicing agreement. The servicers' duties will include:

1. management, servicing and administration of the CRR property;
2. obtaining meter reads, calculating usage, billing, collections and posting of all payments in respect of the CRR property (including the CRR charges);
3. responding to inquiries by customers, the West Virginia Commission, or any other governmental authority with respect to the CRR property (including the CRR charges);
4. delivering bills to customers;
5. investigating and handling delinquencies (and furnishing reports with respect to such delinquencies to us), processing and depositing collections and making periodic remittances;
6. furnishing periodic reports to us, the trustee and the rating agencies;
7. ensuring all required filings are made with the West Virginia Commission and taking such other actions as may be necessary to perfect our ownership interests in, and the trustee's first priority lien on and security interest in, the CRR property;
8. ensuring all filings are made and such other actions are taken as may be necessary to perfect and maintain the perfection and priority of the trustee's lien on and security interest in all CRR bond collateral;
9. selling, as our agents, as their interests may appear defaulted or written-off accounts in accordance with each applicable servicer's usual and customary practices;
10. taking all necessary action in connection with the true-up adjustments
11. ensuring that any and all tax surcharges or tax adjustments billed by it to customers on account of the CRR charges or which are otherwise included in the CRR charges are paid to the appropriate taxing authority; and
12. performing such other duties as may be specified under the financing order to be performed by the servicers.

Each servicer is required to notify us, the trustee and the rating agencies in writing if it becomes aware of any requirements of law or West Virginia Commission regulations promulgated after the execution of the servicing agreement that have a material adverse effect on the servicer's ability to perform its duties under the servicing agreement. Each servicer is also authorized to execute and deliver documents and to make filings and participate in proceedings on our behalf.

In addition, upon our reasonable request or the reasonable request of the trustee or any rating agency, each servicer will provide to us, the trustee, the applicable rating agency or the West Virginia Commission, public

financial information or any material information regarding the CRR property to the extent it is reasonably available to such servicer, as may be reasonably necessary and permitted by law to enable us, the trustee or the rating agencies to monitor such servicer's performance (provided, however, that any such request by the trustee will not create an obligation for the trustee to monitor such servicer's performance) and, so long as any CRR bonds are outstanding, within a reasonable time after written request thereof, any information available to such servicer or reasonably obtainable by it without undue cost or burden that is necessary to calculate the CRR charges applicable to each customer class. The servicers will also prepare the reports required under the servicing agreement, including a semi-annual servicer's certificate, an annual compliance certificate, and an annual accountant's and any reports required to be filed by us with the SEC. The servicers will cause to be delivered required opinions of counsel to the effect that all filings necessary to preserve and protect the interests of the trustee in the CRR property have been made.

Servicing Standards and Covenants

The servicing agreement will require each servicer, in servicing and administering the CRR property, to employ or cause to be employed procedures and exercise or cause to be exercised the same care and diligence it customarily employs and exercises with respect to similar assets for its own account and, if applicable, for others.

The servicing agreement will require the servicers to jointly:

1. manage, service, administer and make collections in respect of the CRR property with reasonable care and in material compliance with applicable requirements of law, including all applicable regulations of the West Virginia Commission, using the same degree of care and diligence that such service exercises with respect to similar assets for its own account, and if applicable, for others;
2. follow customary standards, policies and procedures in performing its duties that are customary in the electric transmission and distribution industry in the State of West Virginia in performing its duties as a servicer;
3. use all reasonable efforts, consistent with its customary servicing procedures, to enforce, and maintain rights in respect of, the CRR property and to bill and collect the CRR charges;
4. comply with all requirements of law including all applicable regulations of the West Virginia Commission applicable to and binding on it relating to the CRR property;
5. ensure filing of all West Virginia notices described in the Securitization Law and filing and maintenance of the effectiveness of the Uniform Commercial Code financing statements with respect to the CRR property; and
6. take such other action on our behalf to ensure that the lien of the trustee on the CRR bond collateral remains perfected and of first priority.

Each servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of all or any portion of the CRR property, which, in such servicer's judgment, may include the taking of legal action, at our expense but subject to the priority of payments set forth in the indenture.

Each servicer is responsible for instituting any proceeding to compel performance by the State of West Virginia or the West Virginia Commission of their respective obligations under the Securitization Law, the financing order, any issuance advice letter, any true-up adjustment or any tariff. Each servicer is also responsible for instituting any proceeding or administrative actions as may be reasonably necessary to block or overturn any attempts to cause a repeal of, modification of, judicial invalidation of, or supplement to, the Securitization Law or the financing order which would be detrimental to the interests of the CRR bondholders or which would cause an impairment of the rights of us or the CRR bondholders. In any proceedings related to the exercise of the power of eminent domain by any municipality to acquire a portion of a servicer's electric distribution facilities, such servicer shall assert that the court ordering such condemnation must treat such municipality as a successor to

such servicer under the Securitization Law and financing order. The servicing agreement also designates each servicer as a custodian of our records and documents. The servicing agreement requires each servicer to indemnify us, our independent managers and the trustee (for itself and for your benefit) for any negligent act or omission relating to the servicer's duties as custodian, except in the case of willful misconduct, bad faith or negligence of us, any independent manager or the trustee. The servicing agreement also requires each servicer to indemnify customers for any loss that results from such service's breach of the servicing agreement.

CRR Charge Adjustment Process

Mandatory True-Ups. Among other things, the servicing agreement will require the servicers to file true-up adjustment requests at least annually to correct any under-collections or over-collections and to ensure the projected recovery of amounts sufficient to provide full and timely payment of principal and interest on the CRR bonds and all other financing costs (including any necessary replenishment of the capital subaccount). For more information on the true-up process, please read "The Financing Order—True-Ups." These adjustment requests are to be based on actual collected CRR charges and updated assumptions by the servicers as to projected future usage during the next period, expected delinquencies and write-offs and future payments and expenses relating to the CRR property and the CRR bonds. The servicers agree to calculate these adjustments to:

- correct any under-collections or over-collections; and
- to ensure the projected recovery of amounts sufficient to provide full and timely payment of the scheduled principal of and interest on the CRR bonds and all other financing costs (including any necessary replenishment of the capital subaccount), consistent with the methodology described in the financing order.

In connection with each true-up adjustment, the servicers will also determine the adjusted consumer rate relief charge for the CRR bonds and the WPCo Bonds and the joint consumer rate relief charge rate allocated to each customer class, which for each customer class will equal the sum of the standalone charge rates separately calculated for that customer class for the CRR bonds and for the WPCo Bonds, and will calculate the resulting consumer rate relief charges for the CRR bonds and the WPCo Bonds by applying the joint consumer rate relief charge rate for each customer class to the applicable energy (kWh) or demand (kW) billing units in accordance with the CRR rate schedule for the CRR bonds and the WPCo Bonds, in accordance with the CRR property intercreditor agreement. The servicers will agree to file adjustment requests on each calculation date for us as specified in the servicing agreement. In accordance with the financing order, the West Virginia Commission staff has 15 days to review the adjustments. The adjustments to the CRR charges are expected to occur on each applicable adjustment date.

Nonstandard True-Up Adjustments and Filings. In the event that (a) the servicers collectively experience or anticipate a change of 10% or more in the billing determinants for the allocations of the CRR Revenue Groups, including but not limited to the consumption of electricity or (b) the servicers otherwise jointly determine that a nonstandard true-up adjustment is required due to significant changes from historical conditions of operation, the servicers will:

- Recalculate the CRR charges to reallocate them among CRR Revenue Groups as set forth in the Financing Order;
- Initiate a proceeding with the West Virginia Commission to determine new allocation factors and make all required public notices and other filings with the West Virginia Commission to implement the revised CRR charges and the revised consumer rate relief charges for the CRR bonds and the WPCo Bonds, respectively, determined in accordance with the CRR property intercreditor agreement in a timely manner; and
- Take all reasonable actions and efforts to implement the nonstandard true-up adjustment and to enforce the provisions of the Securitization Law and the Financing Order.

Mandatory Interim True-Ups. The servicers must also make mandatory interim true-up adjustments within 30 days of each year and, beginning 12 months prior to the scheduled final payment date for the last maturing tranche of CRR bonds, within 30 days of the dates that are 12, nine, six and three months prior to the scheduled final payment date for the last maturing tranche of CRR bonds and every 3 months after that until the retirement of the last APCo CRR bonds. To implement these mandatory true-ups the servicers shall:

- update the data and assumptions underlying the CRR charges;
- determine the payment and billing requirements of the relevant calculation period as set forth in the servicing agreement and the indenture based on the new assumptions; and
- project whether, based on the updated data and requirements, the existing and projected CRR charge collections (taking into account the WPCo issuing entity's portion of the consumer rate relief charges) and the available funds in the excess funds subaccount will be sufficient to make on a timely basis all scheduled payments of periodic principal and interest in respect of each outstanding tranche of CRR bonds (during the relevant calculation period) and pay other ongoing financing costs on a timely basis and maintain the capital subaccount at the required level

Additional Interim True-Ups. In addition to the other true-up adjustments described above, the servicers may implement an additional interim true-up (in the same manner as provided for Mandatory Interim True-Ups) at any time if the servicers forecast that CRR charge collections during the current or next calculation period (as determined under the servicing agreement and indenture) will be insufficient (a) to make scheduled payments of periodic principal and interest due under the CRR bonds on a timely basis during the relevant period, (b) to pay other ongoing financing costs on an ongoing basis and (c) to replenish draws on the Capital Subaccount.

Allocation of True-Up Responsibility Between Servicers. The servicers generally act jointly in performing their obligations and exercising their rights under the servicing agreement, and are jointly and severally liable for any defaults under the servicing agreement. However, if the servicers fail to agree on joint action, take conflicting actions or issue conflicting instruction performing their obligations under the servicing agreement, then APCo will have the authority and responsibility to act on behalf of both servicers for such matter.

Remittances to Joint Collection Account

Each servicer will remit estimated collection payments on the CRR charges to the joint collection account each business day. For a description of the allocation of the deposits between us and the WPCo issuing entity and the transfer of the APCo transfer amount from the joint collection account to the payment account, please read "Description of the CRR Bonds—The Payment Account for the CRR Bonds" in this prospectus, and for a description of the allocation of amounts in the payment account, please read "Description of the CRR Bonds—How Funds in the Payment Account Will Be Allocated" in this prospectus. Until CRR charge collections are remitted to the joint collection account, neither servicer will be required to segregate those amounts from its general funds. Please read "Risk Factors—Risks Associated with Potential Bankruptcy Proceedings of the Seller or a Servicer" in this prospectus.

Each servicer will remit to the joint collection account CRR charge collections based on its estimated system-wide charge-off percentage and the average number of days outstanding of bills. On or before the twenty-fifth calendar day of each month (or, if such day is not a servicer business day, on the next servicer business day), each servicer will reconcile, in the monthly servicers' certificate, remittances of estimated payments arising from CRR charges for the immediately preceding calendar month with actual CRR charge payments received by such servicer to more accurately reflect the amount of billed CRR charges that should have been remitted, based on the amounts actually received. To the extent the remittances of estimated payments arising from the CRR charge exceed the amounts that should have been remitted based on actual system-wide charge-offs, the applicable servicer will be entitled either to withhold the excess amount from any subsequent remittance to the joint collection account or, to receive an immediate payment from the excess funds subaccount of the payment account in an amount equal to the excess remittance multiplied by our percentage interest in the

joint collection account as of the date of the applicable monthly servicers' certificate (determined in the same manner as for the APCo transfer amount) (so long as such payment would not cause the amounts on deposit in the excess funds subaccount to be insufficient to pay the next installment of interest on the CRR bonds or any principal due at maturity on the next payment date or upon an acceleration on or before the next payment date). If amounts are transferred from the joint collection account to the payment account in excess of the amount properly allocable to us as a result of an error in the calculation or implementation of an APCo transfer amount or WPCo transfer amount, the servicers may instruct the trustee to return the excess, solely from amounts then on deposit in the general subaccount, to the joint collection account for proper allocation and transfer in accordance with the CRR property intercreditor agreement and the servicing agreement, as described under "Appalachian Consumer Rate Relief Funding II LLC, The Issuing Entity—Intercreditor Agreements" in this prospectus, and each servicer will cooperate with the other servicer in respect of, and take all actions reasonably necessary to implement, any such transfer. Please read "Description of the CRR Bonds—The Payment Account for the CRR Bonds" in this prospectus. To the extent the remittances of estimated payments arising from the CRR charges are less than the amount that should have been remitted, the applicable servicer will remit the amount of the shortfall to the joint collection account within five servicer business days after delivery of the applicable monthly servicers' certificate. Although each servicer will remit estimated payments arising from the CRR charges to the joint collection account, such servicer is not obligated to make any payments on the CRR bonds.

In the event that a servicer makes changes to its current computerized customer information system which would allow such servicer to track actual CRR charge payments and/or otherwise monitor payment and collection activity more efficiently or accurately than is being done today, the servicing agreement will allow such servicer to substitute actual remittance procedures for the estimated remittance procedures described above and otherwise modify the remittance procedures described above as may be appropriate in the interests of efficiency, accuracy, cost and/or system capabilities. However, the applicable servicer will not be allowed to make any modification or substitution that will materially adversely affect the CRR bondholders. The applicable servicer must also give written notice to us, the trustee and the rating agencies of any such computer system changes no later than 60 business days after the date on which all retail customer accounts are billed on the new system.

Servicer Compensation

APCo as the initial servicer will be entitled to receive an annual servicing fee until the retirement of the CRR bonds in an amount equal to:

- 0.10% of the aggregate initial principal amount of the CRR bonds; or
- if neither APCo nor any of it or WPCo's affiliates is a servicer, an amount agreed upon by the successor servicer and the trustee, provided that any amount in excess of 0.25% of the aggregate initial principal amount of all outstanding CRR bonds must be approved by the West Virginia Commission.

In consideration for its services under the servicing agreement and under the separate WPCo issuance's servicing agreement, until the retirement of the CRR bonds, WPCo, as subservicer, will receive an annual servicing fee pursuant to the terms of such separate WPCo issuance's servicing agreement.

If the consumer rate relief bonds issued pursuant to the WPCo issuance are retired prior to the retirement of the CRR bonds, the servicing fee will thereafter be payable to the servicers as follows:

- for so long as APCo or an affiliate of APCo is a servicer, to APCo as the servicer, an amount equal to (x) 0.10% multiplied by (y) the aggregate initial principal amount of all CRR bonds multiplied by (z) the APCo Proportion;
- for so long as WPCo or an affiliate of WPCo is a servicer, to WPCo as the subservicer, an amount equal to (x) 0.10% multiplied by (y) the aggregate initial principal amount of all CRR bonds multiplied by (z) the WPCo Proportion; and

- if APCo, WPCo or any of their respective affiliates is not a servicer, an amount agreed upon by the successor servicer and the trustee, acting at the direction of a majority of the CRR bondholders, except that any amount in excess of 0.25% of the aggregate initial principal amount of all CRR bonds must be approved by the West Virginia Commission.

The applicable servicing fee shall be paid to each applicable servicer by the trustee, semi-annually, with half of the applicable servicing fee being paid on each payment date (which amount will be pro-rated for the first and final payment date) in accordance with the priorities of payment set forth in indenture.

In addition, each servicer shall be entitled to be reimbursed by us for filing fees and fees and expenses for printing, attorneys, accountants or other professional services retained by, and other incremental out-of-pocket third-party costs of, incurred for us and paid for by such servicer (or procured by such servicer on behalf of us and paid for by such servicer) to meet our obligations under the basic documents. The servicing fee for the CRR bonds, together with any portion of the servicing fee that remains unpaid from prior payment dates, will be paid solely to the extent funds are available therefor as described under "Description of the CRR Bonds—How Funds in the Payment Account Will Be Allocated" in this prospectus. The servicing fee for the CRR bonds will be paid prior to the payment of or provision for any amounts in respect of interest on and principal of the CRR bonds.

APCo's and WPCo's Representations and Warranties as Servicers

In the servicing agreement, each servicer will represent and warrant, as of the issuance date of the CRR bonds or as of such other dates as expressly provided below, among other things, that:

1. APCo is duly organized and validly existing under the laws of the Commonwealth of Virginia. WPCo is duly organized and validly existing under the laws of the State of West Virginia. Each servicer is in good standing under the laws of the State of West Virginia, with the requisite corporate or other power and authority to own its properties as such properties are owned on the issuance date and to conduct its business as such business is conducted by it on the issuance date, and to execute, deliver and carry out the terms of the servicing agreement and the intercreditor agreements, and had at all relevant times, and has, the requisite power, authority and legal right to service the CRR property and to hold the CRR property records as custodian;
2. each servicer is duly qualified to do business and is in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including the servicing of the CRR property as required by the servicing agreement and the intercreditor agreements) shall require such qualifications, licenses or approvals (except where the failure to so qualify would not be reasonably likely to have a material adverse effect on such servicer's business, operations, assets, revenues or properties or to its servicing of the CRR property);
3. the execution, delivery and performance of the servicing agreement and the intercreditor agreements have been duly authorized by all necessary action on the part of each servicer under each servicer's respective organizational or governing documents and laws;
4. each of the Servicing Agreement and each intercreditor agreement constitutes a legal, valid and binding obligation of each servicer enforceable against the servicers in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other laws relating to or affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law;
5. the consummation of the transactions contemplated by the servicing agreement and the intercreditor agreements and the fulfillment of the terms of each such transaction will not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the organizational documents of either servicer, or any indenture or other agreement or

instrument to which either servicer is a party or by which it or any of its property is bound, nor (a) result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than any lien or security interest that may be granted under the basic documents or any lien created pursuant to § 24-2-4h(o) of the Securitization Law); or (b) violate any existing law or any existing order, rule or regulation applicable to either servicer of any governmental authority having jurisdiction over such servicer or its properties;

6. there are no proceedings pending and, to each servicer's knowledge, there are no proceedings threatened and no investigations pending or threatened, in either case before any governmental authority having jurisdiction over either servicer or its properties involving or relating to either servicer or us or, to each servicer's knowledge, any other person: (a) asserting the invalidity of the servicing agreement or any of the other basic documents; (b) seeking to prevent the issuance of the CRR bonds or the consummation of any of the transactions contemplated by the servicing agreement or any of the other basic documents; (c) seeking any determination or ruling that could reasonably be expected to materially and adversely affect the performance by either servicer of its obligations under, or the validity or enforceability of, the servicing agreement, any of the other basic documents or the CRR bonds; or (d) seeking to adversely affect the U.S. federal income tax or state income or franchise tax classification of the CRR bonds as debt;

7. no governmental approval, authorization, consent, order or other action of, or filing with, any governmental authority is required in connection with the execution and delivery by either servicer of the servicing agreement or the intercreditor agreements, the performance by either servicer of the transactions contemplated thereby or the fulfillment by such servicer of the terms of each, except those that have been obtained or made, those that such servicer is required to make in the future pursuant to the servicing agreement and the financing order and those that the servicers may need to file in the future to continue the effectiveness of any financing statement filed under the Securitization Law or the Uniform Commercial Code; and

8. each report and certificate delivered in connection with the issuance advice letter or delivered in connection with any filing made to the West Virginia Commission by a servicer on behalf of us with respect to the CRR charges or the true-up adjustments will constitute a representation and warranty by such servicer that each such report or certificate, as the case may be, is true and correct in all material respects; provided, however, that, to the extent any such report or certificate is based in part upon or contains assumptions, forecasts or other predictions of future events, the representation and warranty of such servicer with respect thereto will be limited to the representation and warranty that such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and facts known to such servicer on the date such report or certificate is delivered).

Neither servicer is responsible for, or shall have liability as a result of, any action, decision, ruling or other determination, made or not made, or any delay (other than any delay resulting from a servicer's failure to make any filings required to implement the true-up adjustments as required by the servicing agreement in a timely and correct manner or any breach by a servicer of its duties under the servicing agreement that materially and adversely affects the CRR property or in connection with any true-up adjustment or the approval of any revised CRR charges and the scheduled adjustments thereto) by the West Virginia Commission in any way related to the CRR property or in connection with any true-up adjustments.

Except to the extent that a servicer is liable under its indemnification obligations under the servicing agreement, such servicer shall have no liability relating to the calculation of any revised CRR charges and the scheduled adjustments thereto, including as a result of any inaccuracy of any of the assumptions made in such calculation regarding expected energy or demand usage volume and the weighted average days outstanding, write-offs and our estimated expenses and fees, so long as such servicer has acted in good faith and has not acted in a grossly negligent manner in connection therewith.

Under the servicing agreement, each servicer will agree to indemnify, defend and hold harmless us, the trustee (for itself and on behalf of the CRR bondholder) and any independent manager, and each of their respective trustees, officers, directors, employees and agents against any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever that may be imposed upon, incurred by or asserted against any of those persons as a result of:

- such servicer's willful misconduct, bad faith or gross negligence in the performance of its duties or observance of its covenants under the servicing agreement or intercreditor agreements;
- such servicer's breach in any material respects of any of its representations and warranties contained in the servicing agreement or the intercreditor agreements that results in a servicer default; or
- any litigation or related expenses relating to such servicer's status or obligations as servicer (other than any proceeding such servicer is required to institute under the servicing agreement).

No servicer will be liable to any such party, however, for any costs, expenses, obligations or liabilities of any kind whatsoever resulting from the willful misconduct, bad faith or gross negligence of the party seeking indemnification or resulting from a breach of a representation or warranty made by such person seeking indemnification in any of the basic documents that gives rise to such servicer's breach. The indemnities described above will survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Securitization Law or the financing order and shall survive the resignation or removal of the trustee or any independent manager or the termination of the servicing agreement and shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable attorney's fees and expenses and reasonable fees, out of pocket expenses and costs incurred in connection with any action, claim or suit brought to enforce the trustee' right to indemnification).

Each servicer will release us, our managers and the trustee from any and all claims whatsoever relating to the CRR property or such servicer's servicing activities with respect thereto, other than actions, claims, and demands arising from bad faith, willful misconduct or negligence of the parties.

The Servicers Will Provide Statements to Us, the West Virginia Commission and the Trustee

Not later than five servicer business days prior to each payment date or special payment date, the servicers will jointly (or if not jointly, APCo as servicer shall) deliver a draft of a written report to the trustee, which shall include all of the following information (to the extent applicable), with respect to such payment date or special payment date or the period since the previous payment date, as applicable:

- the starting joint collection account balance as of the immediately preceding payment date, the transfers into and out of the joint collection account during the applicable period, the projected ending joint collection account balance as of the applicable payment date, the general subaccount balance as of the immediately preceding payment date, the transfers between the joint collection account and the general subaccount during the applicable period, investment earnings on the payment account and the projected payment account balance as of the applicable payment date;
- the amount on deposit in the capital subaccount and the excess funds subaccount and the amount required to be in the capital subaccount as of the last payment date;
- the amount of the payment to CRR bondholders allocable to principal, if any;
- the amount of the payment to CRR bondholders allocable to interest;
- the aggregate outstanding amount of the CRR bonds, before and after giving effect to any payments allocated to principal;
- the difference, if any, between the aggregate outstanding amount of the CRR bonds and the outstanding amount specified in the expected amortization schedule;

- any other transfers and payments to be made on such payment date or special payment date, including amounts paid to the trustee and to the servicers; and
- the projected amounts on deposit in the payment account, the capital subaccount and the excess funds subaccount, after giving effect to the foregoing payments.

On or prior to each payment date or special payment date, the servicers will deliver the final written report described above to us, the West Virginia Commission and the rating agencies.

The Servicers Will Provide Assessments Concerning Compliance with the Servicing Agreement

The servicing agreement will provide that each servicer will furnish annually to us, the West Virginia Commission, the trustee and the rating agencies, on or before March 31 of each year, beginning March 31, 202 or, if earlier, on the date on which APCo's annual report on Form 10-K is required to be filed in accordance with the Exchange Act and the rules and regulations thereunder, certificates from responsible officers of the servicers, containing and certifying as to the statements of compliance required by Item 1122(a) (or any successor or similar items or rule) and Item 1123 containing (or any successor or similar items or rule) of Regulation AB, during the preceding 12 months ended December 31 (or preceding period since the closing date of the issuance of the CRR bonds in the case of the first statement).

The servicing agreement will also provide that a firm of independent registered public accountants will furnish to us, the West Virginia Commission, the trustee and the rating agencies, on or before March 31 of each year, beginning March 31, 202 , or, if earlier, on the date on which APCo's annual report on Form 10-K is required to be filed in accordance with the Exchange Act and the rules and regulations thereunder, a report, a report addressed to the servicers to the effect that such firm has performed certain procedures, agreed between the servicers and such accountants, in connection with the servicers' assessment of compliance with the servicing criteria set forth in Item 1122(d) of Regulation AB during the immediately preceding calendar year, in accordance with paragraph (b) of Rule 13a-18 and Rule 15d-18 of the Exchange Act and Item 1122 of Regulation AB, identifying the results of such procedures and including any exceptions noted. This report, which is referred to in this prospectus as the "annual accountant's report," will state that the accounting firm has performed certain procedures, agreed between the servicers and such accountants, in connection with the servicers' compliance with its obligations under Item 1122(d) of Regulation AB during the preceding calendar year, identifying the results of the procedures and including any exceptions to the procedures relating to the servicing of the CRR property.

Matters Regarding APCo and WPCo as Servicers

The servicing agreement will provide that neither APCo nor WPCo may resign from the obligations and duties imposed on it as a servicer unless it delivers an opinion of external counsel that the performance of its duties under the servicing agreement shall no longer be permissible under applicable law. A resignation by APCo or WPCo as a servicer will not become effective until a successor servicer has assumed the servicing obligations and duties of APCo or WPCo, as applicable, under the servicing agreement.

Except as expressly provided in the servicing agreement, no servicer, nor any of the directors, officers, employees or agents of any servicer will be liable to us or any other person for any action taken or for refraining from taking any action pursuant to the servicing agreement or for good faith errors in judgment. However, each servicer, its directors, officers, employees, and agents will be liable to the extent this liability is imposed by reason of their willful misconduct, bad faith or gross negligence in the performance of their duties or by reason of reckless disregard of obligations and duties under the servicing agreement. Each servicer and any of its directors, officers, employees or agents may rely in good faith on the advice of counsel or on any document, prima facie properly executed and submitted by any person respecting any matters under the servicing agreement.

Under the servicing agreement, a "Jurisdictional Successor" to a servicer is any "Successor" (as defined in the Securitization Law) who succeeds to all or substantially all of the electric transmission and distribution

business of such servicer in the State of West Virginia (or, if the transmission and distribution business is split, any entity which provides wire service directly to APCo customers (in the case of APCo as a servicer) or WPCo customers (in the case of WPCo as a servicer)). Any Jurisdictional Successor that executes an agreement of assumption to perform all of the obligations of a servicer as set forth in the servicing agreement and the WPCo issuing entity servicing agreement shall be the successor to APCo or WPCo, as applicable, under the servicing agreement without further act on the part of any of the parties to this Agreement; provided, however, that:

- immediately after giving effect to such transaction, the representations or warranties made by such successor servicer pursuant to the servicing agreement shall be true and correct in all material respects and no servicer default and no event which, after notice or lapse of time, or both, would become a servicer default shall have occurred and be continuing;
- such successor servicer shall have delivered to us and the trustee an officer's certificate and an opinion of counsel from external counsel stating that such consolidation, conversion, merger, division or succession and such agreement of assumption comply with the servicing agreement and that all conditions precedent, if any, provided for in the servicing agreement relating to such transaction have been complied with;
- such successor servicer shall have delivered to us, the trustee and the rating agencies an opinion of counsel, from external counsel of such servicer, either (a) stating that, in the opinion of such counsel, all filings to be made by the servicers, including filings with the West Virginia Commission pursuant to the Securitization Law, the financing order and the Uniform Commercial Code, have been executed (if applicable) and filed and are in full force and effect that are necessary to preserve, protect and perfect the priority of the interests of us and the liens of the trustee in the CRR property and reciting the details of such filings or (b) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interests;
- such servicer shall have delivered to us, the trustee, the rating agencies and the West Virginia Commission an opinion of counsel from independent tax counsel stating that, for U.S. federal income tax purposes, such consolidation, conversion, merger, division or succession and such agreement of assumption will not result in a material U.S. federal income tax consequence to us or the CRR bondholders; and
- the servicers shall have given the rating agencies prior written notice of such transaction and, if such successor servicer is not an affiliate of APCo or WPCo, the rating agency condition shall be satisfied.

So long as the conditions of any such assumptions are met, then the prior servicer will automatically be released from its obligations under the servicing agreement. The servicing agreement will permit a servicer to appoint any person to perform any or all of its obligations as a servicer or as a collection agent under any intercreditor agreement. However, unless the appointed person is an affiliate of APCo or WPCo, the appointment must satisfy the rating agency condition. In all cases where an agent is appointed, the applicable servicer will remain obligated and liable under the servicing agreement.

Events Constituting a Default by a Servicer

Servicer defaults under the servicing agreement if any one or more of the following events shall occur and be continuing:

1. any failure by either servicer to remit to the joint collection account or the payment account, as applicable, on behalf of us, any required remittance that shall continue unremedied for a period of five servicer business days after the earlier of the date on which (a) written notice of such failure is received by either servicer from us or the trustee; or (b) such failure is actually known by a responsible officer of a servicer;
2. any failure on the part of the servicers to duly observe or to perform in any material respect any covenants or agreements of the servicers as set forth in the servicing agreement (other than as provided

in bullets "1." and "3." of this section), or any other basic document to which a servicer is a party, which failure shall (a) materially and adversely affect the rights of the CRR bondholders; and (b) continue unremedied for a period of 60 days after the earlier of the date on which (i) written notice of such failure, requiring the same to be remedied, shall have been given to a servicer by us (with a copy to the trustee) or to a servicer by the trustee or (ii) such failure is actually known by a responsible officer of a servicer;

3. any failure in any material respect by either servicer duly to perform its obligations to implement the true-up mechanism in the time and manner set forth therein, which failure continues unremedied for a period of five servicer business days; or

4. any representation or warranty made by a servicer in the servicing agreement or any basic document proven to have been incorrect in any material respect when made, which has a material adverse effect on the CRR bondholders and which material adverse effect continues unremedied for a period of 60 days after the earlier of the date on which (a) written notice thereof, requiring the same to be remedied, shall have been delivered to a servicer (with a copy to the trustee) by us or the trustee or (b) such failure is actually known to a responsible officer of a servicer; or

5. certain events of bankruptcy, insolvency or liquidation of a servicer.

The Trustee's Rights if a Servicer Defaults

In the event a servicer default under the servicing agreement remains unremedied, either the trustee, acting under the indenture may (if it is actually known by a responsible officer of the trustee) or shall upon the written instruction of the holders evidencing not less than a majority of the outstanding amount of the CRR bonds, shall, subject to the terms of the intercreditor agreements terminate all the rights and obligations of the servicers under the servicing agreement, other than the servicers' indemnification obligations and obligations to continue performing their functions as servicers until a successor servicer is appointed. Please read "The Servicing Agreement—The Replacement of APCo or WPCo as a Servicer with a Successor Servicer" in this prospectus.

In addition, when a servicer defaults, the CRR bondholders (subject to the provisions of the indenture) and the trustee as beneficiary of any lien permitted by the Securitization Law will be entitled to:

1. apply to the West Virginia Commission or the court of the City of Charleston, West Virginia, for sequestration and payment of revenues arising with respect to the CRR property;

2. foreclose on or otherwise enforce the lien on and security interests in any CRR property; and

3. apply to the West Virginia Commission for an order that amounts arising from the CRR charges be transferred to a separate account for the benefit of the secured parties in accordance with the Securitization Law.

Please read "Risk Factors—Risks Associated with Potential Bankruptcy Proceedings of the Seller or a Servicer" and "How a Bankruptcy May Affect Your Investment Decision" in this prospectus.

Waiver of Past Defaults

The trustee, acting at the written direction of the holders evidencing not less than a majority of the outstanding amount of the CRR bonds, may waive in writing any default by a servicer in the performance of its obligations in the servicing agreement and the associated consequences thereto, except where the default was due to failure by a servicer of making any required deposits to the joint collection account in accordance with the servicing agreement. Upon any such waiver of a past default, such default shall cease to exist, and any servicer default arising therefrom shall be deemed to have been remedied for every purpose of the servicing agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Promptly after the execution of any such waiver, the servicers shall furnish copies of such waiver to each of the rating agencies.

The Replacement of APCo or WPCo as a Servicer with a Successor Servicer.

In the event of a servicer's removal upon an event of default or resignation, the trustee shall, upon the written direction and with the consent of the holders of at least a majority of the outstanding amount of the CRR bonds, appoint a successor servicer with our prior written consent thereto (which consent shall not be unreasonably withheld), and the successor servicer shall accept its appointment by a written assumption in form reasonably acceptable to us and the trustee (acting at the written direction of the holders of at least a majority of the outstanding amount of the CRR bonds) and provide prompt written notice of such assumption to us and the rating agencies. If a successor servicer that is not an affiliate of APCo or WPCo is appointed, the annual servicing fee may be increased to a level not to, unless the West Virginia Commission consents, exceed 0.25% of the aggregate initial principal amount of the CRR bonds, paid semi-annually.

The Obligations of a Successor Servicer

If for any reason a third party assumes or succeeds to the role of a servicer under the servicing agreement, the servicing agreement will require each predecessor servicer to cooperate with us, the trustee and the successor servicer in terminating the predecessor servicer's rights and responsibilities under the servicing agreement, including the transfer to the successor servicer all documentation pertaining to the CRR property and all cash amounts then held by the predecessor servicer for remittance or subsequently acquired.

The servicing agreement will provide that, in the event the successor servicer is appointed as a result of a servicer default by the predecessor servicer, all reasonable costs and expenses (including reasonable attorney's fees and expenses and reasonable fees, out of pocket expenses and costs incurred in connection with any action, claim or suit brought to enforce the trustee's right to indemnification) incurred in connection with transferring the CRR property records to the successor servicer and amending the servicing agreement to reflect such succession as servicer pursuant to the servicing agreement shall be paid by the predecessor servicer upon presentation of reasonable documentation of such costs and expenses. In all other cases, all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred by a servicer in connection with transferring servicing responsibilities to the successor servicer shall be paid by us or the successor servicer from CRR charge collections available under the indenture, following presentation of reasonable documentation of such costs and expenses.

Amendment

The servicing agreement may be amended in writing by the servicers and us with ten business days' prior written notice given to the rating agencies and the trustee, without the consent of any of the CRR bondholders (but with the consent of the West Virginia Commission if in the servicers' judgment the amendment may increase ongoing financing costs), (a) to cure any ambiguity, to correct or supplement any provisions in the servicing agreement or for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions in the servicing agreement or of modifying in any manner the rights of the CRR bondholders; provided, however, that such action shall not, as evidenced by an officer's certificate of the seller delivered to us and the trustee, adversely affect in any material respect the interests of any CRR bondholders; or (b) to conform the provisions of the servicing agreement to this prospectus. Promptly after the execution of any such amendment or consent, we will furnish copies of such amendment or consent to each of the rating agencies.

In addition, the servicing agreement may be amended in writing by the servicers and us with the satisfaction of the rating agency condition (and the consent of the West Virginia Commission if in the servicers' judgment the amendment may increase ongoing financing costs), without the consent of a majority of the then outstanding CRR bonds, but only if the servicers deliver to us and the trustee officers certificates stating that the amendment will not adversely affect any CRR bondholder materially.

HOW A BANKRUPTCY MAY AFFECT YOUR INVESTMENT DECISION

Challenge to True Sale Treatment. APCo will represent and warrant that the transfer of the CRR property in accordance with the sale agreement constitutes a true and valid sale and assignment of the CRR property by APCo to us. It will be a condition of closing for the sale of the CRR property pursuant to the sale agreement that APCo will take the appropriate actions under the Securitization Law, including filing a notice of transfer of an interest in the CRR property, to perfect this sale. The Securitization Law provides that a transfer of CRR property by a qualifying utility to an assignee which the parties have in the governing documentation expressly stated to be a sale or other absolute transfer, in a transaction approved in a financing order, shall be treated as an absolute transfer of all the transferor's right, title and interest, as in a "true sale" under applicable creditors' rights principles, and not as a pledge or other financing, of the relevant CRR property. We and APCo will treat such a transaction as a sale under applicable law. However, we expect that the CRR bonds will be reflected as debt on AEP's consolidated financial statements. In addition, we anticipate that the CRR bonds will be treated as debt of APCo for federal income tax purposes. See "The Securitization Law—APCo and Other Qualifying Utilities May Securitize Consumer Rate Relief Costs and Related Financing and Ongoing Costs" and "Material U.S. Federal Income Tax Consequences." In the event of a bankruptcy of a party to the sale agreement, if a party in interest in the bankruptcy were to take the position that the transfer of the CRR property to us pursuant to that sale agreement was a financing transaction and not a true sale under applicable creditors' rights principles, there can be no assurance that a court would not adopt this position. Even if a court did not ultimately recharacterize the transaction as a financing transaction, the mere commencement of a bankruptcy of APCo and the attendant possible uncertainty surrounding the treatment of the transaction could result in delays in payments on the CRR bonds.

In that regard, we note that the bankruptcy court in *In re: LTV Steel Company, Inc., et al.*, 274 B.R. 278 (Bankr. N. D. Oh. 2001) issued an interim order that observed that a debtor, LTV Steel Company, which had previously entered into securitization arrangements with respect both to its inventory and its accounts receivable may have "at least some equitable interest in the inventory and receivables, and that this interest is property of the Debtor's estate... sufficient to support the entry of" an interim order permitting the debtor to use proceeds of the property sold in the securitization. 274 B.R. at 285. The court based its decision in large part on its view of the equities of the case.

LTV and the securitization investors subsequently settled their dispute over the terms of the interim order and the bankruptcy court entered a final order in which the parties admitted and the court found that the pre-petition transactions constituted "true sales." The court did not otherwise overrule its earlier ruling. The LTV memorandum opinion serves as an example of the pervasive equity powers of bankruptcy courts and the importance that such courts may ascribe to the goal of reorganization, particularly where the assets sold are integral to the ongoing operation of the debtor's business.

Even if creditors did not challenge the sale of CRR property as a true sale, a bankruptcy filing by APCo could trigger a bankruptcy filing by us with similar negative consequences for bondholders. In a recent bankruptcy case, *In re General Growth Properties, Inc.*, 406 B.R. 171 (Bankr. S.D.N.Y. 2009), General Growth Properties, Inc. filed for bankruptcy protection, along with many of its direct and indirect subsidiaries. Those subsidiaries included many entities that had been organized as special purpose vehicles. The bankruptcy court upheld the validity of the filings of these special purpose subsidiaries as bankruptcy debtors and allowed the subsidiaries, over the objections of their own creditors, to use the creditors' cash collateral to fund loans to the parent debtor, General Growth Properties, Inc., for its general corporate purposes. The creditors received court-determined adequate protection in the form of current interest payments and replacement liens to mitigate any diminution in value resulting from the use of the cash collateral, but the opinion serves as a reminder that bankruptcy courts may subordinate legal rights of creditors to the interests of facilitation of the reorganization of a debtor.

We and APCo have attempted to mitigate the impact of a possible recharacterization of a sale of CRR property as a financing transaction under applicable creditors' rights principles. The sale agreement will provide

that if the transfer of the applicable CRR property is thereafter recharacterized by a court as a financing transaction and not a true sale, the transfer by APCo will be deemed to have granted to us on behalf of ourselves and the trustee a first priority security interest in all APCo's right, title and interest in and to the CRR property and all proceeds thereof. In addition, the sale agreement will require the filing of a financing statement describing the CRR property and the proceeds thereof in accordance with the Securitization Law. As a result of this filing, we would be a secured creditor of APCo and entitled to recover against the collateral or its value. This does not, however, eliminate the risk of payment delays or reductions and other adverse effects caused by a APCo bankruptcy. Further, if, for any reason, a proper financing statement is not filed under the Securitization Law or we fail to otherwise perfect our interest in the CRR property, and the transfer is thereafter deemed not to constitute a true sale, we would be an unsecured creditor of APCo.

The Securitization Law provides that the creation, granting, perfection and enforcement of liens and security interests in the CRR property are governed by the Securitization Law and not by Article 9 of the West Virginia Uniform Commercial Code (except, as to perfection, with respect to the filing of financing statements in places specified in the West Virginia Uniform Commercial Code and to conformity of the form of financing statements with provisions of the West Virginia Uniform Commercial Code). Under the Securitization Law, a valid and enforceable lien and security interest in the CRR property may be created only by a financing order issued under the Securitization Law and the execution and delivery of a security agreement with a holder of the CRR bonds or a trustee or agent for the holder that refers to the specific financing order that created the CRR property. The security interest attaches automatically from the time value is received for the CRR bonds. Upon perfection through the filing of a financing statement with the Office of the Secretary of State of West Virginia pursuant to rules established by the Secretary of State of West Virginia, under West Virginia law the security interest shall be a continuously perfected lien and security interest in the CRR property, with priority in the order of filing and take precedence over any subsequent judicial or other lien creditor.

None of this, however, mitigates the risk of payment delays and other adverse effects caused by a APCo bankruptcy. Further, if, for any reason, a properly filed financing statement related to the CRR property is not filed under the Securitization Law or we fail to otherwise perfect our interest in the CRR property sold pursuant to the sale agreement, and the transfer is thereafter deemed not to constitute a true sale, we would be an unsecured creditor of APCo.

Consolidation of APCo and Us. If APCo were to become a debtor in a bankruptcy case, a party in interest might attempt to substantively consolidate the assets and liabilities of APCo and us. We and APCo have taken steps to attempt to minimize this risk. Please read "Appalachian Consumer Rate Relief Funding II LLC, The Issuing Entity" in this prospectus. However, no assurance can be given that if APCo were to become a debtor in a bankruptcy case, a court would not order that our assets and liabilities be substantively consolidated with those of APCo. Substantive consolidation would result in payment of the claims of the beneficial owners of the CRR bonds to be subject to substantial delay and to adjustment in timing and/or amount under a plan of reorganization in a bankruptcy case.

Status of CRR Property as Current Property. APCo will represent in the sale agreement, and the Securitization Law provides, that the CRR property sold pursuant to the sale agreement constitutes a present contract right on the date that it is first transferred or pledged in connection with the issuance of the CRR bonds. Nevertheless, no assurance can be given that, in the event of a bankruptcy of APCo, a court would not rule that the CRR property comes into existence only as APCo's and WPCo's West Virginia Commission-jurisdictional area customers use electricity.

If a court were to accept the argument that the CRR property comes into existence only as APCo's and WPCo's West Virginia Commission-jurisdictional area customers use electricity, no assurance can be given that a security interest in favor of the bondholders of the CRR bonds would attach to the CRR charges in respect of electricity consumed after the commencement of the bankruptcy case or that the CRR property has been sold to us. If it were determined that the CRR property had not been sold to us, and the security interest in favor of the

CRR bondholders did not attach to the CRR charges in respect of electricity consumed after the commencement of the bankruptcy case, then we would have an unsecured claim against APCo. If so, there would be delays and/or reductions in payments on the CRR bonds. Whether or not a court determined that CRR property had been sold to us pursuant to the sale agreement, no assurances can be given that a court would not rule that any CRR charges relating to electricity consumed after the commencement of the bankruptcy could not be transferred to us or the trustee.

In addition, in the event of a bankruptcy of APCo, a party in interest in the bankruptcy could assert that we should pay, or that we should be charged for, a portion of APCo's costs associated with the associated electricity consumption of which gave rise to the CRR charge receipts used to make payments on the CRR bonds.

Regardless of whether APCo is the debtor in a bankruptcy case, if a court were to accept the argument that the CRR property sold pursuant to the sale agreement comes into existence only as customers use electricity, a tax or government lien or other nonconsensual lien on property of APCo arising before future CRR property came into existence could have priority over our interest in the CRR property. Adjustments to the CRR charges may be available to mitigate this exposure, although there may be delays in implementing these adjustments.

Estimation of Claims; Challenges to Indemnity Claims. If APCo were to become a debtor in a bankruptcy case, claims, including indemnity claims, by us or the trustee against APCo as seller under the sale agreement and the other documents executed in connection therewith would be unsecured claims and would be subject to being discharged in the bankruptcy case. In addition, a party in interest in the bankruptcy may request that the bankruptcy court estimate any contingent claims that we or the trustee have against APCo. That party may then take the position that these claims should be estimated at zero or at a low amount because the contingency giving rise to these claims is unlikely to occur. If a court were to hold that the indemnity provisions were unenforceable, we would be left with a claim for actual damages against APCo based on breach of contract principles. The actual amount of these damages would be subject to estimation and/or calculation by the court.

No assurances can be given as to the result of any of the above-described actions or claims. Furthermore, no assurance can be given as to what percentage of their claims, if any, unsecured creditors would receive in any bankruptcy proceeding involving APCo.

Enforcement of Rights by the Trustee. Upon an event of default under the indenture, the Securitization Law permits the trustee to enforce the security interest in the CRR property sold pursuant to the sale agreement in accordance with the terms of the indenture. In this capacity, the trustee is permitted to request the West Virginia Commission to order the sequestration and payment to holders of the CRR bonds of any revenues arising from the CRR charges. There can be no assurance, however, that the West Virginia Commission or a district court judge would issue this order after a seller bankruptcy in light of the automatic stay provisions of Section 362 of the United States Bankruptcy Code. In that event, the trustee may under the indenture seek an order from the bankruptcy court lifting the automatic stay with respect to this action by the West Virginia Commission or a district court judge and an order requiring an accounting and segregation of the revenues arising from the CRR property sold pursuant to the sale agreement. There can be no assurance that a court would grant either order.

Bankruptcy of a Servicer. Each servicer is entitled to commingle the CRR charges that it receives with its own funds until each date on which such servicer is required to remit funds to the joint collection account as specified in the servicing agreement and to commingle the CRR charges with other of its own funds (and the other servicer's funds) in the joint collection account until each date on which such servicer is required to transfer funds to the payment account as specified in the CRR property intercreditor agreement. The Securitization Law provides that the relative priority of a lien created under the Securitization Law is not defeated or adversely affected by the commingling of CRR charges arising with respect to the CRR property with funds of the qualifying utility. In the event of a bankruptcy of a servicer, a party in interest in the bankruptcy might assert, and a court might rule, that the CRR charges commingled by a servicer with its own funds and held by such servicer, prior to and as of the date of bankruptcy, were property of such servicer as of that date, and are therefore property

of the servicer's bankruptcy estate, rather than our property. If the court so rules, then the court would likely rule that the trustee has only a general unsecured claim against such servicer for the amount of commingled CRR charges held as of that date and could not recover the commingled CRR charges held as of the date of the bankruptcy.

However, the court rules on the ownership of the commingled CRR charges, the automatic stay arising upon the bankruptcy of a servicer could delay the trustee from receiving the commingled CRR charges held by such servicer as of the date of the bankruptcy until the court grants relief from the stay. A court ruling on any request for relief from the stay could be delayed pending the court's resolution of whether the commingled CRR charges are our property or are property of such servicer, including resolution of any tracing of proceeds issues.

In the event of a servicer's removal or resignation, the servicing agreement will provide that the trustee shall, upon the instruction of the holders of a majority of the outstanding principal amount of the CRR bonds and our prior written consent thereto (which consent shall not be unreasonably withheld), appoint a successor servicer that qualifies as such. Please read "The Servicing Agreement—The Replacement of APCo or WPCo as a Servicer with a Successor Servicer" in this prospectus. If, within 30 days after the delivery of the termination notice, a new servicer shall not have been appointed and accepted such appointment, the trustee may, or, upon the direction of the holders of a majority of the outstanding principal amount of the CRR bonds, shall, in each case petition the West Virginia Commission or a court of competent jurisdiction to appoint a qualifying successor servicer. However, the automatic stay in effect during a servicer bankruptcy might delay or prevent a successor servicer's replacement of a servicer. Even if a successor servicer may be appointed and may replace a servicer, a successor may be difficult to obtain and may not be capable of performing all of the duties that APCo as servicer was capable of performing. Furthermore, should a servicer enter into bankruptcy, it may be permitted to stop acting as a servicer.

Bankruptcy of APCo or WPCo. Neither APCo nor WPCo is required initially upon collection to segregate the CRR charges it collects from its general funds. The Securitization Law provides that our rights to the CRR property are not affected by the commingling of these funds with other funds. In a bankruptcy of APCo or WPCo, however, a bankruptcy court might rule that federal bankruptcy law takes precedence over the Securitization Law and does not recognize our right to receive the collected CRR charges that are commingled with other funds of APCo or WPCo prior to or as of the date of bankruptcy. If so, the collected CRR charges held by APCo or WPCo as of the date of bankruptcy would not be available to us to pay amounts owed on the CRR bonds. In this case, we would have only a general unsecured claim against APCo or WPCo, as applicable, for those amounts.

In addition, the bankruptcy of APCo or WPCo may cause a delay in or prohibition of enforcement of various rights against APCo or WPCo, including rights to require payments by APCo or WPCo, rights to recover preferential payments made by APCo or WPCo prior to bankruptcy, rights to require APCo or WPCo to comply with financial provisions of the Securitization Law or other state laws, rights to terminate contracts with APCo or WPCo and rights that are conditioned on the bankruptcy, insolvency or financial condition of APCo or WPCo, in each case as applicable.

Other risks relating to bankruptcy may be found in "Risk Factors—Risks Associated with Potential Bankruptcy Proceedings of the Seller or a Servicer."

USE OF PROCEEDS

Upon the issuance of the CRR bonds, we will use the net proceeds from the sale of the CRR bonds (after payment of upfront financing costs) to pay to APCo the purchase price of APCo's rights under the financing order, which are the CRR property. In accordance with the financing order, APCo will use the proceeds it receives from the sale of the CRR property to reduce its recoverable consumer rate relief costs and to redeem, repay or retire a portion of its existing long-term and/or short-term debt, including all or a portion of the Credit Agreement, dated May 22, 2025, by and among APCo as Borrower, Huntington as administrative agent, and the other financial institutions party thereto from time to time (the "Huntington Credit Agreement"), the Credit Agreement, dated May 23, 2025, by and among APCo as Borrower, Truist as administrative agent, and the other financial institutions party thereto from time to time (the "Truist Credit Agreement"), and the Credit Agreement, dated November 6, 2025, by and among APCo as borrower, Wells Fargo as administrative agent, and the other financial institutions party thereto from time to time (the "Wells Fargo Credit Agreement").

As of September 14, 2026, borrowings under the Huntington Credit Agreement totaled $125,000,000. Such borrowings bear interest at a variable rate (adjusted term secured overnight financing rate (SOFR) plus 1.25% per annum). The Huntington Credit Agreement matures on May 22, 2028. The proceeds of the portion of the loans under the Huntington Credit Agreement that may be repaid with the ultimate proceeds of this offering were used for general corporate purposes.

As of September 14, 2026, borrowings under the Truist Credit Agreement totaled $250,000,000. Such borrowings bear interest at a variable rate (adjusted term secured overnight financing rate (SOFR) plus 1.15% per annum). The Truist Credit Agreement matures on November 23, 2026. The proceeds of the portion of the loans under the Truist Credit Agreement that may be repaid with the ultimate proceeds of this offering were used for general corporate purposes.

As of September 14, 2026, borrowings under the Wells Fargo Credit Agreement totaled $550,000,000. Such borrowings bear interest at a variable rate (adjusted term secured overnight financing rate (SOFR) plus 1.05% per annum). The Wells Fargo Credit Agreement matures on December 4, 2026. The proceeds of the portion of the loans under the Wells Fargo Credit Agreement that may be repaid with the ultimate proceeds of this offering were used for general corporate purposes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions in the underwriting agreement among us, APCo and the underwriters, for whom RBC Capital Markets, LLC, Morgan Stanley and Citigroup are acting as representatives, we have agreed to sell to the underwriters, and the underwriters have severally agreed to purchase, the principal amount of the CRR bonds listed opposite each underwriter's name below:

Underwriter	Tranche A-1	Tranche A-2	Tranche A-3
RBC Capital Markets, LLC	$	$	$
Morgan Stanley	$	$	$
Citigroup	$	$	$
Total	$	$	$

Under the underwriting agreement, the underwriters will take and pay for all of the CRR bonds we offer, if any is taken. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The Underwriters' Sales Price for the CRR Bonds

The CRR bonds sold by the underwriters to the public will be initially offered at the prices to the public set forth on the cover of this prospectus. The underwriters propose initially to offer the CRR bonds to dealers at such prices, less a selling concession not to exceed the percentage listed below. The underwriters may allow, and dealers may reallow, a discount not to exceed the percentage listed below.

	Selling Concession	Reallowance Discount
Tranche A-1	%	%
Tranche A-2	%	%
Tranche A-3	%	%

After the initial public offering, the public offering prices, selling concessions and reallowance discounts may change.

No Assurance as to Resale Price or Resale Liquidity for the CRR Bonds

The CRR bonds are a new issue of securities with no established trading market. They will not be listed on any securities exchange. The underwriters have advised us that they intend to make a market in the CRR bonds, but they are not obligated to do so and may discontinue market making at any time without notice. We cannot assure you that a liquid trading market will develop for the CRR bonds.

Various Types of Underwriter Transactions That May Affect the Price of the CRR Bonds

The underwriters may engage in overallotment transactions, stabilizing transactions, syndicate covering transactions and penalty bids with respect to the CRR bonds in accordance with Regulation M under the Exchange Act. Overallotment transactions involve syndicate sales in excess of the offering size, which create a syndicate short position. Stabilizing transactions are bids to purchase the CRR bonds, which are permitted, so long as the stabilizing bids do not exceed a specific maximum price. Syndicate covering transactions involve purchases of the CRR bonds in the open market after the distribution has been completed in order to cover syndicate short positions. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the CRR bonds originally sold by the syndicate member are purchased in a syndicate covering transaction. These overallotment transactions, stabilizing transactions, syndicate covering transactions and penalty bids may cause the prices of the CRR bonds to be higher than they would otherwise be. Neither we, APCo, the trustee, our managers nor any of the underwriters represent that the underwriters will engage in any of these transactions or that these transactions, if commenced, will not be discontinued without notice at any time.

Certain of the underwriters and their affiliates have in the past provided, and may in the future from time to time provide, investment banking and general financing and banking services to APCo and its affiliates for which they have in the past received, and in the future may receive, customary fees. In addition, each underwriter may from time to time take positions in the CRR bonds. In accordance with FINRA Rule 5110 the reimbursement of expenses are deemed underwriting compensation in connection with the offering.

We estimate that the registrants' total expenses of the offering will be approximately $.

We and APCo have agreed to indemnify the underwriters against some liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the CRR bonds, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters, including the validity of the CRR bonds and other conditions contained in the underwriting agreement, such as receipt of ratings confirmations, officers' certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject offers in whole or in part.

We expect to deliver the CRR bonds against payment for the CRR bonds on or about the date specified in the last paragraph of the cover page of this prospectus, which will be the sixth business day following the date of pricing of the CRR bonds. Since trades in the secondary market generally settle in one business day, purchasers who wish to trade CRR bonds on the date of pricing or the succeeding four business days will be required, by virtue of the fact that the CRR bonds initially will settle in T+6, to specify alternative settlement arrangements to prevent a failed settlement.

Conflicts of Interest

Certain of the underwriters or their affiliates are lenders or may hold a portion of short-term debt that APCo intends to repay from the proceeds it will receive from the sale of the CRR property. In such event, it is possible that one or more of the underwriters or their affiliates could receive more than 5% of the net proceeds of this offering, and in that case such underwriter could be deemed to have a conflict of interest under FINRA Rule 5121. In the event of any such conflict of interest, such underwriter would be required to conduct the distribution of CRR bonds in accordance with FINRA Rule 5121. If the distribution is conducted in accordance with FINRA Rule 5121, such underwriter would not be permitted to sell to an account over which it exercises discretionary authority without first receiving specific written approval from the account holder.

AFFILIATIONS AND CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We are a wholly-owned subsidiary of APCo. APCo is a wholly-owned operating subsidiary of AEP. Each of the sponsors, the initial servicer and the depositor may maintain other banking relationships in the ordinary course with U.S. Bank Trust Company, National Association, the trustee and control agent, and its affiliate, U.S. Bank National Association, in its capacity as securities intermediary.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

General

The following is a general discussion of the anticipated material U.S. federal income tax consequences of the ownership and disposition of the CRR bonds. Except as specifically provided below with respect to non-U.S. holders (as defined below), this discussion does not address the tax consequences to persons other than initial purchasers who are U.S. holders (as defined below) that acquire CRR bonds at original issue for cash equal to the issue price of those bonds and hold their CRR bonds as capital assets within the meaning of Section 1221 of the Internal Revenue Code, and it does not address all of the tax consequences relevant to investors that are subject to special treatment under the United States federal income tax laws (*e.g.*, life insurance companies, tax-exempt organizations, financial institutions, dealers in securities, S corporations, taxpayers subject to the alternative minimum tax provisions of the Internal Revenue Code, broker-dealers, persons who hold the CRR bonds as part of a hedge, straddle, "synthetic security" or other integrated investment, risk reduction or constructive sale transaction and persons required to accelerate the recognition of any item of gross income with respect to the notes' evidencing the CRR bonds as a result of such income being recognized on an "applicable financial statement" (within the meaning of Section 451(b) of the Internal Revenue Code)). This discussion is general in nature and does not address all U.S. federal income taxes relevant to a holder's specific circumstances or the consequences to holders under state, local or foreign tax laws. Please read "Material West Virginia Income Tax Consequences" in this prospectus. Each beneficial owner of a CRR bond, by acquiring a beneficial interest, agrees to treat such CRR bond as indebtedness of APCo to the extent consistent with applicable federal, state, local and other tax purposes unless otherwise required by appropriate taxing authorities.

This summary is based on current provisions of the Internal Revenue Code, the Treasury Regulations promulgated and proposed thereunder, judicial decisions and published administrative rulings and pronouncements of the IRS and interpretations thereof. All of these authorities and interpretations are subject to change, and any change may apply retroactively and affect the accuracy of the opinions, statements and conclusions set forth in this discussion. We have not, and do not intend to seek, any ruling from the IRS with respect to the statements made and conclusions reached in this summary.

U.S. Holder and Non-U.S. Holder Defined

A "U.S. holder" means a beneficial owner of a CRR bond that, for U.S. federal income tax purposes, is (a) a citizen or individual resident of the United States; (b) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (c) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or (d) a trust, if (i) a court in the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (ii) it has a valid election in place to be treated as a United States person. A "non-U.S. holder" means a beneficial owner of a CRR bond that is not a U.S. holder but does not include (a) an entity or arrangement treated as a partnership for U.S. federal income tax purposes; (b) a former citizen of the United States; or (c) a former resident of the United States.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes is a holder of a CRR bond, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partners are encouraged to consult their tax advisors about the particular U.S. federal income tax consequences applicable to them. Similarly, former citizens and former residents of the United States are encouraged to consult their tax advisors about the particular U.S. federal income tax consequences that may be applicable to them.

ALL PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISERS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF OWNING AND DISPOSING OF CRR BONDS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS THE EFFECT OF ANY FOREIGN, STATE, LOCAL OR OTHER LAWS.

Income Tax Status of the CRR Bonds and Us as Issuing Entity

The determination of whether the CRR bonds will be classified as indebtedness or equity for U.S. federal income tax purposes requires a judgment based on all relevant facts and circumstances. There is no statutory, judicial, or administrative authority that directly addresses the U.S. federal income tax treatment of the CRR bonds. Although the issuance of the CRR bonds does not fit directly within Revenue Procedure 2005-62, 2005-2 CB 507, it meets the same underlying policy objectives that supported the conclusions set forth by the Internal Revenue Service therein. Accordingly, our opinion regarding the characterization of the CRR bonds as indebtedness is based upon Revenue Procedure 2005-62, rulings and judicial decisions under the Internal Revenue Code of 1986, as amended, none of which directly address the U.S. federal income tax treatment of the CRR bonds, but instead involve situations that we consider to be analogous, and an analysis of all the facts and circumstances surrounding the issuance and sale of the CRR bonds.

Based on the foregoing and certain representations made by us and APCo, including a representation by us that we will not make, or allow there to be made, any election to the contrary, Sidley Austin LLP, counsel to APCo and us, expects to render its opinion that for U.S. federal income tax purposes, (1) we will not be considered an entity separate from our sole member, APCo, and (2) the CRR bonds will be treated as debt obligations of APCo.

This opinion is based on the application of current law to the facts as established by the indenture and other relevant documents and assumes compliance with the indenture and such other documents as in effect on the date of issuance of the CRR bonds. We intend to treat the CRR bonds as indebtedness for U.S. federal income tax purposes. The remainder of this discussion assumes that the classification of the CRR bonds as indebtedness will be respected for U.S. federal income tax purposes.

Tax Consequences to U.S. Holders

Payments of Interest. Stated interest on the CRR bonds generally will be taxable to a U.S. holder as ordinary income at the time such interest is received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes. This discussion assumes that the CRR bonds will not be considered to be issued with original issue discount ("**OID**"). OID is generally defined as any excess of the stated price the U.S. holder will receive upon redemption of the bond at the bond's maturity, less the price the U.S. holder pays to purchase the bond, if this difference is equal to or greater than a de minimis amount. If any series or portion of CRR bonds is issued with OID, prospective U.S. holders will be so informed in the related prospectus, and should thereafter consult their tax adviser to determine the federal, state, local and foreign income and any other tax consequences.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of the CRR Bonds. If there is a sale, exchange, redemption, retirement or other taxable disposition of a CRR bond, a U.S. holder generally will recognize taxable gain or loss equal to the difference between (a) the amount of cash and the fair market value of any other property received (other than amounts attributable to, and taxable as, accrued stated interest) and (b) the holder's adjusted tax basis in the CRR bond. A U.S. holder's adjusted tax basis in a CRR bond generally will equal its cost, reduced by any payments reflecting principal previously received with respect to the bond. Gain or loss generally will be capital gain or loss if the CRR bond is held as a capital asset, and will be long-term capital gain or loss if the CRR bond was held for more than one year at the time of the sale, exchange, redemption, retirement or other taxable disposition. If a U.S. holder sells a CRR bond between interest payment dates, a portion of the amount received will reflect interest that has accrued on the CRR bond but that has not yet been paid by the sale date and, to the extent that amount has not already been included in the U.S. holder's income, it will be treated as ordinary interest income and not as capital gain.

3.8% Tax on "Net Investment Income"

Certain U.S. holders will be subject to an additional 3.8% tax on all or a portion of their "net investment income," which may include the interest payments and any taxable gain realized with respect to a CRR bond, to

the extent of their net investment income that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married individual filing a joint return (or a surviving spouse), or $125,000 for a married individual filing a separate return. U.S. holders are encouraged to consult their tax advisors with respect to this tax.

Information Reporting and Backup Withholding

Information reporting generally will apply to payments of interest on, and the proceeds of the sale, exchange, redemption, retirement or other taxable disposition of, the CRR bonds, and backup withholding will apply to such payments unless a U.S. holder provides to the applicable withholding agent its taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establish an exemption from backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for establishing such an exemption.

Tax Consequences to Non-U.S. Holders

Payments of Interest

Subject to the discussion below (see "—Information Reporting and Backup Withholding" and "—The Foreign Account Tax Compliance Act"), payments of interest on the CRR bonds to a non-U.S. holder generally will be exempt from U.S. federal income and withholding tax under the "portfolio interest" exemption if the interest is not effectively connected with the non-U.S. holder's U.S. trade or business, the non-U.S. holder properly certifies as to its non-U.S. status, as described below, and the non-U.S. holder:

- does not actually or constructively own, including through an interest in AEP, 10% or more of the total combined voting power of all classes of APCo stock entitled to vote;
- is not a bank whose receipt of interest is in connection with an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business; and
- is not a "controlled foreign corporation" for U.S. federal income tax purposes that is related to us or APCo, actually or constructively.

The portfolio interest exemption applies only if the non-U.S. holder appropriately certifies as to its non-U.S. status to the applicable withholding agent. A holder generally can meet this certification requirement by providing a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable (or appropriate substitute or successor form) to the applicable withholding agent. If the non-U.S. holder holds the CRR bonds through a financial institution or other agent acting on its behalf, it may be required to provide appropriate certifications to its agent. The agent then generally will be required to provide appropriate certifications to the applicable withholding agent, either directly or through other intermediaries.

If the non-U.S. holder cannot satisfy the requirements described above, payments of interest made to the non-U.S. holder will be subject to U.S. federal withholding tax, currently at a 30% rate, unless (1) it provides the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable (or appropriate substitute or successor form) claiming an exemption from (or a reduction of) withholding under an applicable income tax treaty or (2) the payments of interest are effectively connected with its conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States) and it meets the certification requirements described below (see "Income or Gain Effectively Connected with a U.S. Trade or Business").

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. holders that do not timely provide the applicable

withholding agent with the required certification, but that qualify for an exemption or a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders should consult their tax advisors regarding the U.S. federal income tax consequences of owning and disposing of the CRR bonds, including their entitlement to benefits under any applicable income tax treaty.

Sale, Exchange, Redemption or Other Taxable Disposition of the CRR Bonds

Subject to the discussion below (see "—Information Reporting and Backup Withholding"), a non-U.S. holder generally will not be subject to United States federal income or withholding tax on gain realized on the sale, redemption, exchange, retirement or other taxable disposition of CRR bonds, unless:

- the gain is effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States); or
- the non-U.S. holder is an individual who is present in the United States for 183 days or more during the taxable year and certain other requirements are met.

If you are a non-U.S. holder described in the first bullet point above, you generally will be subject to U.S. federal income tax as described below (see "—Income or Gain Effectively Connected with a U.S. Trade or Business"). If you are a non-U.S. holder described in the second bullet point above, you generally will be subject to U.S. federal income tax at a 30% rate (or a lower applicable income tax treaty rate) on the gain derived from the sale, redemption, exchange, retirement or other taxable disposition, which may be offset by certain U.S.-source capital losses, unless an applicable income tax treaty provides otherwise.

To the extent any portion of the amount realized on the sale, redemption, exchange, retirement or other taxable disposition of a CRR bond is attributable to accrued but unpaid interest on the CRR bond, this amount will generally be taxed in the same manner as described above in "—Withholding Tax on Payments of Interest."

Income or Gain Effectively Connected with a U.S. Trade or Business

If any interest on the CRR bonds or gain from a sale, redemption, exchange, retirement or other taxable disposition of the CRR bonds is effectively connected with a U.S. trade or business conducted by a non-U.S. holder, then the non-U.S. holder generally will be subject to U.S. federal income tax on such interest or gain on a net income basis in the same manner as a U.S. holder (unless an applicable income tax treaty provides otherwise). If interest received with respect to the CRR bonds is effectively connected income, the U.S. federal withholding tax described above will not apply (assuming appropriate certification is provided) unless an applicable income tax treaty provides otherwise. A non-U.S. holder generally can meet the certification requirements by providing a properly executed IRS Form W-8ECI (or other applicable form) to the applicable withholding agent. In addition, if the non-U.S. holder is a corporation for U.S. federal income tax purposes, that portion of its earnings and profits that is attributable to such effectively connected income or gain, subject to certain adjustments, may be subject to a "branch profits tax" at a 30% rate (or a lower applicable income tax treaty rate).

Information Reporting and Backup Withholding

Payments to a non-U.S. holder of interest on a CRR bond, and amounts withheld from such payments, if any, generally will be required to be reported to the IRS and may also be made available to the tax authorities of the country in which a non-U.S. holder is a tax resident under the provisions of an applicable income tax treaty or agreement. Backup withholding generally will not apply to payments of interest to a non-U.S. holder if the certification described in "—Payments of Interest" above is provided by the non-U.S. holder, or the non-U.S. holder otherwise establishes an exemption.

Proceeds from a sale, exchange, redemption, retirement or other taxable disposition of a CRR bond effected by the U.S. office of a U.S. or non-U.S. broker will be subject to information reporting requirements and backup withholding unless a non-U.S. holder properly certifies, under penalties of perjury, as to its non-U.S. status and certain other conditions are met, or an exemption is otherwise established. Information reporting and backup withholding generally will not apply to any proceeds from a sale, exchange, redemption, retirement or other taxable disposition of a CRR bond effected outside the United States by a non-U.S. office of a broker, unless such broker has certain connections to the United States, in which case information reporting, but not backup withholding, may apply unless certain other conditions are met, or an exemption is otherwise established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against a non-U.S. holder's U.S. federal income tax liability, if any, and may entitle a non-U.S. holder to a refund, provided the required information is timely furnished to the IRS.

The Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("**FATCA**") generally imposes a U.S. federal withholding tax (separate and apart from, but without duplication of, the withholding tax described above) at a rate of 30% on payments of U.S. source interest on, and the gross proceeds from a disposition of, certain debt obligations paid to certain non-U.S. entities, including certain foreign financial institutions and investment funds (including, in some instances, where such an entity is acting as an intermediary), unless such non-U.S. entity complies with certain withholding and reporting requirements. Pursuant to proposed U.S. Treasury Regulations (upon which taxpayers are permitted to rely until they are revoked or final U.S. Treasury Regulations are issued), this withholding tax generally will not apply to the gross proceeds from a sale or other disposition of instruments, such as the CRR bonds, that produce U.S. source interest. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States with respect to these rules may be subject to different rules. Under certain circumstances, a beneficial owner of a CRR bond may be eligible for a refund or credit of such taxes. Prospective purchasers are encouraged to consult their tax advisors regarding the application of FATCA in their particular circumstances.

The preceding discussion of certain U.S. federal income tax consequences is for general information only and is not tax advice. Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of the CRR bonds, including the consequences of any proposed change in applicable laws.

MATERIAL WEST VIRGINIA INCOME TAX CONSEQUENCES

Assuming that the CRR bonds will be treated as debt obligations of APCo for U.S. federal income tax purposes, interest paid on the CRR bonds generally will be taxed for West Virginia income tax purposes consistently with its taxation for U.S. federal income tax purposes and such interest received by an entity or person not otherwise subject to West Virginia corporate or individual income tax will not be subject to West Virginia income tax. Jackson Kelly PLLC expects to issue an opinion, that, for West Virginia income tax purposes (1) assuming that the issuing entity is treated as an entity that is disregarded from APCo for federal income tax purposes, we will not be treated as a taxable entity separate and apart from APCo, our sole member, and (2) assuming that the CRR bonds are treated as indebtedness for federal income tax purposes, the CRR bonds will constitute indebtedness of APCo, assuming, in each case, that such treatment applies for U.S. federal income tax purposes. These opinions are not binding on any taxing authority or any court, and there can be no assurance that contrary positions may not be taken by any taxing authority.

This discussion is based on current provisions of the West Virginia tax statutes and regulations, judicial decisions and administrative interpretations and rulings. All of these authorities and interpretations are subject to change, and any change may apply retroactively and affect the accuracy of the opinions set forth in this discussion.

The discussion under “Material West Virginia Income Tax Consequences” is for general information only and may not be applicable depending upon a bondholder’s particular situation. It is recommended that prospective bondholders consult their own tax advisors with respect to the tax consequences to them of the acquisition, ownership and disposition of the CRR bonds, including the tax consequences under federal, state, local, non-U.S. and other tax laws and the effects of changes in such laws. Please read “Material U.S. Federal Income Tax Consequences” in this prospectus.

ERISA CONSIDERATIONS

General

The Employee Retirement Income Security Act of 1974, known as ERISA, and Section 4975 of the Internal Revenue Code impose certain requirements on employee benefit plans, plans and other arrangements subject to ERISA or Section 4975 of the Internal Revenue Code. ERISA and the Internal Revenue Code also impose certain requirements on fiduciaries of such employee benefit plans, plans and other arrangements in connection with the investment of the assets of the employee benefit plans, plans and other arrangements. For purposes of this discussion, "**plans**" include "employee benefit plans" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, "plans" as defined in Section 4975(e)(1) of the Internal Revenue Code that is subject to Section 4975 of the Internal Revenue Code, including individual retirement accounts and annuities and Keogh plans, as well as entities that are deemed to hold plan assets of any of the foregoing by virtue of such employee benefit plan's or plan's investment in the entity, including some collective investment funds and insurance company general or separate accounts in which the assets of those plans, accounts or arrangements are invested. A fiduciary of an investing plan is any person who in connection with the assets of the plan:

- has discretionary authority or control over the management or disposition of assets; or
- provides investment advice for a fee.

Some plans, such as governmental plans, and certain church plans, and the fiduciaries of those plans, are not subject to ERISA requirements. Accordingly, assets of these plans may be invested in the CRR bonds without regard to the ERISA considerations described below, subject to the provisions of other applicable law, including a federal, state, local or other law that is similar to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code (any such law, "applicable similar law" and these plans, ("**other-law plans**")). For example, a governmental plan which is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Internal Revenue Code, however, is subject to the prohibited transaction rules in Section 503 of the Internal Revenue Code.

ERISA imposes certain general fiduciary requirements on fiduciaries, including:

- investment prudence and diversification; and
- the investment of the assets of the plan in accordance with the documents governing the plan.

In considering an investment in the CRR bonds, the fiduciary of a plan should determine whether the investment is in accordance with the documents and instruments governing the plan and the applicable provisions of ERISA or the Internal Revenue Code relating to the fiduciary's duties to the plan, including, but not limited to, the duties of investment prudence and diversification, and delegation of control under ERISA, and the prohibited transaction provisions of ERISA and Section 4975 of the Internal Revenue Code.

Section 406 of ERISA and Section 4975 of the Internal Revenue Code also prohibit a broad range of transactions involving the assets of a plan and persons who have certain specified relationships to the plan, referred to as "parties in interest," as defined under ERISA or "disqualified persons" as defined under Section 4975 of the Internal Revenue Code unless a statutory or administrative exemption is available. The types of transactions that are prohibited include but are not limited to:

- sales, exchanges or leases of property;
- loans or other extensions of credit; and
- the furnishing of goods or services.

Certain persons that participate in a prohibited transaction may be subject to an excise tax under Section 4975 of the Internal Revenue Code or a penalty imposed under Section 502(i) of ERISA, unless a

statutory or administrative exemption is available. In addition, the persons involved in the prohibited transaction may have to cancel or unwind the transaction and pay an amount to the plan for any losses realized by the plan or profits realized by these persons. In addition, individual retirement accounts involved in the prohibited transaction may be disqualified which would result in adverse tax consequences to the owner of the account.

Regulation of Assets Included in a Plan

A fiduciary's investment of the assets of a plan in the CRR bonds may cause our assets to be deemed assets of the investing plan. United States Department of Labor regulations at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (collectively, the "**plan asset regulations**"), provide that the underlying assets of an entity will be deemed to be assets of a plan that purchases an interest in the entity if the interest that is purchased by the plan is an equity interest, equity participation by benefit plan investors is "significant" within the meaning of the plan asset regulations and none of the other exceptions contained in the plan asset regulations applies. An equity interest is defined in the plan asset regulations as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is no authority directly on point, it is anticipated that the CRR bonds will be treated as indebtedness under local law without any substantial equity features.

If the CRR bonds were deemed to be equity interests in us and none of the exceptions contained in the plan asset regulations were applicable, then our assets would be considered to be assets of any plans that purchase the CRR bonds. The extent to which the CRR bonds are owned by benefit plan investors will not be monitored. If our assets were deemed to constitute "plan assets" of investing plans pursuant to the plan asset regulations, transactions we might enter into, or may have entered into in the ordinary course of business, might constitute non-exempt prohibited transactions under ERISA and/or Section 4975 of the Internal Revenue Code.

In addition and without regard to whether the CRR bonds are characterized as other than equity interests in us for purposes of the plan asset regulations, the acquisition, holding or disposition of the CRR bonds by or on behalf of a plan could give rise to a prohibited transaction if we or the trustee, APCo, any other servicer, AEP, any underwriter or certain of their affiliates is or becomes a party in interest or disqualified person with respect to an investing plan unless the transaction qualifies for relief under a prohibited transaction exemption. Each purchaser of the CRR bonds will be deemed to have represented and warranted that its acquisition, holding and disposition of the CRR bonds will not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Internal Revenue Code.

Prohibited Transaction Exemptions

If you are a fiduciary of a plan or any other person proposing to acquire the CRR bonds on behalf of, or using assets of, a plan, before purchasing any CRR bonds, you should consider and consult with counsel as to whether the acquisition, holding and disposition of the CRR bonds may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Internal Revenue Code and if so, whether any prohibited transaction exemption may provide relief for such transactions. In particular, you should consider and consult with counsel as to the availability of one of the Department of Labor's prohibited transaction class exemptions, referred to as PTCEs, or one of the statutory exemptions provided by ERISA or Section 4975 of the Internal Revenue Code, which include:

- PTCE 75-1, which exempts certain transactions between a plan and certain broker-dealers, reporting dealers and banks;
- PTCE 84-14, which exempts certain transactions effected on behalf of a plan by a "qualified professional asset manager";
- PTCE 90-1, which exempts certain transactions between insurance company separate accounts and parties in interest;

- PTCE 91-38, which exempts certain transactions between bank collective investment funds and parties in interest;
- PTCE 95-60, which exempts certain transactions between insurance company general accounts and parties in interest;
- PTCE 96-23, which exempts certain transactions effected on behalf of a plan by an "in-house asset manager"; and
- the statutory service provider exemption provided by Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Internal Revenue Code, which exempts certain transactions between plans and parties in interest that are parties in interest solely by reason of providing services to a plan or having a relationship to a service provider to the plan and are not fiduciaries with respect to the transaction.

We cannot provide any assurance that any of these class exemptions or statutory exemptions will apply with respect to any particular investment in the CRR bonds by, or on behalf of, a plan or, even if it were deemed to apply, that any exemption would apply to all transactions that may occur in connection with the investment. Even if one of these class exemptions or statutory exemptions were deemed to apply, CRR bonds may not be purchased with assets of any plan if we or the trustee, APCo, any other servicer, AEP, any underwriter or any of their affiliates:

- has investment discretion over the assets of the plan used to purchase the CRR bonds;
- has authority or responsibility to give, or regularly gives, investment advice regarding the assets of the plan used to purchase the CRR bonds, for a fee and under an agreement or understanding that the advice will serve as a primary basis for investment decisions for the assets of the plan, and will be based on the particular investment needs of the plan; or
- is an employer maintaining or contributing to the plan.

Consultation with Counsel and Representation

The sale of the CRR bonds to a plan will not constitute a representation by us or the trustee, APCo, any other servicer, AEP, any underwriter or any of their affiliates that such an investment meets all relevant legal requirements relating to investments by such plans or other-law plans generally or by any particular plan or other-law plan, or that such an investment is appropriate for such plans or other-law plans generally or for a particular plan or other-law plan.

If you are a fiduciary or any other person which proposes to purchase the CRR bonds on behalf of or with assets of a plan, you should consider your general fiduciary obligations under ERISA and you should consult with your legal counsel as to the potential applicability of ERISA and/or the Internal Revenue Code to any investment and the availability of any prohibited transaction exemption in connection with any investment. In addition, if you are a fiduciary or any other person acting on behalf of, or using assets of, an other-law plan, you should consider and consult with legal counsel as to whether the acquisition, holding and disposition of the recovery bonds by, on behalf of, or using assets of, an other-law plan would violate any applicable similar law.

By acquiring any interest in the CRR bonds, each purchaser and subsequent transferee will be deemed to have represented and warranted that either (1) it is not a plan or an other-law plan and is not acting on behalf of, or using assets of, a plan or other-law plan to acquire or hold the CRR bonds or (2) its acquisition, holding and disposition of the CRR bonds will not, in the case of a plan, constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Internal Revenue Code or, in the case of an other-law plan, constitute or result in a violation of applicable similar law.

This summary is based on current provisions of ERISA, the Internal Revenue Code, the regulations thereunder and other related guidance. All of these authorities and interpretations are subject to change, and any change may apply retroactively and affect the accuracy of the opinions, statements and conclusions set forth in this discussion.

LEGAL PROCEEDINGS

Except as disclosed in this document, there are no legal or governmental proceedings pending against us, the sponsor, seller, trustee, or servicer, or of which any property of the foregoing is subject, that is material to the holders of the CRR bonds. See “The Trustee” in this prospectus for a discussion of certain legal proceedings involving certain affiliates of the trustee, none of which are material to holders of the CRR bonds.

RATINGS FOR THE CRR BONDS

We expect that the CRR bonds will receive credit ratings from at least two NRSROs. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning NRSRO. Each rating should be evaluated independently of any other rating. No person or entity is obligated to maintain the rating on the CRR bonds and, accordingly, we can give no assurance that the ratings assigned to the CRR bonds upon initial issuance will not be lowered or withdrawn by a NRSRO at any time thereafter. If a rating of the CRR bonds is lowered or withdrawn, the liquidity of the CRR bonds may be adversely affected. In general, ratings address credit risk and do not represent any assessment of any particular amount of principal payments on the CRR bonds other than the payment in full of the CRR bonds by the final maturity date, as well as the timely payment of interest.

Under Rule 17g-5 under the Exchange Act, NRSROs providing the sponsor with the requisite certification will have access to all information posted on a website by the sponsor for the purpose of determining the initial rating and monitoring the rating after the CRR bonds issuance date. As a result, an NRSRO other than the hired NRSRO may issue Unsolicited Ratings, which may be lower, and could be significantly lower, than the ratings assigned by the hired NRSROs. The Unsolicited Ratings may be issued prior to, or after, the CRR bonds issuance date. Issuance of any Unsolicited Rating will not affect the issuance of the CRR bonds. Issuance of an Unsolicited Rating lower than the ratings assigned by the hired NRSROs on the CRR bonds might adversely affect the value of the CRR bonds and, for regulated entities, could affect the status of the CRR bonds as a legal investment or the capital treatment of the CRR bonds. Investors in the CRR bonds should consult with their legal counsel regarding the effect of the issuance of a rating by a non-hired NRSRO that is lower than the rating of a hired NRSRO.

A portion of the fees paid by APCo to a NRSRO that is hired to assign a rating on the CRR bonds is contingent upon the issuance of the CRR bonds. In addition to the fees paid by APCo to a NRSRO at closing, APCo will pay a fee to the NRSRO for ongoing surveillance for so long as the CRR bonds are outstanding. However, no NRSRO is under any obligation to continue to monitor or provide a rating on the CRR bonds.

WHERE YOU CAN FIND MORE INFORMATION

To the extent that we are required by law to file such reports and information with the SEC under the Exchange Act, we will file annual and current reports and other information with the SEC. We are incorporating by reference any future filings we or the sponsor, but solely in its capacity as our sponsor, make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering of the CRR bonds, excluding any information that is furnished to, and not filed with, the SEC. These reports will be filed under our own name as issuing entity. Under the indenture, we may voluntarily suspend or terminate our filing obligations as issuing entity with the SEC, to the extent permitted by applicable law.

This prospectus is part of a registration statement we and APCo have filed with the SEC relating to CRR bonds. This prospectus describes the material terms of some of the documents we have filed as exhibits to the registration statement. However, this prospectus does not contain all of the information contained in the registration statement and the exhibits.

Information filed with the SEC can be inspected at the SEC's Internet site located at http://www.sec.gov. You may also obtain a copy of our filings with the SEC at no cost, by writing to or telephoning us at the following address:

Appalachian Consumer Rate Relief Funding II LLC
200 Association Drive, 02,
Charleston, WV 25311

Our SEC Securities Act file number is 333- and 333-

We or APCo as depositor will also file with the SEC all of the periodic reports we or the depositor are required to file under the Exchange Act and the rules, regulations or orders of the SEC thereunder; however, neither we nor APCo as depositor intend to file any such reports relating to the CRR bonds following completion of the reporting period required by Rule 15d-1 or Regulation 15D under the Exchange Act, unless required by law. Unless specifically stated in the report, the reports and any information included in the report will neither be examined nor reported on by an independent public accountant. A more detailed description of the information to be included in these periodic reports, please read “Description of the CRR Bonds—Website” in this prospectus.

INCORPORATION BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus information we or the depositor file with the SEC. This means we can disclose important information to you by referring you to the documents containing the information. The information we incorporate by reference is considered to be part of this prospectus, unless we update or supersede that information with information that we or the depositor file subsequently that is incorporated by reference into this prospectus. We are incorporating into this prospectus any future distribution report on Form 10-D, current report on Form 8-K or any amendment to any such report which we or APCo, solely in its capacity as our depositor, make with the SEC until the offering of the CRR bonds is completed. These reports will be filed under our own name as issuing entity. Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any separately filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of this prospectus.

INVESTMENT COMPANY ACT AND VOLCKER RULE MATTERS

Section 619 of the Dodd-Frank Act and its implementing regulations, commonly known as the "**Volcker Rule**", prevent "banking entities" from (1) engaging in "proprietary trading", (2) acquiring or retaining any "ownership interest" in, or sponsoring, a "covered fund" and (3) entering into certain relationships with a "covered fund" (as such terms are defined in the Volcker Rule). A "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act. We have been structured so as not to be a "covered fund" under the Volcker Rule.

The issuing entity is not registered or required to be registered as an "investment company" under the Investment Company Act. In making this determination, the issuing entity will be relying on an exclusion or exemption under the Investment Company Act contained in Rule 3a-7 under the Investment Company Act, although there may be additional exclusions or exemptions available to the issuing entity. Investors that constitute "banking entities" should carefully review and familiarize themselves with the Volcker Rule and should consult their own legal advisors regarding the effects of the Volcker Rule on such investors and their investment in the CRR bonds.

RISK RETENTION

This offering of the CRR bonds is a public utility securitization exempt from the risk retention requirements imposed by Section 15G of the Exchange Act due to the exemption provided in Rule 19(b)(8) of Regulation RR.

For information regarding the requirements of the EU Securitization Regulation and the UK Securitization Framework as to risk retention and other matters, please read "Risk Factors—Other Risks Associated with an Investment in the CRR Bonds—Regulatory provisions affecting certain investors could adversely affect the liquidity and the regulatory treatment of investments in the CRR bonds" in this prospectus.

LEGAL MATTERS

Certain legal matters relating to us and the issuance of the CRR bonds will be passed upon for APCo and us by Sidley Austin LLP, special counsel to APCo and us. Certain other legal matters relating to the issuance of the CRR bonds will be passed on by Richards, Layton & Finger, P.A., special Delaware counsel to us, by Steptoe & Johnson PLLC, special West Virginia counsel to APCo and us, Troutman Pepper Locke LLP, special Virginia counsel to APCo, and by Hunton Andrews Kurth LLP, counsel to the underwriters. From time to time, Hunton Andrews Kurth LLP acts as counsel to our affiliates for some matters. Certain legal matters relating to the federal income tax consequences of the issuance of the CRR bonds will be passed upon for us by Sidley Austin LLP. Certain legal matters relating to the West Virginia income tax consequences of the issuance of the CRR bonds will be passed upon for us by Jackson Kelly PLLC.

GLOSSARY OF DEFINED TERMS

The following definitions are used in this prospectus:

Adjustment requests means with regard to the CRR charges, a request filed by the servicers with the West Virginia Commission requesting modifications to the CRR charges.

AEP means American Electric Power Company, Inc.

AEP Credit means AEP Credit, Inc., or its successor.

AEP Receivables Purchase Agreement means that certain Fourth Amended and Restated Receivables Purchase Agreement, dated as of June 25, 2014, among AEP Credit, American Electric Power Service Corporation, the Receivables Agent and the other entities party thereto as purchasers, as the same may be amended, supplemented or modified from time to time.

APCo means Appalachian Power Company.

APCo Proportion means (a) the initial principal amount of the CRR bonds as of the issuance date divided by (b) the initial aggregate principal amount of both the CRR bonds and the WPCo Bonds as of the issuance date.

APCo Receivables Agency Agreement means the Third Amended and Restated Agency Agreement, dated August 25, 2004, among APCo, AEP Credit and the Receivables Agent, as the same may be amended, supplemented or modified from time to time.

APCo Receivables Purchase Agreement means the Third Amended and Restated Purchase Agreement, dated August 25, 2004, between APCo and AEP Credit, as the same may be amended, supplemented or modified from time to time.

APCo servicer means APCo acting as a servicer under the servicing agreement

APCo transfer amount means, as of any date of determination, the funds then on deposit in the joint collection account corresponding to our percentage interest in that account, which is equal to (a) the interest and scheduled principal on the CRR bonds payable on the upcoming payment date and our ongoing financing costs payable on or prior to that payment date, divided by (b) the interest and scheduled principal payable on that payment date on both the CRR bonds and the WPCo Bonds and all ongoing financing costs of us and the WPCo issuing entity payable on or prior to that payment date; provided that, if immediately prior to the final transfer from the joint collection account before a payment date, the funds on deposit in the joint collection account (together with the amounts then on deposit in the payment account) are insufficient to pay the amounts described in clause (a), the APCo transfer amount for that final transfer will instead equal the total funds then on deposit in the joint collection account multiplied by the percentage that the outstanding principal amount of the CRR bonds represents of the aggregate outstanding principal amount of the CRR bonds and the WPCo Bonds. Please read “Description of the CRR Bonds—The Payment Account for the CRR Bonds.”

Bankruptcy Code means Title 11 of the United States Code, as amended.

Basic documents means the administration agreement, the sale agreement, the intercreditor agreements, the servicing agreement, the indenture, the series supplement, the bill of sale given by APCo, as the seller, to us, the notes evidencing the CRR bonds, and the certificate of incorporation of the issuing entity, the initial limited liability company agreement of the issuing entity and the amended and restated limited liability company agreement of the issuing entity.

Business day means any day other than a Saturday, a Sunday or a day on which banking institutions in Charleston, West Virginia, New York, New York, or Columbus, Ohio are, or DTC or the corporate trust office of the Trustee is, authorized or obligated by law, regulation or executive order to remain closed.

Capital subaccount means that subaccount of the payment account into which the seller will contribute capital in an amount equal to 0.50% of the initial principal amount of the CRR bonds.

Clearstream means Clearstream Banking S.A.

Competent Authority means a competent authority determined in accordance with the Securitization Regulations.

Consumer rate relief charges means the nonbypassable "consumer rate relief charges" (as defined in Section 24-2-4h(b)(7) of the Securitization Law) approved by the West Virginia Commission in the financing order and imposed on, and collected from, all of APCo's and WPCo's West Virginia Commission-jurisdictional area customers by the servicers, their successors, assignees or other collection agents as provided in the financing order, in amounts sufficient to provide for the timely payment of principal of and interest on both the CRR bonds and the WPCo Bonds and all related ongoing financing costs.

Consumer rate relief costs means the costs of a qualifying utility recoverable through the issuance of CRR bonds, including the costs of issuing, supporting and servicing the CRR bonds.

Control agent means U.S. Bank Trust Company, National Association, in its capacity as JCA Control Agent under the CRR property intercreditor agreement. The control agent is responsible for issuing instructions to the applicable bank accounts directing disposition of the available funds in the joint collection account without further consent of APCo or WPCo for the benefit of the trustee and the WPCo indenture trustee, as applicable.

CRR bonds means, unless the context requires otherwise, the Series 2026-A Senior Secured CRR Bonds offered pursuant to this prospectus.

CRR charges means, with regard to each of APCo and WPCo, such company's portion of the consumer rate relief charges, being the portion of the nonbypassable amounts to be charged for the use or availability of electric services, approved by the West Virginia Commission in the financing order and collected by a servicer, its successors, assignees or other collection agents as provided in the financing order that is allocable to the consumer rate relief bonds sponsored by such company (in the case of APCo, the CRR bonds and, in the case of WPCo, the WPCo Bonds). Unless the context otherwise requires, references in this prospectus to the CRR charges are to APCo's portion of the consumer rate relief charges, which secures the CRR bonds.

CRR property means all of APCo's interest in "consumer rate relief property" (as defined in Section 24-2-4h(b)(9) of the Securitization Law) created pursuant to the financing order and under the Securitization Law and transferred, sold, conveyed or assigned to us pursuant to the sale agreement, including the right to impose, charge and collect the CRR charges, the right to obtain adjustments to the CRR charges, and any revenues, receipts, collections, rights to payment, payments, moneys, claims or other proceeds arising from the rights and interests of APCo created under the financing order.

CRR Revenue Group or *revenue group* means each of the customer revenue groups (residential, commercial, and industrial) established in the financing order among which the consumer rate relief costs and financing costs recovered through the CRR charges are classified and allocated in accordance with the cost classification and allocation methodology approved in the financing order. Each CRR Revenue Group is further divided into customer classes, among which the CRR charges allocated to that CRR Revenue Group are assessed.

Customers, retail customers or West Virginia Commission-jurisdictional area customers means all existing and future West Virginia electric retail customers that receive electric service within APCo's and WPCo's, or

any successor's, geographic service territory notwithstanding any change in West Virginia law regarding the ability of any such customer to choose a provider of generation or transmission service from a party other than APCo or WPCo (or their respective successor) in the future, including all existing and future West Virginia electric retail customers who are obligated to pay CRR charges pursuant to the financing order or any tariff.

Depositor means APCo.

Designee means the person, as appointed by the West Virginia Commission, who is authorized to approve, by concurrence, the final terms, structuring and pricing of the transaction as set forth in the issuance advice letter.

Direct Participants means DTC's participants.

Dodd-Frank Act means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

DTC means The Depository Trust Company, New York, New York, and its nominee holder, Cede & Co.

DTCC means The Depository Trust & Clearing Corporation.

Due Diligence Requirements means the EU Due Diligence Requirements and the UK Due Diligence Requirements.

EEA means the European Economic Area.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

EU Due Diligence Requirements means the diligence requirements under Article 5 of the EU Securitization Regulation or any replacement provision included in the EU Securitization Regulation from time to time.

EU Retention Requirements means the risk retention requirements under Article 6(1) of the EU Securitization Regulation or any replacement provision included in the EU Securitization Regulation from time to time.

EU Securitization Regulation means the EU Retention Requirements, the EU Transparency Requirements and the EU Due Diligence Requirements.

EU Transparency Requirements means the disclosure requirements under Article 7 of the EU Securitization Regulation or any replacement provision included in the EU Securitization Regulation from time to time.

Euroclear means Euroclear Bank SA/NV.

Excess funds subaccount means that subaccount of the payment account into which funds are collected by the servicers in excess of amounts necessary to make the payments specified on a given payment date.

Exchange Act means the Securities Exchange Act of 1934, as amended.

FATCA means the Foreign Account Tax Compliance Act.

FCA means the UK's Financial Conduct Authority

FCA DD Rules means SECN 4, as amended from time to time.

FCA Handbook means the handbook of rules and guidance adopted by the FCA.

FCA RR Rules means SECN 5, as amended from time to time.

FCA Transparency Rules means SECN 6, SECN 11 (including its Annexes) and SECN 12 (including its Annexes), in each case as amended from time to time.

Financing order means the order issued by the West Virginia Commission on March 31, 2026 which, among other things, governs the amount of the CRR bonds that may be issued and terms for collections of the CRR charges, as modified by the West Virginia Commission order issued on July 21, 2026, in Case No. 25-0310-E-PC.

FSMA means the UK's Financial Services and Markets Act 2000, as amended from time to time.

General subaccount means that subaccount that will hold funds held in the payment account that are not held in the other subaccounts of the payment account.

Hired NRSRO means the NRSRO hired by APCo.

Indenture means the indenture to be entered into between us and the trustee and the securities intermediary, providing for the issuance of the CRR bonds, as the same may be amended and supplemented from time to time by one or more indentures supplemental thereto.

Indirect Participants means participants accessing the DTC system, including both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly.

Internal Revenue Code means the Internal Revenue Code of 1986, as amended.

Investment Company Act means the Investment Company Act of 1940, as amended.

IRS means the Internal Revenue Service of the United States.

Issuance date means the date the CRR bonds are issued and sold to the underwriters.

Issuing entity means Appalachian Consumer Rate Relief Funding II LLC, which will be wholly owned and capitalized by APCo.

Joint collection account means the single account held by the securities intermediary for the benefit of the control agent, on behalf of the trustee and the WPCo indenture trustee, into which the servicers remit estimated CRR charge collections, CRR charge collections and other proceeds of the CRR bond collateral and of the collateral securing the WPCo Bonds, as described under "Description of the CRR Bonds—The Payment Account for the CRR Bonds."

kWh means kilowatt-hour.

Moody's means Moody's Investors Service, Inc. or any successor in interest. References to Moody's are effective so long as Moody's is a rating agency.

MW means megawatts.

MWh means megawatt-hour.

Nonbypassable refers to the right of the servicers to collect the CRR charges from all existing and future customers of APCo and WPCo, subject to certain limitations specified in the financing order.

Nonstandard true-up adjustment means an adjustment to reallocate the CRR charges among the CRR Revenue Groups that the servicers must jointly file with the West Virginia Commission when, as a result of significant changes from historical conditions of operation (such as the addition or loss of significant electric load, or a merger of an applicant with another utility and a resulting expansion of its retail customer base), it is necessary to adjust the percentages used to allocate the CRR charges among the CRR Revenue Groups and the underlying customer classes within each such category, among which the CRR charges are allocated.

NRSRO means a nationally recognized statistical rating organization.

OID means original issue discount.

OPS DD Rules means Regulations 32B, 32C and 32D of SR 2024, as amended from time to time.

Payment account means the one or more segregated trust accounts relating to the CRR bonds designated the payment account and held by the trustee at U.S. Bank National Association under the indenture. The payment account shall initially be divided into subaccounts, which need not be separate accounts: a general subaccount, a capital subaccount, an excess funds subaccount and one or more class subaccounts, if any, for the CRR bonds as specified in any Series Supplement.

Payment date means the date or dates on which interest and principal are to be payable on the CRR bonds.

Plan asset regulations means United States Department of Labor regulations at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA.

PRA means the UK Prudential Regulation Authority.

PRA DD Rules means Article 5 of Chapter 2 of the Securitisation Part of the PRA Rulebook, as amended from time to time.

PRA Rulebook means the rulebook of published policy of the PRA.

PRA Securitization Rules means the Securitisation Part of the PRA Rulebook.

Qualifying utility means a public utility engaged in the sale of electric service to retail customers in West Virginia which has applied for and received from the West Virginia Commission a final financing order under the Securitization Law including an affiliated electric utility which has applied jointly for and received such an order. The Financing Order provides that APCo and WPCo are jointly and severally qualifying utilities.

Rating agencies means Moody's and S&P. If no such organization (or successor) is any longer in existence, "rating agency" shall be a NRSRO or other comparable person designated by us, written notice of which designation shall be given to the trustee and the servicers.

Rating agency condition means, with respect to any action, at least ten business days' prior written notification to each rating agency of such action, and written confirmation from each of S&P and Moody's to the servicers, the trustee and us that such action will not result in a suspension, reduction or withdrawal of the then current rating by such rating agency of the CRR bonds and that prior to the taking of the proposed action no other rating agency shall have provided written notice to us that such action has resulted or would result in the suspension, reduction or withdrawal of the then current rating of the CRR bonds; provided, that, if within such ten business day period, any rating agency (other than S&P) has neither replied to such notification nor responded in a manner that indicates that such rating agency is reviewing and considering the notification, then (a) we shall be required to confirm that such rating agency has received the rating agency condition request, and if it has, promptly request the related rating agency condition confirmation and (b) if the rating agency neither

replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five business days following such second request, the applicable rating agency condition requirement shall not be deemed to apply to such rating agency. For the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a rating agency's right to review or consent).

Receivables Agent means JPMorgan Chase Bank, N.A., or its successor, in its capacity as administrative agent under the AEP Receivables Purchase Agreement.

Record date means the date or dates with respect to each payment date on which it is determined the person in whose name each CRR bond is registered will be paid on the respective payment date.

Regulation AB means the rules of the SEC promulgated under Subpart 229.1100-Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1125, as such may be amended from time to time.

S&P means S&P Global Ratings, a division of S&P Global Inc. or any successor in interest. References to S&P are effective so long as S&P is a rating agency.

Sale agreement means the sale agreement to be entered into between us and APCo, pursuant to which APCo sells, and we purchase the CRR property, as the same may be amended, supplemented or modified from time to time.

SEC means the U.S. Securities and Exchange Commission.

Securities Act of 1933 means the Securities Act of 1933, as amended.

Securities intermediary means U.S. Bank National Association and its successors in interest.

Securitization Law means § 24-2-4h of the Code of West Virginia, providing for a financing mechanism through which certain electric utilities can use securitization financing for consumer rate relief costs by issuing consumer rate relief bonds.

Securitization Regulations means the EU Securitization Regulation and the UK Securitization Framework.

Seller means APCo – selling its ownership interest in the consumer rate relief property to the issuing entity.

Servicer means APCo, acting as the initial servicer, and any successor or assignee servicer, which will service the CRR property under the servicing agreement.

Servicers means, collectively, APCo, acting as the initial servicer, and WPCo, acting as the initial subservicer, and any successor or assignee servicers, which will service the CRR property under the servicing agreement.

Servicing agreement means the servicing agreement to be entered into among us, APCo and WPCo, as the same may be amended and supplemented from time to time, pursuant to which each of APCo, as the initial servicer, and WPCo, as the initial subservicer, undertakes to service the CRR property, as the same may be amended, supplemented or modified from time to time.

Sponsor means APCo.

SR 2024 means the Securitization Regulations 2024 (SI 2024/102), as amended.

Terms and Conditions with regard to Euroclear means the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of Euroclear, and applicable Belgian law.

Treasury Regulations means proposed or issued regulations promulgated from time to time under the Internal Revenue Code.

True-up adjustment or true-up mechanism means the mechanism required by the financing order whereby the servicers will file with the West Virginia Commission periodic adjustments to the CRR charges, including the mandatory annual true-up adjustment, mandatory and interim true-up adjustments and, where applicable, nonstandard true-up adjustments, based on actual collected CRR charges and the servicers' updated assumptions as to future collections of CRR charges.

Trust Indenture Act means the Trust Indenture Act of 1939, as amended.

Trustee means U.S. Bank Trust Company, National Association and its successors in interest.

UK means the United Kingdom.

UK Due Diligence Requirements means the requirements under the PRA DD Rules, the FCA DD Rules and the OPS DD Rules.

UK Retention Requirements means the requirements under the FCA RR Rules.

UK Securitization Framework means the SR 2024, PRA Securitization Rules and the SECN of the FCA Handbook.

UK Transparency Requirements means the requirements under the FCA Transparency Rules.

Uniform Commercial Code means, unless the context otherwise requires, the Uniform Commercial Code, as in effect in the relevant jurisdiction, as amended from time to time.

Unsolicited Ratings means ratings on the CRR bonds issued by an NRSRO other than the hired NRSRO.

West Virginia Commission means the Public Service Commission of the State of West Virginia.

WPCo Bonds means the "consumer rate relief bonds" separately issued by the WPCo's subsidiary issuing entity under the separate WPCo indenture.

WPCo issuing entity means Wheeling Consumer Rate Relief Funding LLC, a special purpose entity and subsidiary of Wheeling Power Company.

WPCo Proportion means (a) the initial principal amount of the WPCo Bonds as of the issuance date divided by (b) the initial aggregate principal amount of both the CRR bonds and the WPCo Bonds as of the issuance date.

WPCo servicer means Wheeling Power Company, acting as the initial subservicer under the servicing agreement.

WPCo transfer amount means, with respect to any transfer from the joint collection account, the funds then on deposit in the joint collection account relating to the WPCo issuing entity's interest in that account, determined in the same manner as the APCo transfer amount, which are transferred to the payment account for the WPCo Bonds under the WPCo indenture. Please read "Description of the CRR Bonds—The Payment Account for the CRR Bonds."

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$ Series 2026-A Senior Secured CRR Bonds

Appalachian Power Company
Sponsor, Depositor and Initial Servicer

Appalachian Consumer Rate Relief Funding II LLC
Issuing Entity

Joint Book-Running Managers

RBC Capital Markets | **Citigroup** | **Morgan Stanley**

Through and including , 20 (the 90th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and when offering an unsold allotment or subscription.

PART II

Information Not Required in Prospectus

Item 12. Other Expenses of Issuance and Distribution

The following table sets forth the various expenses expected to be incurred by the registrants in connection with the issuance and distribution of the securities being registered by this prospectus, other than underwriting discounts and commissions. All amounts are estimated except the Securities and Exchange Commission registration fee.

Securities and Exchange Commission registration fee	$
Printing expenses	$
Trustee fees and expenses	$
Legal fees and expenses	$
Accounting fees and expenses	$
Rating Agencies' fees and expenses	$
Structuring agent fees and expenses	$
Miscellaneous fees and expenses	$
Total	$

Item 13. Indemnification of Directors and Officers

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC

Section 18-108 of the Delaware Limited Liability Company Act provides that subject to such standards and restrictions, if any, as are set forth in the limited liability company agreement of a limited liability company, a limited liability company may, and shall have the power to, indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. Under the limited liability company agreement of Appalachian Consumer Rate Relief Funding II LLC, we will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person is or was a member, manager, officer, employee or agent of ours, to the fullest extent permitted by law, against any liability incurred in connection with such action, suit or proceeding, except for liabilities arising from such person's own fraud, gross negligence or willful misconduct.

APPALACHIAN POWER COMPANY

The By-laws of APCo (as amended and restated, the "**By-laws**") provide that APCo shall indemnify any person who was or is a party to any threatened, pending or completed action, suit or proceeding because such person is or was a director, officer or employee of APCo or is or was serving at the request of APCo as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability in connection with such proceeding if (a) such person conducted him or herself in good faith; (b) such person believed, in the case of conduct in such person's official capacity with APCo, that his or her conduct was in the best interests of APCo, and, in all other cases, that his or her conduct was at least not opposed to its best interests; (c) with respect to any criminal action or proceeding, such person had no reasonable cause to believe his or her conduct was unlawful; and (d) such person was not grossly negligent or guilty of willful misconduct. Such indemnification in connection with a proceeding by or in the right of APCo is limited to reasonable expenses incurred in connection with the proceeding. Any such indemnification (unless ordered by a court) shall be made by APCo only as authorized in the specific case upon a determination that indemnification of the director is proper in the circumstances because such person has met the applicable standard of conduct.

Section 13.1-698 of the Code of Virginia provides that unless limited by the articles of incorporation, a corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which such person was a party because such person is or was a director of the corporation

against expenses incurred in connection with such proceeding. Section 13.1-699 of the Code of Virginia provides that a corporation may pay for or reimburse reasonable expenses incurred by a director who is a party to such a proceeding in advance of final disposition of such proceeding if the director furnishes the corporation a signed written undertaking by or on behalf of the director to repay any funds advanced (a) if the director is not entitled to mandatory indemnification under Section 13.1.698 of the Code of Virginia and (b) it is ultimately determined under Sections 13.1.700.1 or 13.1-701 of the Code of Virginia that the director has not met the relevant standard of conduct. Section 13.1-700.1 of the Code of Virginia provides procedures which allow directors to apply to a court for an order directing advances, reimbursement or indemnification.

Section 13.1-702 of the Code of Virginia provides that unless limited by the articles of incorporation, (a) officers are entitled to mandatory indemnification under Section 13.1-698 of the Code of Virginia and to apply for court ordered indemnification under Section 13.1-700.1 of the Code of Virginia to the same extent as a director, and (b) that a corporation may indemnify and advance expenses to an officer to the same extent as to a director. Section 13.1-704 of the Code of Virginia provides that any corporation shall have the power to make any further indemnity to any director or officer that may be authorized by the articles of incorporation or any bylaw made by the stockholders or any resolution adopted, before or after the event, by the stockholders, except an indemnity against willful misconduct or a knowing violation of criminal law. Any such provision that obligates the corporation to provide indemnification to the fullest extent permitted by law shall be deemed, unless the articles of incorporation or any such bylaw or resolution expressly provides otherwise, also to obligate the corporation to advance funds to pay for or reimburse expenses to the fullest extent permitted by law except that the applicable standard shall be conduct that does not constitute willful misconduct or a knowing violation of criminal law.

The above is a general summary of certain provisions of APCo's By-laws and the Code of Virginia and is subject in all respects to the specific and detailed provisions of APCo's By-laws and the Code of Virginia.

Item 14. Exhibits

List of Exhibits

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
1.1	Form of Underwriting Agreement*
3.1	Certificate of Formation of Appalachian Consumer Rate Relief Funding II LLC
3.2	Limited Liability Company Agreement of Appalachian Consumer Rate Relief Funding II LLC
3.3	Form of Amended and Restated Limited Liability Company Agreement of Appalachian Consumer Rate Relief Funding II LLC
4.1	Form of Indenture between Appalachian Consumer Rate Relief Funding II LLC and the Trustee (including the forms of the CRR bonds and form of Series Supplement)
5.1	Opinion of Sidley Austin LLP with respect to legality*
8.1	Opinion of Sidley Austin LLP with respect to federal tax matters*
8.2	Opinion of Jackson Kelly PLLC with respect to West Virginia tax matters*
10.1	Form of Servicing Agreement between Appalachian Consumer Rate Relief Funding II LLC and Appalachian Power Company and Wheeling Power Company, as Servicers
10.2	Form of Purchase and Sale Agreement between Appalachian Consumer Rate Relief Funding II LLC and Appalachian Power Company, as Seller

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
10.3	Form of Administration Agreement between Appalachian Consumer Rate Relief Funding II LLC and Appalachian Power Company, as Administrator
10.4	Intercreditor Agreement among AEP Credit, Inc., JPMorgan Chase Bank, N.A., and each indenture trustee, servicer and issuer party thereto from time to time, dated as of September 7, 2022, and amended and restated as of December 9, 2024
10.5	Form of Intercreditor Joinder between Appalachian Power Company, Appalachian Consumer Rate Relief Funding II LLC, Wheeling Power Company, Wheeling Consumer Rate Relief Funding LLC, U.S. Bank Trust Company, National Association, AEP Credit, Inc., and JPMorgan Chase Bank, N.A.*
10.6	Form of CRR Property Intercreditor Agreement among Appalachian Power Company, Wheeling Power Company, Appalachian Consumer Rate Relief Funding LLC, Appalachian Consumer Rate Relief Funding II LLC, Wheeling Consumer Rate Relief Funding LLC, U.S. Bank National Association, and U.S. Bank Trust Company, National Association
23.1	Consent of Sidley Austin LLP (included as part of its opinions filed as Exhibits 5.1, 8.1 and 99.2)*
23.2	Consent of Jackson Kelly PLLC (included as part of its opinion filed as Exhibit 8.2)*
23.3	Consent of Steptoe & Johnson PLLC (included as part of its opinion filed as Exhibit 99.3)*
24.1	Power of Attorney of Appalachian Power Company*
25.1	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of U.S. Bank Trust Company, National Association
99.1	Commission Order on the Securitized Costs of Appalachian Power Company and Wheeling Power Company issued by the Public Service Commission of West Virginia on March 31, 2026 in Case No. 25-0310-E-PC, as modified by the Commission Order issued July 21, 2026 in Case Nos. 26-0469-E-ENEC and 25-0310-E-PC (together, the Financing Order)
99.2	Form of Opinion of Sidley Austin LLP with respect to U.S. constitutional matters*
99.3	Form of Opinion of Steptoe & Johnson PLLC with respect to West Virginia constitutional matters*
107	Filing Fee Table

* To be filed by amendment.

Pursuant to Item 601(a)(5) of Regulation S-K, certain schedules and similar attachments have been omitted. The registrant hereby agrees to furnish supplementally a copy of any omitted schedule or similar attachment to the SEC upon request.

Item 15. Undertakings

The undersigned registrants hereby undertake that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, each registrant has been advised that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a registrant of expenses

incurred or paid by a director, officer or controlling person of such registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, each registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrants hereby undertake that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the annual report pursuant to section 13(a) or section 15(d) of the Exchange Act of a third party that is incorporated by reference in the registration statement in accordance with Item 1100(c)(1) of Regulation AB (17 CFR 229.1100(c)(1)) shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrants hereby undertake to file an application for the purpose of determining the eligibility of the trustee to act under Subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the U.S. Securities and Exchange Commission under Section 305(b)(2) of the Act.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form SF-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Columbus, State of Ohio, on the 23rd day of September, 2026.

APPALACHIAN POWER COMPANY

By: /s/ Trevor I. Mihalik
Name: Trevor I. Mihalik
Title: Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
(i) Principal Executive Officer:		
William J. Fehrman*	Chief Executive Officer	September 23, 2026
(ii) Principal Financial Officer:		
/s/ Trevor I. Mihalik Trevor I. Mihalik	Chief Financial Officer	September 23, 2026
(iii) Principal Accounting Officer:		
/s/ Kate Dixon Kate Dixon	Chief Accounting Officer	September 23, 2026
(iv) A Majority of the Directors:		
Robert B. Berntsen* William J. Fehrman* Trevor I. Mihalik* Brian R. Abraham*	Directors	September 23, 2026
By:* /s/ Trevor I. Mihalik Name: Trevor I. Mihalik Title: Attorney-in-Fact		September 23, 2026

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form SF-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Columbus, State of Ohio, on the 23rd day of September, 2026.

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC

By: /s/ Franz D. Messner
Name: Franz D. Messner
Title: Manager

Exhibit 3.1

Delaware

The First State

I, CHARUNI PATIBANDA-SANCHEZ, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC", FILED IN THIS OFFICE ON THE NINETEENTH DAY OF AUGUST, A.D. 2025, AT 10:20 O`CLOCK A.M.

C. B. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

10300613 8100
SR# 20253713254

Authentication: 204536282
Date: 08-21-25

You may verify this certificate online at corp.delaware.gov/authver.shtml

STATE OF DELAWARE
CERTIFICATE OF FORMATION
OF LIMITED LIABILITY COMPANY

The undersigned authorized person, desiring to form a limited liability company pursuant to the Limited Liability Company Act of the State of Delaware, hereby certifies as follows:

1. The name of the limited liability company is Appalachian Consumer Rate Relief Funding II LLC.

2. The Registered Office of the limited liability company in the State of Delaware is located at 1209 Orange Street (street), in the City of Wilmington, Zip Code 19801. The name of the Registered Agent at such address upon whom process against this limited liability company may be served is The Corporation Trust Company.

By: /s/ Paula Haynes
Authorized Person

Name: Paula Haynes
Print or Type

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:20 AM 08/19/2025
FILED 10:20 AM 08/19/2025
SR 20253713254 - File Number 10300613

DE083- 03/11/2020 Wolters Kluwer Online

Exhibit 3.2

LIMITED LIABILITY COMPANY AGREEMENT

OF

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC

This Limited Liability Company Agreement (this "Agreement") of Appalachian Consumer Rate Relief Funding II LLC is entered into by Appalachian Power Company, a Virginia corporation, as the sole member (the "Member").

The Member hereby forms a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del.C. §18-101, et seq.), as amended from time to time (the "Act"), and hereby agrees as follows:

1. Name. The name of the limited liability company formed hereby Appalachian Consumer Rate Relief Funding II LLC (the "company").

2. Purpose. The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing.

3. Registered Office. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

4. Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware are The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

5. Member. The name and the business, residence or mailing address of the Member are as follows:

Name	Address
Appalachian Power Company	1 Riverside Plaza Columbus, Ohio 43215

6. Powers.

(a) The Company, and the Board of Managers of the Company on behalf of the Company, (i) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 2, and (ii) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

(b) David C. House is hereby designated as an "authorized person" within the meaning of the Act. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, his powers as an "authorized person" ceased, and the Member thereupon became the designated "authorized person" and shall continue as the designated "authorized person" within the meaning of the Act. The Member shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in West Virginia and in any other jurisdiction in which the Company may wish to conduct business.

(c) The Company is hereby authorized to execute, deliver and perform, and the Member, any Manager or any officer on behalf of the Company are hereby authorized to execute and deliver, (i) a registration statement on Form SF-1, as amended from time to time, (ii) any underwriting agreements, (iii) any other documents related to the issuance by the Company of the system securitized bonds and (iv) all documents, agreements, certificates, or financing statements contemplated thereby or related thereto, all without any further act, vote or approval of any other person or entity notwithstanding any other provision of this Agreement. The foregoing authorization shall not be deemed a restriction on the powers of the Member or the Managers to enter into other agreements on behalf of the Company.

7. Management.

(a) Board of Managers. The business and affairs of the Company shall be managed by or under the direction of a Board of at least one but no more than five managers of the Company (the "Managers") designated by the Member (the "Board" or the "Board of Managers"). The Member may determine at any time in its sole and absolute discretion the number of Managers to constitute the Board. The authorized number of Managers may be increased or decreased by the Member at any time in its sole and absolute discretion, upon notice to all Managers. The initial number of Managers shall be one. Each Manager elected, designated or appointed by the Member shall hold office until a successor is elected and qualified or until such Manager's earlier death, resignation, expulsion or removal. Managers need not be a Member. The initial Manager designated by the Member is Franz D. Messner.

(b) Powers. The Board of Managers shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. The Board of Managers has the authority to bind the Company.

(c) Meeting of the Board of Managers. The Board of Managers may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the President on not less than one day's notice to each Manager by telephone, e-mail, or any other means of communication, and special meetings shall be called by the President or Secretary in like manner and with like notice upon the written request of any one or more of the Managers.

(d) Quorum: Acts of the Board. At all meetings of the Board, a majority of the Managers shall constitute a quorum for the transaction of business and, except as otherwise provided in any other provision of this Agreement, the act of a majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Managers present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee, as the case may be.

(e) Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in meetings of the Board, or any committee, by means of telephone conference or similar communications equipment that allows people participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in person at the meeting. If all the participants are participating by telephone conference or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

(f) Committees of Managers.

(i) The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the Managers. The Board may designate one or more Managers as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

(ii) In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

(iii) Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

(g) Compensation of Managers; Expenses. The Board shall have the authority to fix the compensation of Managers. The Managers may be paid their expenses, if any, of attendance at meetings of the Board, which may be a fixed sum for attendance at each meeting of the Board or a stated salary as Manager. No such payment shall preclude any Manager from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

(h) Removal of Managers. Unless otherwise restricted by law, any Manager or the entire Board of Managers may be removed or expelled, with or without cause, at any time by the Member, and any vacancy caused by any such removal or expulsion may be filled by action of the Member.

(i) Managers as Agents. To the extent of their powers set forth in this Agreement, the Managers are agents of the Company for the purpose of the Company's business, and the actions of the Managers taken in accordance with such powers set forth in this Agreement shall bind the Company. Notwithstanding the last sentence of Section 18-402 of the Act, except as provided in this Agreement or in a resolution of the Managers, a Manager may not bind the Company.

8. Officers. The Managers may, from time to time, designate one or more persons to be officers of the Company. Any officer so designated shall have such title and authority and perform such duties as the Managers may, from time to time, delegate to them. Each officer shall hold office for the term for which such officer is designated and until its successor shall be duly designated and shall qualify or until its death, resignation or removal as provided in this Agreement. Any person may hold any number of offices. No officer need be a Manager, the Member, a Delaware resident, or a United States citizen.

(a) President. The President shall be the chief executive officer of the Company, shall preside at all meetings of the Managers, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Managers are carried into effect. The President or any other officer authorized by the President or the Managers may execute all contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed; and (ii) where signing and execution thereof shall be expressly delegated by the Managers to some other officer or agent of the Company.

(b) Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Managers, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents, if any, shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(c) Secretary and Assistant Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Managers and record all the proceedings of the meetings of the Company and of the Managers in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings of the Member, if any, and special meetings of the Managers, and shall perform such other duties as may

be prescribed by the Managers or the President, under whose supervision the Secretary shall serve. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Managers (or if there be no such determination, then in order of their designation), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(d) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Manager. The Treasurer shall disburse the funds of the Company as may be ordered by the Manager, taking proper vouchers for such disbursements, and shall render to the President and to the Managers, at its regular meetings or when the Managers so require, an account of all the Treasurer's transactions and of the financial condition of the Company. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Managers (or if there be no such determination, then in the order of their designation), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(e) Officers as Agents. The officers of the Company, to the extent their powers as set forth in this Agreement or otherwise vested in them by action of the Managers not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and the actions of the officers taken in accordance with such powers shall bind the Company.

(f) Duties of Managers and Officers. Except to the extent otherwise provided herein, each Manager and officer of the Company shall have a fiduciary duty of loyalty and care similar to that of directors and officers of business corporations organized under the General Corporation Law of the State of Delaware.

(g) Removal and Resignation. Any officer of the Company may be removed as such, with or without cause, by the Managers at any time. Any officer of the Company may resign as such at any time upon written notice to the Company. Such resignation shall be made in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time of its receipt by the Managers.

(h) Vacancies. Any vacancy occurring in any office of the Company may be filled by the Managers.

(i) Compensation. The compensation, if any, of the officers of the Company shall be fixed from time to time by the Managers. Such compensation shall be determined without regard to the income of the Company, shall not be deemed to constitute distributions to the recipient of any profit, loss or capital of the Company.

9. Dissolution. The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (a) the written consent of the Member, (b) at any time that there are no members of the Company, unless the business of the Company is continued in accordance with the Act, or (c) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

10. Capital Contributions. The Member has contributed the following amount, in cash, and no other property, to the Company:

One Hundred Dollars	$100.00

11. Additional Contributions. The Member is not required to make any additional capital contribution to the Company. However, the Member may at any time make additional capital contributions to the Company.

12. Allocation of Profits and Losses. The Company's profits and losses shall be allocated solely to the Member.

13. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Managers. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to the Member on account of its interest in the Company if such distribution would violate the Act or other applicable law.

14. Assignments. The Member may not assign in whole or in part its limited liability company interest in the Company.

15. Resignation. A Member may not resign from the Company.

16. Admission of Additional Members. No additional members of the Company may be admitted to the Company.

17. Liability of Members. The Member shall not have any liability for the obligations or liabilities of the Company except to the extent provided in the Act.

18. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Delaware, all rights and remedies being governed by said laws.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Agreement as of the 8th day of July, 2026.

APPALACHIAN POWER COMPANY

By: /s/ David C. House
Name: David C. House
Title: Assistant Secretary

Exhibit 3.3

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

OF

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC

Dated and Effective as of

[•], 202[•]

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AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC[1]

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, a Delaware limited liability company (the "Company"), is made and entered into as of [•], 202[•] by APPALACHIAN POWER COMPANY, a Virginia corporation (including any additional or successor members of the Company other than Special Members, the "Member"), and the Managers (as defined herein).

WHEREAS, the Member has caused to be filed a Certificate of Formation with the Secretary of State of the State of Delaware to form the Company under and pursuant to the LLC Act and has entered into a Limited Liability Company Agreement of the Company, dated as of [•], 202[•] (the "Original LLC Agreement"); and

WHEREAS, in accordance with the LLC Act, the undersigned desire to enter into this Agreement to amend and restate in its entirety the Original LLC Agreement and to set forth the rights, powers and interests of the Member with respect to the Company and its Membership Interest therein and to provide for the management of the business and operations of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the undersigned, intending to be legally bound, hereby amend and restate in its entirety the Original LLC Agreement, and hereby agree, as follows:

ARTICLE I

GENERAL PROVISIONS

SECTION 1.01 Definitions.

(a) Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in Appendix A attached hereto.

(b) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(c) The words "hereof," "herein," "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Article, Section, Schedule, Exhibit, Annex, Appendix and Attachment references contained in this Agreement are references to Articles, Sections, Schedules, Exhibits, Annexes, Appendixes and Attachments in or to this Agreement unless otherwise specified; and the terms "includes" and "including" shall mean "includes without limitation" and "including without limitation", respectively.

[1] **Note to Form:** Subject to further review of Delaware counsel..

(d) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms.

(e) Non-capitalized terms used herein which are defined in the Securitization Law shall, as the context requires, have the meanings assigned to such terms in the Securitization Law, but without giving effect to amendments to the Securitization Law after the date hereof that have a material adverse effect on the Company or the Bondholders.

SECTION 1.02 Sole Member; Registered Office and Agent.

(a) The initial sole member of the Company shall be Appalachian Power Company, a Virginia corporation, or any successor as sole member pursuant to Sections 1.02(c), 6.06 and 6.07. The initial registered office and registered agent of the Company in the State of Delaware shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The Member may change said registered office and registered agent from one location to another in the State of Delaware. The Member shall provide written notice of any such change to the Indenture Trustee.

(b) Upon the occurrence of any event that causes the Member to cease to be a member of the Company (other than upon continuation of the Company without dissolution upon the transfer or assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee or an additional member of the Company pursuant to Sections 6.06 and 6.07), each Person acting as an Independent Manager (as defined herein) pursuant to the terms of this Agreement shall, without any action of any Person and simultaneously with the Member ceasing to be a member of the Company, automatically be admitted to the Company as a Special Member and shall continue the Company without dissolution. No Special Member may resign from the Company or transfer its rights as Special Member unless (i) a successor Special Member has been admitted to the Company as Special Member by executing a counterpart to this Agreement, and (ii) such successor has also accepted its appointment as an Independent Manager pursuant to this Agreement; provided, however, the Special Members shall automatically cease to be members of the Company upon the admission to the Company of a substitute Member. Each Special Member shall be a member of the Company that has no interest in the profits, losses and capital of the Company and has no right to receive any distributions of Company assets (and no Special Member shall be treated as a member of the Company for federal income tax purposes). Pursuant to Section 18-301 of the LLC Act, a Special Member shall not be required to make any capital contributions to the Company and shall not receive a limited liability company interest in the Company. A Special Member, in its capacity as Special Member, may not bind the Company. Except as required by any mandatory provision of the LLC Act, each Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Company, including the merger, consolidation, division or conversion of the Company. In order to implement the admission to the Company of each Special Member, each Person acting as an Independent Manager pursuant to this Agreement shall execute a counterpart to this Agreement and to the Management Agreement in the form attached hereto as Exhibit A. Prior to its admission to the Company as Special Member, each

Person acting as an Independent Manager pursuant to this Agreement shall not be a member of the Company. A "Special Member" means, upon such Person's admission to the Company as a member of the Company pursuant to this Section 1.02(b), a Person acting as an Independent Manager, in such Person's capacity as a member of the Company. A Special Member shall only have the rights and duties expressly set forth in this Agreement. For purposes of this Agreement, a Special Member is not included within the defined term "Member".

(c) The Company may admit additional Members with the affirmative vote of both (i) a majority of the Managers that are not an Independent Manager and (ii) each Independent Manager. Notwithstanding the preceding sentence, it shall be a condition to the admission of any additional Member that the sole Member shall have received an opinion of outside tax counsel (as selected by the Member in form and substance reasonably satisfactory to the Member and the Indenture Trustee) that the admission of such additional Member shall not cause the Company to be treated, for federal income tax purposes, as having more than one "sole owner" and that the Company shall not be treated, for federal income tax purposes, as an entity separate from such "sole owner".

SECTION 1.03 Other Offices. The Company may have an office at 200 Association Drive, 02, Charleston, West Virginia 25311, or at any other offices that may at any time be established by the Member at any place or places within or outside the State of Delaware. The Member shall provide notice to the Indenture Trustee of any change in the location of the Company's office.

SECTION 1.04 Name. The name of the Company shall be "Appalachian Consumer Rate Relief Funding II LLC". The name of the Company may be changed from time to time by the Member with ten (10) days' prior written notice to the Managers and the Indenture Trustee, and the filing of an appropriate amendment to the Certificate of Formation with the Secretary of State as required by the LLC Act.

SECTION 1.05 Purpose; Nature of Business Permitted; Powers. The Company is intended to qualify as an "Assignee" as defined in Section 24-2-4h(b)(3) of the Securitization Law. The purposes for which the Company is formed are limited to:

(a) purchase, acquire, own, hold, administer, service or enter into agreements regarding the receipt and servicing of CRR Property and the other CRR Bond Collateral, along with certain other related assets;

(b) manage, sell, assign, pledge, collect amounts due on or otherwise deal with the CRR Property and the other CRR Bond Collateral and related assets to be so acquired in accordance with the terms of the Basic Documents;

(c) negotiate, authorize, execute, deliver, assume the obligations under, and perform its duties under, the Basic Documents and any other agreement or instrument or document relating to the activities set forth in clauses (a) and (b) above; provided, that each party to any such agreement under which material obligations are imposed upon the Company shall covenant that it shall not, prior to the date which is one year and one day after the termination of the Indenture and the payment in full of the Consumer Rate Relief

Bonds and any other amounts owed under the Indenture, acquiesce, petition or otherwise invoke or cause the Company to invoke the process of any court or Governmental Authority for the purpose of commencing or sustaining an involuntary case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company; or ordering the winding up or liquidation of the affairs of the Company; and provided, further, that the Company shall be permitted to incur additional indebtedness or other liabilities payable to service providers and trade creditors in the ordinary course of business in connection with the activities permitted under this Section 1.05;

(d) file with the U.S. Securities and Exchange Commission one or more registration statements, including any pre-effective or post-effective amendments thereto and any registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (including any prospectus supplement, prospectus and exhibits contained therein) and file such applications, reports, surety bonds, irrevocable consents, appointments of attorney for service of process and other papers and documents necessary or desirable to register the Consumer Rate Relief Bonds under the securities or "Blue Sky" laws of various jurisdictions;

(e) authorize, execute, deliver, issue and register the Consumer Rate Relief Bonds;

(f) make payments on the Consumer Rate Relief Bonds;

(g) pledge its interest in CRR Property and other CRR Bond Collateral to the Indenture Trustee under the Indenture in order to secure the Consumer Rate Relief Bonds;

(h) distributing amounts to the Member, subject to any requirements in the Basic Documents

(i) engage in any lawful act or activity and exercise any powers permitted to limited liability companies formed under the laws of the State of Delaware that, in either case, are incidental to, or necessary, suitable or convenient for the accomplishment of the above-mentioned purposes.

The Company shall engage only in any activities related to the foregoing purposes or required or authorized by the terms of the Basic Documents or other agreements referenced above. The Company shall have all powers reasonably incidental, necessary, suitable or convenient to effect the foregoing purposes, including all powers granted under the LLC Act. The Company may issue the Consumer Rate Relief Bonds pursuant to the Financing Order. The Company is hereby authorized to execute, deliver and perform, and the Member, any Manager (other than an Independent Manager), or any officer of the Company, acting singly or collectively, on behalf of the Company, are hereby authorized to execute and deliver the Consumer Rate Relief Bonds, the Basic Documents and all registration statements, underwriting agreements, documents, agreements, certificates or financing statements contemplated thereby or related thereto, all without any further act, vote, consent or approval of any Member, Manager or other Person,

notwithstanding any other provision of this Agreement, the LLC Act, or other applicable law, rule or regulation. Notwithstanding any other provision of this Agreement, the LLC Act or other applicable law, any Basic Document executed prior to the date hereof by any Member, Manager or officer on behalf of the Company is hereby ratified and approved in all respects. The authorization set forth in the two preceding sentences shall not be deemed a restriction on the power and authority of the Member or any Manager, including any Independent Manager, to enter into other agreements or documents on behalf of the Company as authorized pursuant to this Agreement and the LLC Act. The Company shall possess and may exercise all the powers and privileges granted by the LLC Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are incidental, necessary, suitable or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

SECTION 1.06 Limited Liability Company Agreement; Certificate of Formation. This Agreement shall constitute a "limited liability company agreement" within the meaning of the LLC Act. Paula Haynes, as an authorized person within the meaning of the LLC Act, has caused a certificate of formation of the Company to be executed and filed in the office of the Secretary of State of the State of Delaware on August 19, 2025 (such execution and filing being hereby ratified and approved in all respects). Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, her powers as an "authorized person" ceased, and the Member thereupon became the designated "authorized person" and shall continue as the designated "authorized person" with the meaning of the LLC Act. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate of Formation of the Company as provided in the LLC Act.

SECTION 1.07 Separate Existence. Except for financial reporting purposes (to the extent required by generally accepted accounting principles) and for federal income tax purposes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes, the Member and the Managers shall take all steps necessary to continue the identity of the Company as a separate legal entity and to make it apparent to third Persons that the Company is an entity with assets and liabilities distinct from those of the Member, Affiliates of the Member or any other Person, and that, the Company is not a division of any of the Affiliates of the Company or any other Person. In that regard, and without limiting the foregoing in any manner, the Company shall:

(a) maintain the assets of the Company in such a manner that it is not costly or difficult to segregate, identify or ascertain its individual assets from those of any other Person, including any Affiliate;

(b) conduct all transactions with Affiliates on an arm's-length basis;

(c) not guarantee, become obligated for or pay the debts of any Affiliate or hold the credit of the Company out as being available to satisfy the obligations of any Affiliate or other Person (nor, except as contemplated in the Basic Documents, indemnify any Person for losses resulting therefrom), nor, except as contemplated in the Basic Documents, have any of its obligations guaranteed by any Affiliate or hold the Company out as responsible for the debts of any Affiliate or other Person or for the decisions or actions with respect to the business and affairs of any Affiliate, nor seek or obtain credit or incur any obligation to any third party based upon the creditworthiness or assets of any Affiliate or any other Person (i.e. other than based on the assets of the Company) nor allow any Affiliate to do such things based on the credit of the Company;

(d) except as expressly otherwise permitted hereunder or under any of the Basic Documents, not permit the commingling or pooling of the Company's funds or other assets with the funds or other assets of any Affiliate;

(e) maintain separate deposit and other bank accounts and funds (separately identifiable from those of the Member or any other Person) to which no Affiliate has any access (except APCo, solely in its capacities as a Servicer and Administrator, and WPCo, solely in its capacity as a Servicer), which accounts shall be maintained in the name and, to the extent not inconsistent with applicable federal tax law, with the tax identification number of the Company;

(f) maintain full books of accounts and records (financial or other) and financial statements separate from those of its Affiliates or any other Person (except as described herein with respect to tax purposes and financial reporting), prepared and maintained in accordance with generally accepted accounting principles (including, all resolutions, records, agreements or instruments underlying or regarding the transactions contemplated by the Basic Documents or otherwise) and audited annually by an independent accounting firm which shall provide such audit to the Indenture Trustee;

(g) pay its own liabilities out of its own funds, including fees and expenses of the Administrator pursuant to the Administration Agreement and the Servicers pursuant to the Servicing Agreement;

(h) not hire or maintain any employees, but shall compensate (either directly or through reimbursement of the Company's allocable share of any shared expenses) all consultants, agents and Affiliates, to the extent applicable, for services provided to the Company by such consultants, agents or Affiliates, in each case, from the Company's own funds;

(i) allocate fairly and reasonably the salaries of and the expenses related to providing the benefits of officers or managers shared with the Member, any Special Member or any Manager;

(j) allocate fairly and reasonably any overhead shared with the Member, any Special Member or any Manager;

(k) pay from its own bank accounts for accounting and payroll services, rent, lease and other expenses (or the Company's allocable share of any such amounts provided by one or more other Affiliates) and not have such operating expenses (or the Company's allocable share thereof) paid by any Affiliates, provided, that the Member shall be permitted to pay the initial organization expenses of the Company and certain of the expenses related to the transactions contemplated by the Basic Documents as provided therein;

(l) maintain adequate capitalization to conduct its business and affairs considering the Company's size and the nature of its business and intended purposes and, after giving effect to the transactions contemplated by the Basic Documents, refrain from engaging in a business for which its remaining property represents an unreasonably small capital;

(m) conduct all of the Company's business (whether in writing or orally) solely in the name of the Company through the Member and the Company's Managers, officers and agents and hold the Company out as an entity separate from any Affiliate;

(n) not make or declare any distributions of cash or property to the Member except in accordance with appropriate limited liability company formalities and only consistent with sound business judgment to the extent that it is permitted pursuant to the Basic Documents and not violative of any applicable law;

(o) otherwise practice and adhere to all limited liability company procedures and formalities to the extent required by this Agreement or all other appropriate constituent documents and the laws of its state of formation and all other appropriate jurisdictions;

(p) not appoint an Affiliate or any employee of an Affiliate as an agent of the Company, except as otherwise permitted in the Basic Documents (although such Persons can qualify as a Manager or as an officer of the Company);

(q) not acquire obligations or securities of or make loans or advances to or pledge its assets for the benefit of any Affiliate, the Member or any Affiliate of the Member;

(r) not permit the Member or any Affiliate to acquire obligations of or make loans or advances to the Company;

(s) except as expressly provided in the Basic Documents, not permit the Member or any Affiliate to guarantee, pay or become liable for the debts of the Company nor permit any such Person to hold out its creditworthiness as being available to pay the liabilities and expenses of the Company nor, except for the indemnities in this Agreement and the Basic Documents, indemnify any Person for losses resulting therefrom;

(t) maintain separate minutes of the actions of the Member and the Managers, including the transactions contemplated by the Basic Documents;

(u) cause (i) all written and oral communications, including letters, invoices, purchase orders, and contracts, of the Company to be made solely in the name of the Company, (ii) the Company to have its own tax identification number (to the extent not inconsistent with applicable federal tax law), stationery, checks and business forms, separate from those of any Affiliate, (iii) all Affiliates not to use the stationery or business forms of the Company, and cause the Company not to use the stationery or business forms of any Affiliate, and (iv) all Affiliates not to conduct business in the name of the Company, and cause the Company not to conduct business in the name of any Affiliate;

(v) direct creditors of the Company to send invoices and other statements of account of the Company directly to the Company and not to any Affiliate and cause the Affiliates to direct their creditors not to send invoices and other statements of accounts of such Affiliates to the Company;

(w) cause the Member to maintain as official records all resolutions, agreements, and other instruments underlying or regarding the transactions contemplated by the Basic Documents;

(x) disclose, and cause the Member to disclose, in its financial statements the effects of all transactions between the Member and the Company in accordance with generally accepted accounting principles, and in a manner which makes it clear that (i) the Company is a separate legal entity, (ii) the assets of the Company (including the CRR Property transferred to the Company pursuant to the Sale Agreement) are not assets of any Affiliate and are not available to pay creditors of any Affiliate and (iii) neither the Member nor any other Affiliate is liable or responsible for the debts of the Company;

(y) except as described herein with respect to tax purposes and financial reporting, treat and cause the Member to treat the transfer of CRR Property from the Member to the Company as a sale under the Securitization Law;

(z) except as described herein with respect to tax purposes and financial reporting, describe and cause each Affiliate to describe the Company, and hold the Company out as a separate legal entity and not as a division or department of any Affiliate, and promptly correct any known misunderstanding regarding the Company's identity separate from any Affiliate or any Person;

(aa) so long as any of the Consumer Rate Relief Bonds are outstanding, treat the Consumer Rate Relief Bonds as debt for all purposes and specifically as debt of the Company, other than for financial reporting, state or federal regulatory or tax purposes;

(bb) solely for purposes of federal taxes and, to the extent consistent with applicable state, local and other tax law, solely for purposes of state, local and other taxes, so long as any of the Consumer Rate Relief Bonds are outstanding, treat the Consumer Rate Relief Bonds as indebtedness of the Member secured by the CRR Bond Collateral unless otherwise required by appropriate taxing authorities;

(cc) file its own tax returns, if any, as may be required under applicable law, to the extent (i) not part of a consolidated group filing a consolidated return or returns or (ii) not treated as a division or disregarded entity for tax purposes of another taxpayer, and pay any taxes so required to be paid under applicable law;

(dd) maintain its valid existence in good standing under the laws of the State of Delaware and maintain its qualification to do business under the laws of such other jurisdictions as its operations require;

(ee) not form, or cause to be formed, any subsidiaries;

(ff) comply with all laws applicable to the transactions contemplated by this Agreement and the Basic Documents; and

(gg) cause the Member to observe in all material respects all limited liability company procedures and formalities, if any, required by its constituent documents and the laws of its state of formation and all other appropriate jurisdictions.

Failure of the Company, or the Member or any Manager on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Member or the Managers.

SECTION 1.08 Limitation on Certain Activities. Notwithstanding any other provisions of this Agreement, the Company, and the Member or Managers on behalf of the Company, shall not:

(a) engage in any business or activity other than as set forth in Article I hereof;

(b) without the affirmative vote or consent of its Member and the affirmative vote or consent of all of the Managers, including each Independent Manager, file a voluntary bankruptcy petition or any other petition for relief with respect to the Company under the Bankruptcy Code or similar law, consent to the institution of insolvency or bankruptcy proceedings against the Company or otherwise institute insolvency or bankruptcy proceedings with respect to the Company or take any limited liability company action in furtherance of any such filing or institution of a proceeding;

(c) without the affirmative vote or consent of all Managers, including each Independent Manager, and then only to the extent permitted by the Basic Documents, convert, merge or consolidate with any other Person or sell all or substantially all of its assets or acquire all or substantially all of the assets or capital stock or other ownership interest of any other Person;

(d) take any action, file any tax return, or make any election inconsistent with the treatment of the Company, for purposes of federal income taxes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes, as a disregarded entity that is not separate from the Member;

(e) incur any indebtedness or assume or guarantee any indebtedness of any Person (other than the indebtedness incurred under the Basic Documents);

(f) without the affirmative vote or consent of all Managers, including each Independent Manager, amend the organizational documents of the Company, including this Agreement, in a manner that would adversely affect the bankruptcy remote status of the Company or the interests of the Bondholders;

(g) issue any bonds other than the Consumer Rate Relief Bonds contemplated by the Basic Documents; or

(h) to the fullest extent permitted by law, without the affirmative vote or consent of its Member and the affirmative vote or consent of all Managers, including each Independent Manager, execute any dissolution, liquidation, or winding up of the Company.

Provided, however, that neither the Member nor any Manager may authorize the taking of any foregoing actions described in clauses (b), (c), (f) or (h) of this Section 1.8 unless there are at least two Independent Managers then serving in such capacity and such Independent Mangers have consented thereto.

So long as any of the Consumer Rate Relief Bonds are outstanding, the Company and the Member shall give written notice to each applicable Rating Agency of any action described in clauses (b), (c), (f) or (h) of this Section 1.08 which is taken by or on behalf of the Company with the required affirmative vote or consent of the Member and all Managers, including each Independent Manager, as therein described.

SECTION 1.09 No State Law Partnership. No provisions of this Agreement shall be deemed or construed to constitute a partnership (including a limited partnership) or joint venture, or the Member a partner or joint venturer of or with any Manager or the Company, for any purposes.

ARTICLE II

CAPITAL

SECTION 2.01 Initial Capital. The initial capital of the Company shall be the sum of cash contributed to the Company by the Member (the "Capital Contribution") in the amount set out opposite the name of the Member on Schedule A hereto, as amended from time to time and incorporated herein by this reference.

SECTION 2.02 Additional Capital Contributions. The assets of the Company are expected to generate a return sufficient to satisfy all obligations of the Company under this Agreement and the Basic Documents and any other obligations of the Company. It is expected that no capital contributions to the Company will be necessary after the purchase of the CRR Property. On or prior to the date of issuance of the Consumer Rate Relief Bonds, the Member shall make an additional contribution to the Company in an amount equal to at least 0.50% of the initial principal amount of the Consumer Rate Relief Bonds or such greater amount as agreed to by the Member in connection with the issuance by the Company of the Consumer Rate Relief Bonds, which amount the Company shall deposit into the Capital Subaccount established by the Indenture Trustee as provided in the Indenture. No capital contribution by the Member to the Company will be made for the purpose of mitigating losses on CRR Property that has previously been transferred to the Company, and all capital contributions shall be made in accordance with all applicable limited liability company procedures and requirements, including proper record keeping by the Member and the Company. Each capital contribution will be acknowledged by a written receipt signed by any one of the Managers. The Managers acknowledge and agree that, notwithstanding anything in this Agreement to the contrary, such additional contribution will be invested only in investments eligible pursuant to the Basic Documents, and all income earned thereon shall be allocated or paid by the Indenture Trustee in accordance with the provisions of the Indenture.

SECTION 2.03 Capital Account. A Capital Account shall be established and maintained for the Member on the Company's books (the "Capital Account").

SECTION 2.04 Interest on Capital Account. Except as provided in the Securitization Law, the Financing Order and the Basic Documents (which may provide for payment of investment earnings on the Capital Account), no interest shall be paid or credited to the Member on its Capital Account or upon any undistributed profits left on deposit with the Company. Except as provided herein or by law, the Member shall have no right to demand or receive the return of its Capital Contribution.

ARTICLE III

ALLOCATIONS; BOOKS

SECTION 3.01 Allocations of Income and Loss.

(a) Book Allocations. The net income and net loss of the Company shall be allocated entirely to the Member.

(b) Tax Allocations. Because the Company is not making (and will not make) an election to be treated as an association taxable as a corporation under Section 301.7701-3(a) of the Treasury Regulations, and because the Company is a business entity that has a single owner and is not a corporation, it is expected to be disregarded as an entity separate from its owner for federal income tax purposes under Section 301.7701-3(b)(1) of the Treasury Regulations. Accordingly, all items of income, gain, loss, deduction and credit of the Company for all taxable periods will be treated for federal income tax purposes, and for state and local income and other tax purposes to the extent permitted by applicable law, as realized or incurred directly by the Member. To the extent not so permitted, all items of income, gain, loss, deduction and credit of the Company shall be allocated entirely to the Member as permitted by applicable tax law, and the Member shall pay (or indemnify the Company, the Indenture Trustee and each of their officers, managers, employees or agents for, and defend and hold harmless each such person from and against its payment of) any taxes levied or assessed upon all or any part of the Company's property or assets based on existing law as of the date hereof, including any sales, gross receipts, general corporation, personal property, privilege, franchise or license taxes (but excluding any taxes imposed as a result of a failure of such person to properly withhold or remit taxes imposed with respect to payments on any Consumer Rate Relief Bond)), in the event and to the extent such taxes are not recoverable as Ongoing Financing Costs. Nothing in this Section 3.01 shall prohibit the Company from transferring amounts from the Payment Account necessary for the payment of any taxes permitted under the Indenture.. The Indenture Trustee (on behalf of the Secured Parties) shall be a third party beneficiary of the Member's obligations set forth in this Section 3.01, it being understood that Bondholders shall be entitled to enforce their rights against the Member under this Section 3.01 solely through a cause of action brought for their benefit by the Indenture Trustee.

SECTION 3.02 Company to be Disregarded for Tax Purposes. The Company shall comply with the applicable provisions of the Code and the applicable Treasury Regulations thereunder in the manner necessary to effect the intention of the Member that the Company be treated, for federal income tax purposes, as a disregarded entity that is not separate from the Member pursuant to Treasury Regulations Section 301.7701-1 et seq. and that the Company be accorded such treatment until its dissolution pursuant to Article IX hereof and shall take all actions, and shall refrain from taking any action, required by the Code or Treasury Regulations thereunder in order to maintain such status of the Company. In addition, for federal income tax purposes, the Company may not claim any credit on, or make any deduction from the principal or premium, if any, or interest payable in respect of, the Consumer Rate Relief Bonds (other than amounts properly withheld from such payments under the Code or other tax laws) or assert any claim against any present or former Bondholder by reason of the payment of the taxes levied or assessed upon any part of the CRR Bond Collateral.

SECTION 3.03 Books of Account; Fiscal Year.

(a) Books of Account. At all times during the continuance of the Company, the Company shall maintain or cause to be maintained full, true, complete and correct books of account in accordance with generally accepted accounting principles, using the fiscal year and taxable year of the Member. In addition, the Company shall keep all records required to be kept pursuant to the LLC Act.

(b) Fiscal Year. The Company shall use the accounting year and taxable year of the Member. At the time of execution of this Agreement, the accounting year and taxable year is the calendar year.

SECTION 3.04 Access to Accounting Records. All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and the Member, and its duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

SECTION 3.05 Annual Tax Information. The Managers shall cause the Company to deliver to the Member all information necessary for the preparation of the Member's federal income tax return.

SECTION 3.06 Internal Revenue Service Communications. The Member shall communicate and negotiate with the Internal Revenue Service on any federal tax matter on behalf of the Member and the Company.

ARTICLE IV

MEMBER

SECTION 4.01 Powers. Subject to the provisions of this Agreement and the LLC Act, all powers shall be exercised by or under the authority of, and the business and affairs of the Company shall be controlled by, the Member pursuant to Section 4.04. The Member may delegate any or all such powers to the Managers. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Member shall have the following powers:

(a) To select and remove the Managers and all officers and agents of the Company, prescribe such powers and duties for them as may be consistent with the LLC Act and other applicable law and this Agreement, fix their compensation, and require from them security for faithful service; provided, that, except as provided in Section 7.06, at all times during when any Consumer Rate Relief Bonds are outstanding and the Indenture remains in full force and effect (and otherwise in accordance with the Indenture) the Company shall have at least two Independent Managers. Prior to the issuance of any Consumer Rate Relief Bonds, the Member shall appoint at least two Independent Managers. An "Independent Manager" means a Manager that is a natural person and who (1) has prior experience as an independent director, independent manager or independent member, (2) is employed by a nationally-recognized company that provides professional independent managers or independent directors and other corporate services in the ordinary course of its business, (3) is duly appointed as an Independent Manager and (4) is not and has not been for at least five years from the date of his or her appointment, and will not while serving as an Independent Manager, be any of the following:

(i) a member, partner, equityholder, manager, director, officer or employee of the Company or any of its equityholders or Affiliates (other than as an independent director, independent manager or special member of the Company or an Affiliate of the Company that is required by a creditor to be a single purpose bankruptcy remote entity);

(ii) a creditor, supplier or service provider (including provider of professional services) to the Company, the Member or any of their respective equityholders or Affiliates (other than a nationally-recognized company that routinely provides professional independent managers or independent directors and other corporate services to the Company, the Member or any of its Affiliates in the ordinary course of its business);

(iii) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or

(iv) a Person that controls (whether directly, indirectly or otherwise) any of the Persons described in clauses (i), (ii) or (iii) above;

provided, that the indirect or beneficial ownership of stock of the Member or its Affiliates through a mutual fund or similar diversified investment vehicle with respect to which the owner does not have discretion or control over the investments held by such diversified investment vehicle shall not preclude such owner from being an Independent Manager. A natural person who otherwise satisfies the foregoing definition and satisfies subparagraph (i) by reason of being the independent manager or independent director of a "special purpose entity" affiliated with the Company shall be qualified to serve as an Independent Manager of the Company, provided that the fees that such individual earns from serving as an independent manager or independent director of Affiliates of the Company in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year. For purposes of this paragraph, a "special purpose entity" is an entity, whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity's separateness that are substantially similar to the Special Purpose Provisions (as hereinafter defined) of this Agreement. Promptly following any resignation or replacement of any Independent Manager, the Member shall give written notice to each applicable Rating Agency and to the Indenture Trustee of any such resignation or replacement.

(b) Subject to Sections 1.07 and 1.08 and Article VII hereof, to conduct, manage and control the affairs and business of the Company, and to make such rules and regulations therefor consistent with the LLC Act and other applicable law and this Agreement.

(c) To change the registered agent and office of the Company in Delaware from one location to another; to fix and locate from time to time one or more other offices of the Company; and to designate any place within or outside of the State of Delaware for the conduct of the business of the Company.

SECTION 4.02 Compensation of Member. To the extent permitted by applicable law, the Company shall have authority to reimburse the Member for out-of-pocket expenses incurred by the Member in connection with its service to the Company. It is understood that the compensation paid to the Member under the provisions of this Section 4.02 shall be determined without regard to the income of the Company, shall not be deemed to constitute distributions to the recipient of any profit, loss or capital of the Company and shall be considered an Ongoing Financing Cost of the Company subject to the limitations on such expenses set forth in the Financing Order.

SECTION 4.03 Other Ventures. Notwithstanding any duties (including fiduciary duties) otherwise existing at law or in equity, it is expressly agreed that the Member, the Managers and any Affiliates, officers, directors, managers, stockholders, partners or employees of the Member, may engage in other business ventures of any nature and description, whether or not in competition with the Company, independently or with others, and the Company shall not have any rights in and to any independent venture or activity or the income or profits derived therefrom.

SECTION 4.04 Actions by the Member. All actions of the Member may be taken by written resolution of the Member which shall be signed on behalf of the Member by an authorized officer of the Member and filed with the records of the Company.

ARTICLE V

OFFICERS

SECTION 5.01 Designation; Term; Qualifications.

(a) Officers. The Managers may, from time to time, designate one or more Persons to be officers of the Company. Any officer so designated shall have such title and authority and perform such duties as the Managers may, from time to time, delegate to them. Each officer shall hold office for the term for which such officer is designated and until its successor shall be duly designated and shall qualify or until its death, resignation or removal as provided in this Agreement. Any Person may hold any number of offices. No officer need be a Manager, the Member, a Delaware resident, or a United States citizen. The Member hereby appoints the Persons identified on Schedule C to be the officers of the Company as of the date hereof.

(b) President. The President shall be the chief executive officer of the Company, shall preside at all meetings of the Managers, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Managers are carried into effect. The President or any other officer authorized by the President or the Managers may execute all contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed, including Section 1.08; and (ii) where signing and execution thereof shall be expressly delegated by the Managers to some other officer or agent of the Company.

(c) Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Managers, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents, if any, shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(d) Secretary and Assistant Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Managers and record all the proceedings of the meetings of the Company and of the Managers in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings of the Member, if any, and special meetings of the Managers, and shall perform such other duties as may be prescribed by the Managers or the President, under whose supervision the Secretary shall serve. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Managers (or if there be no such determination, then in order of their designation), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(e) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Manager. The Treasurer shall disburse the funds of the Company as may be ordered by the Manager, taking proper vouchers for such disbursements, and shall render to the President and to the Managers, at its regular meetings or when the Managers so require, an account of all of the Treasurer's transactions and of the financial condition of the Company. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Managers (or if there be no such determination, then in the order of their designation), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(f) Officers as Agents. The officers of the Company, to the extent their powers as set forth in this Agreement or otherwise vested in them by action of the Managers are not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, subject to Section 1.08, the actions of the officers taken in accordance with such powers shall bind the Company.

(g) Duties of Managers and Officers. Except to the extent otherwise provided herein, each Manager (other than the Independent Managers) and officer of the Company shall have a fiduciary duty of loyalty and care similar to that of directors and officers of business corporations organized under the General Corporation Law of the State of Delaware.

SECTION 5.02 Removal and Resignation. Any officer of the Company may be removed as such, with or without cause, by the Managers at any time. Any officer of the Company may resign as such at any time upon written notice to the Company. Such resignation shall be made in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time of its receipt by the Managers.

SECTION 5.03 Vacancies. Any vacancy occurring in any office of the Company may be filled by the Managers.

SECTION 5.04 Compensation. The compensation, if any, of the officers of the Company shall be fixed from time to time by the Managers. Such compensation shall be determined without regard to the income of the Company, shall not be deemed to constitute distributions to the recipient of any profit, loss or capital of the Company and shall be considered a fixed Operating Expense of the Company subject to the limitations on such expenses set forth in the Financing Order.

ARTICLE VI

MEMBERSHIP INTEREST

SECTION 6.01 General. "Membership Interest" means the limited liability company interest of the Member in the Company. The Membership Interest constitutes personal property and, subject to Section 6.06, shall be freely transferable and assignable in whole but not in part upon registration of such transfer and assignment on the books of the Company in accordance with the procedures established for such purpose by the Managers of the Company.

SECTION 6.02 Distributions. The Member shall be entitled to receive, out of the assets of the Company legally available therefor, distributions payable in cash in such amounts, if any, as the Managers shall declare, subject to the priority of payment provisions in the Indenture. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to the Member on account of its interest in the Company if such distribution would violate Section 18-607 of the LLC Act or any other applicable law or any Basic Document.

SECTION 6.03 Rights on Liquidation, Dissolution or Winding Up.

(a) In the event of any liquidation, dissolution or winding up of the Company, the Member shall be entitled to all remaining assets of the Company available for distribution to the Member after satisfaction (whether by payment or reasonable provision for payment) of all liabilities, debts and obligations of the Company.

(b) Neither the sale of all or substantially all of the property or business of the Company, nor the merger or consolidation of the Company into or with another Person or other entity, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purpose of this Section 6.03.

SECTION 6.04 Redemption. The Membership Interest shall not be redeemable.

SECTION 6.05 Voting Rights. Subject to the terms of this Agreement, the Member shall have the sole right to vote (or consent) on all matters as to which members of a limited liability company shall be entitled to vote (or consent) pursuant to the LLC Act and other applicable law.

SECTION 6.06 Transfer of Membership Interests.

(a) The Member may transfer its Membership Interest, in whole but not in part, but the transferee shall not be admitted as a Member except in accordance with Section 6.07. Until the transferee is admitted as a Member, the Member shall continue to be the sole member of the Company (subject to Section 1.02) and to be entitled to exercise any rights or powers of a Member of the Company with respect to the Membership Interest transferred.

(b) To the fullest extent permitted by law, any purported transfer of any Membership Interest in violation of the provisions of this Agreement shall be wholly void and shall not effectuate the transfer contemplated thereby. Notwithstanding anything contained herein to the contrary and to the fullest extent permitted by law, the Member may not transfer any Membership Interest in violation of any provision of this Agreement or in violation of any applicable federal or state securities laws.

SECTION 6.07 Admission of Transferee as Member.

(a) A transferee of a Membership Interest desiring to be admitted as a Member must execute a counterpart of, or an agreement adopting, this Agreement and, except as permitted by paragraph (b) below, shall not be admitted without unanimous affirmative vote or consent of the Managers, which vote or consent must include the affirmative vote or consent of each Independent Manager. Upon admission of the transferee as a Member, the transferee shall have the rights, powers and duties and shall be subject to the restrictions and liabilities of the Member under this Agreement and the LLC Act. The transferee shall also be liable, to the extent of the Membership Interest transferred, for the unfulfilled obligations, if any, of the transferor Member to make capital contributions to the Company, but shall not be obligated for liabilities unknown to the transferee at the time such transferee was admitted as a Member and that could not be ascertained from this Agreement. Except as set forth in paragraph (b) below, whether or not the transferee of a Membership Interest becomes a Member, the Member transferring the Membership Interest is not released from any liability to the Company under this Agreement or the LLC Act.

(b) The approval of the Managers, including each Independent Manager, shall not be required for the transfer of the Membership Interest from the Member to any successor pursuant to Section 5.02 of the Sale Agreement or the admission of such Person as a Member. Once the transferee of a Membership Interest pursuant to this paragraph (b) becomes a Member, the prior Member shall cease to be a member of the Company and shall be released from any liability to the Company under this Agreement and the LLC Act.

ARTICLE VII

MANAGERS

SECTION 7.01 Managers.

(a) Subject to Sections 1.07, 1.08 and 4.01, the business and affairs of the Company shall be managed by or under the direction of two or more Managers designated by the Member. Subject to the terms of this Agreement, the Member may determine at any time in its sole and absolute discretion the number of Managers. Subject in all cases to the terms of this Agreement, the authorized number of Managers may be increased or decreased by the Member at any time in its sole and absolute discretion, upon notice to all Managers; provided, that, except as provided in Section 7.06, from and after the issuance of the Consumer Rate Relief Bonds, the Company shall have at least two Independent Managers at all times during when any Consumer Rate Relief Bonds are outstanding and the Indenture remains in full force and effect (and otherwise in accordance with the Indenture). The initial number of Managers shall be five, two of which shall be Independent Managers. Each Manager designated by the Member shall hold office until a successor is elected and qualified or until such Manager's earlier death, resignation, expulsion or removal. Each Manager shall execute and deliver the Management Agreement in the form attached hereto as Exhibit A. Managers need not be a Member. The initial Managers designated by the Member are listed on Schedule B hereto.

(b) Each Manager shall be designated by the Member and shall hold office for the term for which designated and until a successor has been designated.

(c) Except as otherwise provided in Section 7.02 with respect to an Independent Manager, the Managers shall be obliged to devote only as much of their time to the Company's business as shall be reasonably required in light of the Company's business and objectives. Subject to Section 7.02, each Manager shall perform his or her duties as a Manager in good faith, in a manner he or she reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent Person in a like position would use under similar circumstances.

(d) Except as otherwise provided in this Agreement, the Managers shall act by the affirmative vote or consent of a majority of the Managers. Notwithstanding the foregoing or any contrary provision of this Agreement, the vote or consent of each Independent Manager shall only be required for actions of the Managers with respect to which the terms of this Agreement expressly require the consent of an Independent Manager, including without limitation, as expressly required in Section 1.02(c), Section 1.08(b), Section 1.08(c), Section 1.08(g), Section 6.07(a), Section 9.02(a) and Section 11.02(a), and any other actions of the Managers shall be taken, and a quorum of the Managers shall be calculated, as if each Independent Manager is not a Manager. Each Manager (other than the Independent Manager) shall have the authority to sign duly authorized agreements and other instruments on behalf of the Company without the joinder of any other Manager.

(e) Subject to the terms of this Agreement, any action may be taken by the Managers without a meeting and without prior notice if authorized by the written consent of a majority of the Managers (or such greater number as is required by this Agreement), which written consent shall be filed with the records of the Company.

(f) Every Manager is an agent of the Company for the purpose of its business, and the act of every Manager, including the execution in the Company name of any instrument for carrying on the business of the Company, binds the Company, unless such act is in contravention of this Agreement or unless the Manager so acting otherwise lacks the authority to act for the Company and the Person with whom he or she is dealing has knowledge of the fact that he or she has no such authority.

(g) To the extent permitted by law, the Managers shall not be personally liable for the Company's debts, obligations or liabilities.

SECTION 7.02 Powers of the Managers.

(a) Subject to the terms of this Agreement, the Managers shall have the right and authority to take all actions which the Managers deem incidental, necessary, suitable or convenient for the day-to-day management and conduct of the Company's business.

(b) Each Independent Manager may not delegate their duties, authorities or responsibilities hereunder. If any Independent Manager resigns, dies or becomes incapacitated, or such position is otherwise vacant, no action requiring the unanimous affirmative vote or consent of the Managers shall be taken until a successor Independent Manager is appointed by the Member and qualifies and approves such action.

(c) To the fullest extent permitted by law, including Section 18-1101(c) of the LLC Act, and notwithstanding any duty otherwise existing at law or in equity, the Independent Managers shall consider only the interests of the Company, including its creditors, in acting or otherwise voting on the matters referred to in Section 1.08. Except for duties to the Company as set forth in the immediately preceding sentence (including duties to the Member and the Company's creditors solely to the extent of their respective economic interests in the Company but excluding (i) all other interests of the Member, (ii) the interests of other Affiliates of the Company, and (iii) the interests of any group of Affiliates of which the Company is a part), the Independent Managers shall not have any fiduciary duties to the Member, any Manager or any other Person bound by this Agreement; provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing. To the fullest extent permitted by law, including Section 18-1101(e) of the LLC Act, an Independent Manager shall not be liable to the Company, the Member or any other Person bound by this Agreement for breach of contract or breach of duties (including fiduciary duties), unless the Independent Manager acted in bad faith or engaged in willful misconduct.

(d) No Independent Manager shall at any time serve as trustee in bankruptcy for any Affiliate of the Company.

(e) Subject to the terms of this Agreement, the Managers may exercise all powers of the Company and do all such lawful acts and things as are not prohibited by the LLC Act, other applicable law or this Agreement directed or required to be exercised or done by the Member. All duly authorized instruments, contracts, agreements and documents providing for the acquisition or disposition of property of the Company shall be valid and binding on the Company if executed by one or more of the Managers.

(f) Notwithstanding the terms of Section 7.01, 7.07 or 7.09 or any provision of this Agreement to the contrary, (x) no meeting or vote or consent with respect to any action described in clauses (b), (c) or (g) of Section 1.08 or any amendment to any of the Special Purpose Provisions (as hereinafter defined) shall be conducted unless each Independent Manager is present and (y) neither the Company nor the Member, any Manager or any officer on behalf of the Company shall (i) take any action described in clauses (b), (c) or (g) of Section 1.08 unless each Independent Manager has consented thereto or (ii) adopt any amendment to any of the Special Purpose Provisions unless each Independent Manager has consented thereto. The vote or consent of an Independent Manager with respect to any such action or amendment shall not be dictated by the Member or any other Manager or officer of the Company.

SECTION 7.03 Compensation; Reimbursement of Expenses.

(a) The Company shall pay each Independent Manager an annual fee in an amount equal to $[•] per year or such other amount as shall be determined from time to time by the Managers other than the Independent Managers (the "Independent Manager Fee"). Such fees shall be determined without regard to the income of the Company, shall not be deemed to constitute distributions to the recipient of any profit, loss or capital of the Company and shall be considered a fixed Operating Expense of the Company subject to the limitations on such expenses set forth in the Financing Order. Each Manager, including each Independent Manager, is hereby deemed to be a "manager" within the meaning 18-101(12) of the LLC Act.

(b) To the extent permitted by applicable law, the Company may reimburse any Manager, directly or indirectly, for out-of-pocket expenses incurred by such Manager in connection with his or her services rendered to the Company. Such reimbursement shall be determined by the Managers without regard to the income of the Company, shall not be deemed to constitute distributions to the recipient of any profit, loss or capital of the Company and shall be considered a fixed Operating Expense of the Company subject to the limitations on such expenses set forth in the Financing Order.

SECTION 7.04 Removal of Managers.

(a) Subject to Section 4.01, the Member may remove (i) any Manager, other than an Independent Manager, with or without cause at any time and (ii) any Independent Manager with Cause at any time, in each case whether at a meeting called expressly for that purpose or by any other method allowed for Member action.

(b) Subject to Sections 4.01 and 7.05, any removal of a Manager shall become effective on such date as may be specified by the Member and in a notice delivered to any remaining Managers or the Manager designated to replace the removed Manager (except that it shall not be effective on a date earlier than the date such notice is delivered to the remaining Managers or the Manager designated to replace the removed Manager). Should a Manager be removed who is also the Member, the Member shall continue to participate in the Company as the Member and receive its share of the Company's income, gains, losses, deductions and credits pursuant to this Agreement.

SECTION 7.05 Resignation of Manager. A Manager other than an Independent Manager may resign as a Manager at any time by thirty (30) days' prior notice to the Member. An Independent Manager may not withdraw or resign as a Manager of the Company without the consent of the Member. No resignation or removal of an Independent Manager, and no appointment of a successor Independent Manager, shall be effective until such successor (i) shall have accepted his or her appointment as an Independent Manager by a written instrument, which may be a counterpart signature page to the Management Agreement, and (ii) shall have executed a counterpart to this Agreement.

SECTION 7.06 Vacancies. Subject to Section 4.01, any vacancies among the Managers may be filled by the Member. In the event of a vacancy in the position of an Independent Manager, the Member shall, as soon as practicable, appoint a successor Independent Manager. Notwithstanding anything to the contrary contained in this Agreement, no Independent Manager shall be removed or replaced unless the Company provides the Indenture Trustee with no less than two (2) Business Days' prior written notice of (a) any proposed removal of such Independent Manager, and (b) the identity of the proposed replacement Independent Manager, together with a certification that such replacement Independent Manager satisfies the requirements for an Independent Manager set forth in this Agreement.

SECTION 7.07 Meetings of the Managers. The Managers may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Managers may be held without notice at such time and at such place as shall from time to time be determined by the Managers. Special meetings of the Managers may be called by the President on not less than one day's notice to each Manager by telephone, facsimile, mail, email or any other means of communication, and special meetings shall be called by the President or Secretary in like manner and with like notice upon the written request of any one or more of the Managers.

SECTION 7.08 Electronic Communications. The Managers, or any committee designated by the Managers, may participate in meetings of the Managers, or any committee, by means of telephone or video conference, internet conferencing software or similar communications equipment that allows all Persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in Person at the meeting. If all the participants are participating by telephone or video conference, internet conferencing software or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

SECTION 7.09 Committees of Managers.

(a) The Managers may, by resolution passed by a majority of the Managers, designate one or more committees, each committee to consist of one or more of the Managers. The Managers may designate one or more Managers as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

(b) In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another Manager to act at the meeting in the place of any such absent or disqualified member.

(i) Any such committee, to the extent provided in a resolution of the Managers, shall have and may exercise all the powers and authority of the Managers in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Managers. Each committee shall keep regular minutes of its meetings and report the same to the Managers when required.

SECTION 7.10 Limitations on Independent Managers. All rights, powers and authority of each Independent Manager shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement.

ARTICLE VIII

EXPENSES

SECTION 8.01 Expenses. Except as otherwise provided in this Agreement or the other Basic Documents, the Company shall be responsible for all expenses and the allocation thereof including without limitation:

(a) all expenses incurred by the Member or its Affiliates in organizing the Company;

(b) all expenses related to the business of the Company and all routine administrative expenses of the Company, including the maintenance of books and records of the Company, the preparation and dispatch to the Member of checks, financial reports, tax returns and notices required pursuant to this Agreement;

(c) all expenses incurred in connection with any litigation or arbitration involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;

(d) all expenses for indemnity or contribution payable by the Company to any Person;

(e) all expenses incurred in connection with the collection of amounts due to the Company from any Person;

(f) all expenses incurred in connection with the preparation of amendments to this Agreement;

(g) all expenses incurred in connection with the liquidation, dissolution and winding up of the Company; and

(h) all expenses otherwise allocated in good faith to the Company by the Managers.

ARTICLE IX

PERPETUAL EXISTENCE; DISSOLUTION, LIQUIDATION AND WINDING-UP

SECTION 9.01 Existence.

(a) The Company shall have a perpetual existence, unless dissolved in accordance with this Agreement. So long as any of the Consumer Rate Relief Bonds are outstanding, the Member shall not be entitled to consent to the dissolution of the Company.

(b) Notwithstanding any provision of this Agreement, the Bankruptcy of the Member or Special Member will not cause such Member or Special Member, respectively, to cease to be a member of the Company, and upon the occurrence of such an event, the business of the Company shall continue without dissolution. For purposes of this Section 9.01(b), "Bankruptcy" means, with respect to any Person (A) if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, or (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (B) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, the proceeding has not been dismissed or if within 90 days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy" is intended to replace and shall supersede and replace the definition of "Bankruptcy" set forth in Sections 18-101(1) and 18-304 of the LLC Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company (other than a continuation of the Company without dissolution upon an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 6.06 and 6.07), to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

SECTION 9.02 Dissolution. The Company shall be dissolved and its affairs shall be wound up upon the occurrence of the earliest of the following events:

(a) subject to Section 1.08, the election to dissolve the Company made in writing by the Member and each Manager, including each Independent Manager, as permitted under the Basic Documents and after the discharge in full of the Consumer Rate Relief Bonds;

(b) the termination of the legal existence of the last remaining member of the Company or the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company unless the business of the Company is continued without dissolution in a manner permitted by the LLC Act or this Agreement; or

(c) the entry of a decree of judicial dissolution of the Company pursuant to Section 18-802 of the LLC Act.

SECTION 9.03 Accounting. In the event of the dissolution, liquidation and winding-up of the Company, a proper accounting shall be made of the Capital Account of the Member and of the net income or net loss of the Company from the date of the last previous accounting to the date of dissolution.

SECTION 9.04 Certificate of Cancellation. As soon as possible following the occurrence of any of the events specified in Section 9.02 and the completion of the winding up of the Company, the Person winding up the business and affairs of the Company, as an authorized person, shall cause to be executed a Certificate of Cancellation of the Certificate of Formation and file the Certificate of Cancellation of the Certificate of Formation as required by the LLC Act.

SECTION 9.05 Winding Up. Upon the occurrence of any event specified in Section 9.02, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors. The Member, or if there is no Member, the Managers, shall be responsible for overseeing the winding up and liquidation of the Company, shall take full account of the liabilities of the Company and its assets, shall either cause its assets to be sold or distributed, and if sold as promptly as is consistent with obtaining the fair market value thereof, shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided in Section 9.06.

SECTION 9.06 Order of Payment of Liabilities Upon Dissolution. After determining that all debts and liabilities of the Company, including all contingent, conditional or unmatured liabilities of the Company, in the process of winding-up, including, without limitation, debts and liabilities to the Member in the event it is a creditor of the Company to the extent otherwise permitted by law, have been paid or adequately provided for, the remaining assets shall be distributed in cash or in kind to the Member.

SECTION 9.07 Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, the Member shall only be entitled to look solely to the assets of the Company for the return of its positive Capital Account balance and shall have no recourse for its Capital Contribution and/or share of net income (upon dissolution or otherwise) against any Manager.

SECTION 9.08 Limitation on Liability. Except as otherwise provided by the LLC Act and except as otherwise characterized for tax and financial reporting purposes, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member or Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or a Manager.

ARTICLE X

INDEMNIFICATION

SECTION 10.01 Indemnity. Subject to the provisions of Section 10.04 hereof, to the fullest extent permitted by law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such Person is or was a Manager, Member, officer, controlling Person, legal representative or agent of the Company, or is or was serving at the request of the Company as a member, manager, director, officer, partner, shareholder, controlling Person, legal representative or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such Person in connection with the action, suit or proceeding if such Person acted in good faith and in a manner which such Person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Person's conduct was unlawful; provided that such Person shall not be entitled to indemnification if such judgment, penalty, fine or other expense was directly caused by such Person's fraud, gross negligence or willful misconduct or, in the case of an Independent Manager, bad faith or willful misconduct.

SECTION 10.02 Indemnity for Actions By or In the Right of the Company. Subject to the provisions of Section 10.04 hereof, to the fullest extent permitted by law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the rights of the Company to procure a judgment in its favor by reason of the fact that such Person is or was a Member, Manager, officer, controlling Person, legal representative or agent of the Company, or is or was serving at the request of the Company as a member, manager, director, officer, partner, shareholder, controlling Person, legal representative or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by such Person in connection with the defense or settlement of the actions or suit if such Person acted in good faith and in a manner which such Person reasonably believed to be in or not opposed to the best interests of the Company; provided that such Person shall not be entitled to indemnification if such judgment, penalty, fine or other expense was directly caused by such Person's fraud, gross negligence or willful misconduct or, in the case of an Independent Manager, bad faith or willful misconduct. Indemnification may not be made for any claim, issue or matter as to which such Person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the Company or for amounts paid in settlement to the Company, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the Person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

SECTION 10.03 Indemnity If Successful. To the fullest extent permitted by law, the Company shall indemnify any Person who is or was a Manager, Member, officer, controlling Person, legal representative or agent of the Company, or is or was serving at the request of the Company as a member, manager, director, officer, partner, shareholder, controlling Person, legal representative or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise against expenses, including reasonable attorneys' fees, actually and reasonably incurred by him or her in connection with the defense of any action, suit or proceeding referred to in Sections 10.01 and 10.02 or in defense of any claim, issue or matter therein, to the extent that such Person has been successful on the merits.

SECTION 10.04 Expenses. Any indemnification under Sections 10.01 and 10.02, as well as the advance payment of expenses permitted under Section 10.05 unless ordered by a court or advanced pursuant to Section 10.05 below, must be made by the Company only as authorized in the specific case upon a determination that indemnification of the Manager, Member, officer, controlling Person, legal representative or agent is proper in the circumstances. The determination must be made:

(a) by the Member if the Member was not a party to the act, suit or proceeding; or

(b) if the Member was a party to the act, suit or proceeding by independent legal counsel in a written opinion.

SECTION 10.05 Advance Payment of Expenses. The expenses of each Person who is or was a Manager, Member, officer, controlling Person, legal representative or agent, or is or was serving at the request of the Company as a member, manager, director, officer, partner, shareholder, controlling Person, legal representative or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, incurred in defending a civil or criminal action, suit or proceeding may be paid by the Company as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of such Person to repay the amount if it is ultimately determined by a court of competent jurisdiction that such Person is not entitled to be indemnified by the Company. The provisions of this Section 10.05 shall not affect any rights to advancement of expenses to which personnel other than the Member or the Managers (other than each Independent Manager) may be entitled under any contract or otherwise by law.

SECTION 10.06 Other Arrangements Not Excluded. The indemnification and advancement of expenses authorized in or ordered by a court pursuant to this Article X:

(a) does not exclude any other rights to which a Person seeking indemnification or advancement of expenses may be entitled under any agreement, decision of the Member or otherwise, for either an action of any Person who is or was a Manager, Member, officer, controlling Person, legal representative or agent, or is or was serving at the request of the Company as a member, manager, director, officer, partner, shareholder, controlling Person, legal representative or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, in the official capacity of such Person or an action in another capacity while holding such position, except that indemnification and advancement, unless ordered by a court pursuant to Section 10.05 above, may not be made to or on behalf of such Person if a final adjudication established that its acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and were material to the cause of action; and

(b) continues for a Person who has ceased to be a Member, Manager, officer, legal representative or agent and inures to the benefit of the successors, heirs, executors and administrators of such a Person.

ARTICLE XI

MISCELLANEOUS PROVISIONS

SECTION 11.01 No Bankruptcy Petition; Dissolution.

(a) To the fullest extent permitted by law, the Member, each Special Member and each Manager hereby covenant and agree (or shall be deemed to have hereby covenanted and agreed) that, prior to the date which is one year and one day after the termination of the Indenture and the payment in full of the Consumer Rate Relief Bonds and any other amounts owed under the Indenture, it will not acquiesce, petition or otherwise invoke or cause the Company to invoke the process of any court or Governmental Authority for the purpose of commencing or sustaining an involuntary case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company; provided, however, that nothing in this Section 11.01 shall constitute a waiver of any right to indemnification, reimbursement or other payment from the Company pursuant to this Agreement. This Section 11.01 is not intended to apply to the filing of a voluntary bankruptcy petition on behalf of the Company which is governed by Section 1.08 of this Agreement.

(b) To the fullest extent permitted by law, the Member, each Special Member and each Manager hereby covenants and agrees (or shall be deemed to have hereby covenanted and agreed) that, until the termination of the Indenture and the payment in full of the Consumer Rate Relief Bonds and any other amounts owed under the Indenture, the Member, such Special Member and such Manager will not consent to, or make application for, or institute or maintain any action for, the dissolution of the Company under Section 18-801 or 18-802 of the LLC Act or otherwise.

(c) In the event that the Member, any Special Member or any Manager takes action in violation of this Section 11.01, the Company agrees that it shall file an answer with the court or otherwise properly contest the taking of such action and raise the defense that the Member, the Special Member or Manager, as the case may be, has agreed in writing not to take such action and should be estopped and precluded therefrom and such other defenses, if any, as its counsel advises that it may assert.

(d) The provisions of this Section 11.01 shall survive the termination of this Agreement and the resignation, withdrawal or removal of the Member, any Special Member or any Manager. Nothing herein contained shall preclude participation by the Member, any Special Member or a Manager in assertion or defense of its claims in any such proceeding involving the Company.

SECTION 11.02 Amendments.

(a) The power to alter, amend or repeal this Agreement shall be only with the written consent of the Member, provided, that:

(i) the Company shall not alter, amend or repeal any provision of Sections 1.02(b) and (c), 1.05, 1.07, 1.08, 3.01(b), 3.02, 4.01, 6.06, 6.07, 7.01, 7.02, 7.04, 7.05, 7.06, 7.10, 9.01, 9.02, 11.02, 11.03 and 11.08 of this Agreement or the definition of "Independent Manager" contained herein or the requirement that at all times after the issuance of the Consumer Rate Relief Bonds the Company have at least two Independent Managers during when any Consumer Rate Relief Bonds are outstanding and the Indenture remains in full force and effect (and otherwise in accordance with the Indenture) (collectively, the "Special Purpose Provisions") without, in each case, the affirmative vote or consent of a majority of the Managers, which vote or consent must include the affirmative vote of each Independent Manager; and

(ii) the Company may amend Sections 5.04, and 7.03 of this Agreement.

So long as any of the Consumer Rate Relief Bonds are outstanding, the Company and the Member shall give written notice to each applicable Rating Agency and to the Indenture Trustee of any amendment to this Agreement. The effectiveness of any amendment of the Special Purpose Provisions shall be subject to the Rating Agency notice conditions set forth in the Basic Documents (other than an amendment which is necessary: (i) to cure any ambiguity or (ii) to correct or supplement any such provision in a manner consistent with the intent of this Agreement).

(b) The Company's power to alter or amend the Certificate of Formation shall be vested in the Member. Upon obtaining the approval of any amendment, supplement or restatement as to the Certificate of Formation, the Member on behalf of the Company shall cause a Certificate of Amendment or Amended and Restated Certificate of Formation to be prepared, executed and filed in accordance with the LLC Act.

(c) Notwithstanding anything in this Agreement to the contrary, including Sections 11.02(a) and (b), unless and until any Consumer Rate Relief Bonds have been issued and remain outstanding, the Member may, without the need for any consent or action of, or notice to, any other Person, including any Manager, any officer, the Indenture Trustee or any Rating Agency, alter, amend or repeal this Agreement in any manner.

SECTION 11.03 Commission Condition. Notwithstanding anything to the contrary in Section 11.02, no amendment or modification of 4.02, 5.04 or 7.03 of this Agreement that would result in an increase to Ongoing Financing Costs shall be effective unless the process set forth in this Section 11.03 has been followed.

(a) At least thirty-one (31) days prior to the effectiveness of any such amendment or modification and after obtaining the other necessary approvals set forth in Section 11.02 above (except that the consent of the Indenture Trustee shall be subject to the written consent of Bondholders in connection with such amendment or modification), the Member shall have delivered to the Commission's executive secretary and general counsel written notification of any proposed amendment or modification, which notification shall contain:

(i) a reference to Case No. 25-0310-E-PC;

(ii) an Officer's Certificate stating that the proposed amendment or modification has been approved by all parties to this Agreement; and

(iii) a statement identifying the person to whom the Commission or its authorized representative is to address any response to the proposed amendment or modification or to request additional time.

(b) The Commission or its authorized representative shall, within thirty (30) days after receiving the notification complying with Section 11.03(a) above, either:

(i) provide notice of its determination that the proposed amendment or modification will not under any circumstances have the effect of increasing the Ongoing Financing Costs related to the Consumer Rate Relief Bonds,

(ii) provide notice of its consent or lack of consent to the person specified in Section 11.03(a)(iii) above, or

(iii) be conclusively deemed to have consented to the proposed amendment or modification,

unless, within thirty (30) days of receiving the notification complying with Section 11.03(a) above, the Commission or its authorized representative delivers to the office of the person specified in Section 11.03(a)(iii) above a written statement requesting an additional amount of time not to exceed thirty (30) days in which to consider whether to consent to the proposed amendment or modification. If the Commission or its authorized representative requests an extension of time in the manner set forth in the preceding sentence, then the Commission shall either provide notice of its consent or lack of consent or notice of its determination that the proposed amendment or modification will not under any circumstances increase Ongoing Financing Costs to the person specified in Section 11.03(a)(iii) above no later than the last day of such extension of time or be conclusively deemed to have consented to the proposed amendment or modification on the last day of such extension of time. Any amendment or modification requiring the consent of the Commission shall become effective on the later of (i) the date proposed by the parties to such amendment or modification and (ii) the first day after the expiration of the thirty (30) day period provided for in this Section 11.03(b), or, if such period has been extended pursuant hereto, the first day after the expiration of such period as so extended.

(c) Following the delivery of a notice to the Commission by the Member under Section 11.03(a) above, the Member shall have the right at any time to withdraw from the Commission further consideration of any notification of a proposed amendment or modification. Such withdrawal shall be evidenced by the prompt written notice thereof by the Member to the Commission, the Indenture Trustee, each Independent Manager and the Servicers.

(d) For the purpose of this Section 11.03, an "authorized representative" of the Commission means any person authorized to act on behalf of the Commission.

(e) In no event shall the Indenture Trustee be responsible or liable for determining if an amendment or modification of this Agreement would result in an Ongoing Financing Cost, nor shall the Indenture Trustee be charged with monitoring or satisfying the requirements of this Section 11.03.

SECTION 11.04 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 11.05 Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 11.06 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11.07 Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the Member, and its permitted successors and assigns.

SECTION 11.08 Enforcement by Each Independent Manager. Notwithstanding any other provision of this Agreement, the Member agrees that this Agreement constitutes a legal, valid and binding agreement of the Member, and is enforceable against the Member by each Independent Manager in accordance with its terms.

SECTION 11.09 Waiver of Partition; Nature of Interest. Except as otherwise expressly provided in this Agreement, to the fullest extent permitted by law, each of the Member and the Special Members hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. The Member shall not have any interest in any specific assets of the Company, and the Member shall not have the status of a creditor with respect to any distribution pursuant to this Agreement.

SECTION 11.10 Benefits of Agreement; No Third-Party Rights. Except for the Indenture Trustee with respect to the Special Purpose Provisions and Persons entitled to indemnification hereunder, none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of the Member or Special Member. Nothing in this Agreement shall be deemed to create any right in any Person (other than the Indenture Trustee with respect to the Special Purpose Provisions and Persons entitled to indemnification hereunder) not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person.

SECTION 11.11 Notices to Indenture Trustee and Rating Agencies. Any notice or other communication required to be given hereunder to the Indenture Trustee or a Rating Agency shall be in writing and addressed to the notice address specified in the Indenture for the Indenture Trustee or such Rating Agency, as applicable.

SECTION 11.12 Electronic Signatures. Each party hereto agrees that this Agreement may be electronically signed, that any digital or electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Agreement may be made by facsimile, email or other electronic transmission. (including via DocuSign or other similar method).

(*Signatures follow.*)

IN WITNESS WHEREOF, this Agreement is hereby executed by the undersigned as the sole Member of the Company and is effective as of the date first written above.

APPALACHIAN POWER COMPANY

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED:

[*Name*],
as Manager

_____

[*Name*],
as Manager

_____

[*Name*],
as Manager

_____

[*Name*],
as Independent Manager

_____

[*Name*],
as Independent Manager

_____

SCHEDULE A

SCHEDULE OF CAPITAL CONTRIBUTIONS OF MEMBER

MEMBER'S NAME	CAPITAL CONTRIBUTION	MEMBERSHIP INTEREST PERCENTAGE	CAPITAL ACCOUNT
Appalachian Power Company	$ 100	100%	$ 100

SCHEDULE B

INITIAL MANAGERS

[*Names to be inserted*]

SCHEDULE C

INITIAL OFFICERS

Name	Office
[_____]	President
[_____]	Vice President and Treasurer
[_____]	Controller and Chief Accounting Officer
[_____]	Secretary
[_____]	Assistant Treasurer
[_____]	Assistant Secretary

EXHIBIT A

MANAGEMENT AGREEMENT

[*Insert Date*]

Appalachian Consumer Rate Relief Funding II LLC
200 Association Drive, 02
Charleston, West Virginia 25311

Re: Management Agreement — Appalachian Consumer Rate Relief Funding II LLC

Ladies and Gentlemen:

For good and valuable consideration, each of the undersigned Persons, who have been designated as managers of Appalachian Consumer Rate Relief Funding II LLC, a Delaware limited liability company (the "Company"), in accordance with the Amended and Restated Limited Liability Company Agreement of the Company, dated as of [•], 202[•] (as it may be amended, restated, supplemented or otherwise modified from time to time, the "LLC Agreement"), hereby agree as follows:

1. Each of the undersigned accepts such Person's rights and authority as a Manager under the LLC Agreement and agrees to perform and discharge such Person's duties and obligations as a Manager under the LLC Agreement, and further agrees that such rights, authorities, duties and obligations under the LLC Agreement shall continue until such Person's successor as a Manager is designated or until such Person's resignation or removal as a Manager in accordance with the LLC Agreement. Each of the undersigned agrees and acknowledges that he or she has been designated as a "manager" of the Company within the meaning of the Delaware Limited Liability Company Act.

2. Until one year and one day has passed since the date that the last obligation under the Basic Documents was paid, to the fullest extent permitted by law, each of the undersigned agrees, solely in his or her capacity as a creditor of the Company on account of any indemnification or other payment owing to the undersigned by the Company, not to acquiesce, petition or otherwise invoke or cause the Company to invoke the process of any court or governmental authority for the purpose of commencing or sustaining a case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company.

3. THIS MANAGEMENT AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, AND ALL RIGHTS AND REMEDIES SHALL BE GOVERNED BY SUCH LAWS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

Capitalized terms used and not otherwise defined herein have the meanings set forth in the LLC Agreement.

This Management Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Management Agreement and all of which together shall constitute one and the same instrument. Each party hereto agrees that this Management Agreement may be electronically signed, that any digital or electronic signatures appearing on this Management Agreement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Management Agreement may be made by facsimile, email or other electronic transmission (including via DocuSign or other similar method).

(*Signatures follow*.)

IN WITNESS WHEREOF, the undersigned have executed this Management Agreement as of the day and year first above written.

[*Name of Manager*]

[*Name of Manager*]

[*Name of Manager*]

[*Name of Independent Manager*]

[*Name of Independent Manager*]

APPENDIX A

DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

"Administration Agreement" means the administration agreement to be entered into between the Company and the Administrator pursuant to which the Administrator will provide certain management services to the Company, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Administrator" means APCo, as the initial "Administrator" under the Administration Agreement, or any successor "Administrator" to the extent permitted under the Administration Agreement.

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"APCo" means Appalachian Power Company, a Virginia corporation, and any of its successors or permitted assigns.

"Bankruptcy" is defined in Section 9.01(b) of this Agreement.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. §§ 101 et seq.), as amended from time to time.

"Basic Documents" means the Indenture, the Administration Agreement, the Sale Agreement, the Bill of Sale, the Certificate of Formation, this Agreement, the Servicing Agreement, the Intercreditor Agreements, the Letter of Representations, the Underwriting Agreement and all other documents and certificates delivered in connection therewith.

"Bill of Sale" means the bill of sale given by APCo, as Seller, in connection with the sale of the CRR Property pursuant to the Sale Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Bondholder" means the Person in whose name a Consumer Rate Relief Bond is registered.

"Capital Account" is defined in Section 2.03 of this Agreement.

"Capital Contribution" is defined in Section 2.01 of this Agreement.

"Cause" means, with respect to an Independent Manager, (i) acts or omissions by such Independent Manager that constitute willful disregard of, or willful misconduct, bad faith or gross negligence with respect to, such Independent Manager's duties under or in connection with this Agreement, (ii) that such Independent Manager has engaged in or has been charged with or has been indicted or convicted for any crime or crimes of fraud or other acts constituting a crime under any law applicable to such Independent Manager, (iii) that such Independent Manager has breached its fiduciary duties of loyalty or care as and to the extent of such duties in accordance with the terms of the Company's organizational documents, (iv) there is a material increase in the fees charged by such Independent Manager or a material change to such Independent Manager's terms of service, (v) such Independent Manager is unable to perform his or her duties as Independent Manager due to death, disability, incapacity or other cause, or (vi) such Independent Manager no longer meets the criteria specified in the definition of Independent Manager.

"Certificate of Formation" means the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware on August 19, 2025 pursuant to which the Company was formed, as amended and/or amended and restated from time to time.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commission" means the Public Service Commission of West Virginia, or any Governmental Authority succeeding to the duties of such agency.

"Company" has the meaning set forth in the preamble to this Agreement.

"Consumer Rate Relief Bonds" means the Consumer Rate Relief Bonds authorized by the Financing Order and issued under the Indenture.

"CRR Bond Collateral" means the Consumer Rate Relief Property and related properties and rights of the Company, including, without limitation, the Company's rights, title and interest in, to and under the Sale Agreement, certain deposit accounts and securities accounts, including the Joint Collection Account and the Payment Account, and the other collateral specified in the Indenture and the Series Supplement, all of which are encumbered by the Company as collateral for the Consumer Rate Relief Bonds.

"CRR Charge" means any "consumer rate relief charge" (as defined in Section 24-2-4h(b)(7) of the Securitization Law) that is authorized by the Financing Order to be imposed, charged and collected from customers of APCo and WPCo or any of their respective successors by the Company (as assignee of APCO's interest in the CRR Property).

"CRR Property" means APCO's interest in the "consumer rate relief property" (as defined in Section 24-2-4h(b)(9) of the Securitization Law) that is created pursuant to the Financing Order and under the Securitization Law, and that is transferred, sold, conveyed or assigned to the Company, including the right to impose, charge and collect the CRR Charges authorized in the Financing Order from customers of APCo and WPCo or any of their respective successors and the right to obtain adjustments to the CRR Charges, and any revenues, receipts, collections, rights to payment, payments, moneys, claims or other proceeds arising from the rights and interests of APCo created under the Financing Order.

"CRR Property Intercreditor Agreement" means the CRR Property Intercreditor Agreement to be entered into by and among the Company, the WPCo Issuer, APCo, WPCo, the Indenture Trustee, the WPCo Indenture Trustee and the Securities Intermediary, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Financing Order" means the Commission Order dated issued by the Commission on March 31, 2026, pursuant to the Securitization Law in Case No. 25-0310-E-PC authorizing the creation of the CRR Property, as modified by the Commission Order issued by the Commission on July 21, 2026, in Case No. 25-0310-E-PC.

"Governmental Authority" means any nation or government, any federal, state, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

"Indenture" means the Indenture to be entered into between the Company and the Indenture Trustee authorizing the issuance of the Consumer Rate Relief Bonds, as originally executed and, as from time to time supplemented or amended by any supplements or indentures supplemental thereto entered into pursuant to the applicable provisions of the Indenture, as so supplemented or amended, or both, and shall include the forms and terms of the Consumer Rate Relief Bonds established thereunder.

"Indenture Trustee" means a third-party financial company or bank to be designated as indenture trustee under the Indenture for the benefit of the Secured Parties, or any successor indenture trustee under the Indenture.

"Independent Manager" is defined in Section 4.01(a) of this Agreement.

"Independent Manager Fee" is defined in Section 4.01(a) of this Agreement.

"Intercreditor Agreements" means the CRR Property Intercreditor Agreement and the Receivables Intercreditor Agreement.

"Joint Collection Account" means the joint account of the Company and the WPCo Issuer to be established and maintained in accordance with the Indenture, the Servicing Agreement and the CRR Property Intercreditor Agreement, and any subaccounts contained therein.

"Letter of Representations" means any applicable agreement between the Company and an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, pertaining to the Consumer Rate Relief Bonds, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"LLC Act" means the Delaware Limited Liability Company Act (6 Del. C. §18-101, et seq., as amended.

"Manager" means each manager, including any Independent Manager, of the Company under this Agreement.

"Member" has the meaning set forth in the preamble to this Agreement.

"Membership Interest" is defined in Section 6.01 of this Agreement.

"Officer's Certificate" means a certificate signed by a Manager or duly authorized officer of the Company.

"Ongoing Financing Cost" means the costs of servicing the Consumer Rate Relief Bonds over their life allowed to be recovered as a component of CRR Charges under the Financing Order.

"Operating Expenses" means all unreimbursed fees, costs and expenses of the Company, including all amounts owed by the Company to the Indenture Trustee or the applicable securities intermediary (including indemnities, legal fees and expenses) or any Manager, the servicing fee, the administration fee, reimbursable expenses, the Independent Manager Fee and any other fees relating to the Consumer Rate Relief Bonds payable by the Company to the Independent Managers, administrative expenses, including legal and accounting fees, Rating Agency fees, any franchise fees, license fees or other taxes owed by the Company, including any imposed on CRR Charges or on investment income in the Joint Collection Account (to the extent of the Company's interest) or on the Payment Account, and any other costs and expenses of the Company, APCo and WPCo specified as being Operating Expenses in the Basic Documents.

"Original LLC Agreement" has the meaning set forth in the preamble to this Agreement.

"Payment Account" means the account established and maintained by the Indenture Trustee in connection with the Indenture, and any subaccounts contained therein.

"Person" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority.

"Rating Agency" with respect to the Consumer Rate Relief Bonds, means each of Moody's Investors Service, Inc. and S&P Global Ratings, a division of S&P Global Inc., or any successors thereto, which provides a rating with respect to the Consumer Rate Relief Bonds. If no such organization or successor is any longer in existence, "Rating Agency" shall be a nationally recognized statistical rating organization or other comparable Person designated by the Company, written notice of which designation shall be given to the Indenture Trustee and the Servicers.

"Receivables Intercreditor Agreement" means the Intercreditor Agreement, dated as of September 7, 2022, as amended and restated as of December 9, 2024, by and among AEP Credit, Inc., JPMorgan Chase Bank, N.A., as administrative agent and control agent, and the issuers, servicers and indenture trustees from time to time party thereto, as modified by the Receivables Intercreditor Joinder.

"Receivables Intercreditor Joinder" means the joinder to the Receivables Intercreditor Agreement to be entered into by and among APCo, WPCo, the Company, the WPCo Issuer, the Indenture Trustee, U.S. Bank National Association as indenture trustee for the WPCo Issuer, AEP Credit Inc., and JPMorgan Chase Bank, N.A., as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Sale Agreement" means a sale agreement to be entered into pursuant to which the Seller will sell its rights and interests in the CRR Property to the Company.

"Secured Parties" means the Indenture Trustee, the Bondholders and any credit enhancer described in the Basic Documents.

"Securitization Law" means the Code of West Virginia, 1931, as amended, §24-2-4h, as may be amended from time to time.

"Seller" means APCo, as "Seller" under the Sale Agreement, or any successor "Seller" to the extent permitted under the Sale Agreement.

"Servicers" means APCo and WPCo, each as a Servicer under the Servicing Agreement, or any successor Servicer(s) to the extent permitted under the Servicing Agreement.

"Servicing Agreement" means the servicing agreement to be entered into pursuant to which the Servicers will service the CRR Property on behalf of the Company, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Special Member" is defined in Section 1.02(b) of this Agreement.

"Special Purpose Provisions" is defined in Section 11.02(a) of this Agreement.

"Tariff" means each of (a) APCo's P.S.C. W.VA. Tariff No. [•] filed with the Commission and (b) WPCo's P.S.C. W.VA. Tariff No. [•] filed with the Commission, each as the same may be amended, restated, supplemented or otherwise modified from time to time, including, without limitation, with respect to any successor.

"Treasury Regulations" means the regulations, including proposed or temporary regulations, promulgated under the Code.

"Underwriters" means the underwriters who purchase Consumer Rate Relief Bonds of any tranche from the Company and sell such Consumer Rate Relief Bonds in a public offering.

"Underwriting Agreement" means the Underwriting Agreement, to be entered into, by and among APCo, the representatives of the Underwriters named therein and the Company, as the same may be amended, supplemented or modified from time to time.

"WPCo" means Wheeling Power Company, a West Virginia corporation, and any of its successors or permitted assigns.

"WPCo Indenture Trustee" means a third-party financial company or bank to be designated as indenture trustee under the indenture with respect to the consumer rate relief bonds to be issued by WPCo Issuer, or any successor indenture trustee under such indenture.

"WPCo Issuer" means Wheeling Consumer Rate Relief Funding LLC, a Delaware limited liability company.

Exhibit 4.1

DRAFT FORM

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC,

as Issuer,

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

as Indenture Trustee,

and

U.S. BANK NATIONAL ASSOCIATION,

as Securities Intermediary

INDENTURE

Dated as of [•], 20[•]

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APPENDIX

APPENDIX A	Definitions

TRUST INDENTURE ACT CROSS REFERENCE TABLE

TIA SECTION		INDENTURE SECTION
310	(a)(1)	6.11
	(a)(2)	6.11
	(a)(3)	6.10(b)(i)
	(a)(4)	N.A.
	(a)(5)	6.11
	(b)	6.11
311	(a)	6.12
	(b)	6.12
312	(a)	7.01 and 7.02
	(b)	7.02(b)
	(c)	7.02(c)
313	(a)	7.04
	(b)(1)	7.04
	(b)(2)	7.04
	(c)	7.03(a) and 7.04
	(d)	N.A.
314	(a)	3.09, 4.01, and 7.03(a)
	(b)	3.06 and 4.01
	(c)(1)	2.10, 4.01, 8.04(b) and 10.01(a)
	(c)(2)	2.10, 4.01, 8.04(b) and 10.01(a)
	(c)(3)	2.10, 4.01, 4.02 and 10.01(a)
	(d)	2.10, 8.04(b) and 10.01(b)
	(e)	10.01(a)
	(f)	10.01(a)

TIA SECTION		INDENTURE SECTION
315	(a)	6.01(b)(i) and (ii)
	(b)	6.05
	(c)	6.01 (a)
	(d)	6.01(c)(i)-(iii)
	(e)	5.13
316	(a) (last sentence)	Appendix A – definition of "Outstanding"
	(a)(1)(A)	5.11
	(a)(1)(B)	5.12
	(a)(2)	N/A
	(b)	5.07
	(c)	Appendix A – definition of "Record Date"
317	(a)(1)	5.03(a)
	(a)(2)	5.03(c)(iv)
	(b)	3.03
318	(a)	10.06
	(b)	10.06
	(c)	10.06

** "N.A." shall mean "not applicable."

THIS CROSS-REFERENCE TABLE SHALL NOT, FOR ANY PURPOSE, BE DEEMED TO BE PART OF THIS INDENTURE.

INDENTURE

This INDENTURE dated as of [•], 202[•], by and between APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, a Delaware limited liability company (the "Issuer"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely in its capacity as indenture trustee (the "Indenture Trustee") for the benefit of the Secured Parties (as defined herein), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely in its capacity as securities intermediary and account bank (the "Securities Intermediary").

In consideration of the mutual agreements herein contained, each party agrees as follows for the benefit of the other and each of the Holders:

RECITALS OF THE ISSUER

The Issuer has duly authorized the execution and delivery of this Indenture and the creation and issuance of the Consumer Rate Relief Bonds issuable hereunder, which will be of substantially the tenor set forth herein and in the Series Supplement.

The Consumer Rate Relief Bonds shall be non-recourse obligations and shall be secured by and payable solely out of the proceeds of the CRR Property and the other CRR Bond Collateral. If and to the extent that such proceeds of the CRR Property and the other CRR Bond Collateral are insufficient to pay all amounts owing with respect to the Consumer Rate Relief Bonds, then, except as otherwise expressly provided hereunder, the Holders shall have no Claim in respect of such insufficiency against the Issuer or the Indenture Trustee, and the Holders, by their acceptance of the Consumer Rate Relief Bonds, waive any such Claim.

All things necessary to (a) make the Consumer Rate Relief Bonds, when executed by the Issuer and authenticated and delivered by the Indenture Trustee hereunder and duly issued by the Issuer, valid obligations, and (b) make this Indenture a valid agreement of the Issuer, in each case, in accordance with their respective terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the Issuer, in consideration of the premises herein contained and of the purchase of the Consumer Rate Relief Bonds by the Holders and of other good and lawful consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure, equally and ratably without prejudice, priority or distinction, except as specifically otherwise set forth in this Indenture, the payment of the Consumer Rate Relief Bonds, the payment of all other amounts due under or in connection with this Indenture (including, without limitation, all fees, expenses, counsel fees and other amounts due and owing to the Indenture Trustee) and the performance and observance of all of the covenants and conditions contained herein or in the Consumer Rate Relief Bonds, has hereby executed and delivered this Indenture and by these presents does hereby and under the Series Supplement will convey, grant, assign, transfer and pledge, in each case, in and unto the Indenture Trustee, its successors and assigns forever, for the benefit of the Secured Parties, all and singular, all of the Issuer's right, title, and interest in, to and under any and all of the property described in the Series Supplement (such property hereinafter referred to as the "CRR Bond Collateral"). The Series Supplement will more particularly describe the obligations of the Issuer secured by the CRR Bond Collateral.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED between the parties hereto that all Consumer Rate Relief Bonds are to be issued, countersigned and delivered and that all of the CRR Bond Collateral is to be held and applied, subject to the further covenants, conditions, releases, uses and trusts hereinafter set forth, and the Issuer, for itself and any successor, does hereby covenant and agree to and with the Indenture Trustee and its successors in said trust, for the benefit of the Secured Parties, as follows:

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions. Except as otherwise specified herein or as the context may otherwise require, the capitalized terms used herein shall have the respective meanings set forth in Appendix A attached hereto and made a part hereof for all purposes of this Indenture.

SECTION 1.02. Incorporation by Reference of Trust Indenture Act. Whenever this Indenture refers to a provision of the TIA, that provision is incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Consumer Rate Relief Bonds.

"indenture security holder" means a Holder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Indenture Trustee.

"obligor" on the indenture securities means the Issuer and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.03. Rules of Construction. Unless the context otherwise requires:

(i) a term has the meaning assigned to it;

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles in the United States of America as in effect from time to time;

(iii) "or" is not exclusive;

(iv) “includes” and “including” means “includes without limitation” and “including without limitation”, respectively;

(v) words in the singular include the plural and words in the plural include the singular; and

(vi) the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

ARTICLE II

THE CONSUMER RATE RELIEF BONDS

SECTION 2.01. Form. The Consumer Rate Relief Bonds and the Indenture Trustee’s certificate of authentication shall be in substantially the forms set forth in Exhibit A, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture or by the Series Supplement and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the Responsible Officers executing the Consumer Rate Relief Bonds, as evidenced by their execution of the Consumer Rate Relief Bonds. Any portion of the text of any Consumer Rate Relief Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Consumer Rate Relief Bond.

The Consumer Rate Relief Bonds shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders), all as determined by the Responsible Officers executing the Consumer Rate Relief Bonds, as evidenced by their execution of the Consumer Rate Relief Bonds.

Each Consumer Rate Relief Bond shall be dated the date of its authentication. The terms of the Consumer Rate Relief Bonds set forth in Exhibit A are part of the terms of this Indenture.

SECTION 2.02. Denominations of Consumer Rate Relief Bonds. The Consumer Rate Relief Bonds shall be issuable in the Minimum Denomination specified in the Series Supplement and, except as otherwise provided in the Series Supplement in integral multiples of $1,000 in excess thereof, except for one Consumer Rate Relief Bond of each Tranche which may be of a smaller denomination.

The Consumer Rate Relief Bonds may, at the election of and as authorized by a Responsible Officer of the Issuer, be issued in one or more Tranches, and shall be designated generally as the “Consumer Rate Relief Bonds” of the Issuer, with such further particular designations added or incorporated in such title for the Consumer Rate Relief Bonds of any particular Tranche as a Responsible Officer of the Issuer may determine. Each Consumer Rate Relief Bond shall bear upon its face the designation so selected for the Tranche to which it belongs. All Consumer Rate Relief Bonds shall be identical in all respects except for the denominations thereof, unless the Consumer Rate Relief Bonds are comprised of one or more Tranches, in which case all Consumer Rate Relief Bonds of the same Tranche shall be identical in all respects except for the denominations thereof. All Consumer Rate Relief Bonds of a particular Tranche shall be in all respects equally and ratably entitled to the benefits hereof without preference, priority, or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Indenture.

The Consumer Rate Relief Bonds shall be created by the Series Supplement authorized by a Responsible Officer of the Issuer, which Series Supplement shall specify and establish the terms and provisions thereof. The several Tranches thereof may differ as between Tranches, in respect of any of the following matters:

(1) designation of the Tranches thereof;

(2) the principal amount (and, if more than one Tranche is issued, the respective principal amounts of such Tranches);

(3) the Bond Interest Rate or the formula, if any, used to calculate Bond Interest Rate or Bond Interest Rates;

(4) the Payment Dates;

(5) the Scheduled Payment Dates;

(6) the Scheduled Final Payment Date;

(7) the Final Maturity Date;

(8) the place or places for the payment of interest, principal and premium, if any;

(9) the Minimum Denominations;

(10) the Expected Amortization Schedule and Expected Sinking Fund Schedule;

(11) provisions with respect to the definitions set forth in Appendix A hereto;

(12) whether or not the Consumer Rate Relief Bonds are to be Book-Entry Consumer Rate Relief Bonds and the extent to which Section 2.11 should apply; and

(13) any other provisions expressing or referring to the terms and conditions upon which the Consumer Rate Relief Bonds of any Tranche are to be issued under this Indenture that are not in conflict with the provisions of this Indenture and as to which the Rating Agency Condition is satisfied.

SECTION 2.03. Execution, Authentication and Delivery.

(a) The Consumer Rate Relief Bonds shall be executed on behalf of the Issuer by any of its Responsible Officers. The signature of any such Responsible Officer on the Consumer Rate Relief Bonds may be manual, electronic or facsimile.

(b) Consumer Rate Relief Bonds bearing the manual, electronic or facsimile signature of individuals who were at any time Responsible Officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of the Consumer Rate Relief Bonds or did not hold such offices at the date of the Consumer Rate Relief Bonds.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Consumer Rate Relief Bonds executed by the Issuer to the Indenture Trustee pursuant to an Issuer Order for authentication; and the Indenture Trustee shall authenticate and deliver the Consumer Rate Relief Bonds as provided in this Indenture and not otherwise.

(d) No Consumer Rate Relief Bond shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Consumer Rate Relief Bond a certificate of authentication substantially in the form provided for herein executed by the Indenture Trustee by the manual, electronic or facsimile signature of one of its authorized signatories, and such certificate upon any Consumer Rate Relief Bond shall be conclusive evidence, and the only evidence, that such Consumer Rate Relief Bond has been duly authenticated and delivered hereunder.

(e) The words "execution," "signed," "signature," and words of like import in this Indenture shall include images of manually executed signatures transmitted by facsimile, email or other electronic format (including, without limitation, "pdf," "tif" or "jpg") and other electronic signatures (including without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the UCC.

SECTION 2.04. Temporary Consumer Rate Relief Bonds.

(a) Pending the preparation of Definitive Consumer Rate Relief Bonds pursuant to Section 2.13, the Issuer may execute, and upon receipt of an Issuer Order the Indenture Trustee shall authenticate and deliver, Temporary Consumer Rate Relief Bonds which are printed, lithographed, typewritten, mimeographed or otherwise produced, of the tenor of the Definitive Consumer Rate Relief Bonds in lieu of which they are issued and with such variations not inconsistent with the terms of this Indenture as the officers executing the Consumer Rate Relief Bonds may determine, as evidenced by their execution of the Consumer Rate Relief Bonds.

(b) If Temporary Consumer Rate Relief Bonds are issued, the Issuer will cause Definitive Consumer Rate Relief Bonds to be prepared without unreasonable delay. After the preparation of Definitive Consumer Rate Relief Bonds, the Temporary Consumer Rate Relief Bonds shall be exchangeable for Definitive Consumer Rate Relief Bonds upon surrender of the Temporary Consumer Rate Relief Bonds at the office or agency of the Issuer to be maintained as provided in Section 3.02, without charge to the Holder. Upon surrender for cancellation of any one or more Temporary Consumer Rate Relief Bonds, the Issuer shall execute and the Indenture Trustee shall authenticate and deliver in exchange therefor a like principal amount of Definitive Consumer Rate Relief Bonds of Minimum Denominations. Until so delivered in exchange, the Temporary Consumer Rate Relief Bonds shall in all respects be entitled to the same benefits under this Indenture as Definitive Consumer Rate Relief Bonds.

SECTION 2.05. Registration; Registration of Transfer and Exchange of Consumer Rate Relief Bonds.

(a) The Issuer shall cause to be kept a register (the "CRR Bond Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Consumer Rate Relief Bonds and the registration of transfers of Consumer Rate Relief Bonds. U.S. Bank Trust Company, National Association shall be "CRR Bond Registrar" for the purpose of registering Consumer Rate Relief Bonds and transfers of Consumer Rate Relief Bonds as herein provided. Upon any resignation of any CRR Bond Registrar, the Issuer shall promptly appoint a successor or, if it elects not to make such an appointment, assume the duties of CRR Bond Registrar.

(b) If a Person other than the Indenture Trustee is appointed by the Issuer as CRR Bond Registrar, the Issuer will give the Indenture Trustee and the Paying Agent, if not the Indenture Trustee, prompt written notice of the appointment of such CRR Bond Registrar and of the location, and any change in the location, of the CRR Bond Register, and the Indenture Trustee and any such Paying Agent shall have the right to inspect the CRR Bond Register at all reasonable times and to obtain copies thereof, and the Indenture Trustee shall have the right to rely conclusively upon a certificate executed on behalf of the CRR Bond Registrar by a Responsible Officer thereof as to the names and addresses of the Holders and the principal amounts and number of the Consumer Rate Relief Bonds (separately stated by Tranche).

(c) Upon surrender for registration of transfer of any Consumer Rate Relief Bond at the office or agency of the Issuer to be maintained as provided in Section 3.02, provided that the requirements of Section 8-401 of the UCC are met, the Issuer shall execute, and the Indenture Trustee shall authenticate and the Holder shall obtain from the Indenture Trustee, in the name of the designated transferee or transferees, one or more new Consumer Rate Relief Bonds in any Minimum Denominations, of the same Tranche and aggregate principal amount.

(d) At the option of the Holder, Consumer Rate Relief Bonds may be exchanged for other Consumer Rate Relief Bonds in any Minimum Denominations, of the same Tranche and aggregate principal amount, upon surrender of the Consumer Rate Relief Bonds to be exchanged at such office or agency as provided in Section 3.02. Whenever any Consumer Rate Relief Bonds are so surrendered for exchange, the Issuer shall, provided that the requirements of Section 8-401 of the UCC are met, execute and, upon any such execution, the Indenture Trustee shall authenticate and the Holder shall obtain from the Indenture Trustee, the Consumer Rate Relief Bonds which the Holder making the exchange is entitled to receive.

(e) All Consumer Rate Relief Bonds issued upon any registration of transfer or exchange of other Consumer Rate Relief Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Consumer Rate Relief Bonds surrendered upon such registration of transfer or exchange.

(f) Every Consumer Rate Relief Bond presented or surrendered for registration of transfer or exchange shall be duly endorsed by, or be accompanied by: (i) a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, with such signature guaranteed by an institution which is a member of one of the following recognized signature guarantee programs: (A) The Securities Transfer Agent Medallion Program (STAMP); (B) The New York Stock Exchange Medallion Program (MSP); (C) The Stock Exchange Medallion Program (SEMP); or (D) such other signature guarantee program acceptable to the Indenture Trustee; and (ii) such other documents as the Indenture Trustee may require.

(g) No service charge shall be made to a Holder for any registration of transfer or exchange of Consumer Rate Relief Bonds, but the Issuer or the Indenture Trustee may require payment of a sum sufficient to cover any tax or other governmental charge or any fees or expenses of the Indenture Trustee that may be imposed in connection with any registration of transfer or exchange of Consumer Rate Relief Bonds, other than exchanges pursuant to Sections 2.04 or 2.06 not involving any transfer.

(h) The preceding provisions of this Section 2.05 notwithstanding, the Issuer shall not be required to make, and the CRR Bond Registrar need not register transfers or exchanges of any Consumer Rate Relief Bond that has been submitted within fifteen (15) days preceding the due date for any payment with respect to such Consumer Rate Relief Bond until after such due date has occurred.

SECTION 2.06. Mutilated, Destroyed, Lost or Stolen Consumer Rate Relief Bonds.

(a) If (i) any mutilated Consumer Rate Relief Bond is surrendered to the Indenture Trustee, or the Indenture Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Consumer Rate Relief Bond and (ii) there is delivered to the Indenture Trustee such security or indemnity as may be required by it to hold the Issuer and the Indenture Trustee harmless, then, in the absence of notice to the Issuer, the CRR Bond Registrar or the Indenture Trustee that such Consumer Rate Relief Bond has been acquired by a Protected Purchaser, the Issuer shall, provided that the requirements of Section 8-401 of the UCC are met, execute and, upon the Issuer's written request, the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Consumer Rate Relief Bond, a replacement Consumer Rate Relief Bond of like Tranche, tenor and principal amount, bearing a number not contemporaneously outstanding; provided, however, that if any such destroyed, lost or stolen Consumer Rate Relief Bond, but not a mutilated Consumer Rate Relief Bond, shall have become or within seven (7) days shall be due and payable, instead of issuing a replacement Consumer Rate Relief Bond, the Issuer may pay such destroyed, lost or stolen Consumer Rate Relief Bond when so due or payable without surrender thereof. If, after the delivery of such replacement Consumer Rate Relief Bond or payment of a destroyed, lost or

stolen Consumer Rate Relief Bond pursuant to the proviso to the preceding sentence, a Protected Purchaser of the original Consumer Rate Relief Bond in lieu of which such replacement Consumer Rate Relief Bond was issued presents for payment such original Consumer Rate Relief Bond, the Issuer and the Indenture Trustee shall be entitled to recover such replacement Consumer Rate Relief Bond (or such payment) from the Person to whom it was delivered or any Person taking such replacement Consumer Rate Relief Bond from such Person to whom such replacement Consumer Rate Relief Bond was delivered or any assignee of such Person, except a Protected Purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Indenture Trustee in connection therewith.

(b) Upon the issuance of any replacement Consumer Rate Relief Bond under this Section 2.06, the Issuer and/or the Indenture Trustee may require the payment by the Holder of such Consumer Rate Relief Bond of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Indenture Trustee and the CRR Bond Registrar) connected therewith.

(c) Every replacement Consumer Rate Relief Bond issued pursuant to this Section 2.06 in replacement of any mutilated, destroyed, lost or stolen Consumer Rate Relief Bond shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Consumer Rate Relief Bond shall be found at any time or enforced by any Person, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Consumer Rate Relief Bonds duly issued hereunder.

(d) The provisions of this Section 2.06 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Consumer Rate Relief Bonds.

SECTION 2.07. Persons Deemed Owner. Prior to due presentment for registration of transfer of any Consumer Rate Relief Bond, the Issuer, the Indenture Trustee, the CRR Bond Registrar and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name any Consumer Rate Relief Bond is registered (as of the day of determination) as the owner of such Consumer Rate Relief Bond for the purpose of receiving payments of principal of and premium, if any, and interest on such Consumer Rate Relief Bond and for all other purposes whatsoever, whether or not such Consumer Rate Relief Bond be overdue, and none of the Issuer, the Indenture Trustee or any agent of the Issuer or the Indenture Trustee shall be affected by notice to the contrary.

SECTION 2.08. Payment of Principal, Premium, if any, and Interest; Interest on Overdue Principal; Principal, Premium, if any, and Interest Rights Preserved.

(a) The Consumer Rate Relief Bonds shall accrue interest as provided in the Series Supplement at the applicable Bond Interest Rate, and such interest shall be payable on each applicable Payment Date. Any installment of interest, principal or premium, if any, payable on any Consumer Rate Relief Bond which is punctually paid or duly provided for on the applicable Payment Date shall be paid to the Person in whose name such Consumer Rate Relief Bond (or one or more Predecessor Consumer Rate Relief Bonds) is registered on the Record

Date for such Payment Date by wire transfer to an account maintained by such Holder in accordance with payment instructions delivered to the Indenture Trustee by such Holder, except that with respect to Book-Entry Consumer Rate Relief Bonds, payments will be made by wire transfer in immediately available funds to the account designated by the Holder of the applicable Global Consumer Rate Relief Bond unless and until such Global Consumer Rate Relief Bond is exchanged for Definitive Consumer Rate Relief Bonds (in which event payments shall be made as provided above) and except for the final installment of principal and premium, if any, payable with respect to such Consumer Rate Relief Bond on a Payment Date which shall be payable as provided below.

(b) The principal of each Consumer Rate Relief Bond of each Tranche shall be paid, to the extent funds are available therefor in the Joint Collection Account (to the extent of the then applicable APCo Transfer Amount) and in the Payment Account, collectively, in installments on each Payment Date as specified in the Series Supplement; provided that installments of principal not paid when scheduled to be paid in accordance with the Expected Sinking Fund Schedule shall be paid upon receipt of money available for such purpose, in the order set forth in the Expected Sinking Fund Schedule. Failure to pay principal in accordance with such Expected Sinking Fund Schedule because moneys are not available pursuant to Section 8.02 to make such payments shall not constitute a Default or Event of Default under this Indenture; provided, however that failure to pay the entire unpaid principal amount of the Consumer Rate Relief Bonds of a Tranche upon the Final Maturity Date for the Consumer Rate Relief Bonds of such Tranche shall constitute an Event of Default under this Indenture as set forth in Section 5.01. Notwithstanding the foregoing, the entire unpaid principal amount of the Consumer Rate Relief Bonds shall be due and payable, if not previously paid, on the date on which an Event of Default shall have occurred and be continuing, if the Indenture Trustee or the Holders of the Consumer Rate Relief Bonds representing not less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds have declared the Consumer Rate Relief Bonds to be immediately due and payable in the manner provided in Section 5.02. All payments of principal and premium, if any, on the Consumer Rate Relief Bonds shall be made pro rata to the Holders entitled thereto unless otherwise provided in the Series Supplement. Upon written notice from the Issuer, the Indenture Trustee shall notify the Person in whose name a Consumer Rate Relief Bond is registered at the close of business on the Record Date preceding the Payment Date on which the Issuer expects that the final installment of principal of and premium, if any, and interest on such Consumer Rate Relief Bond will be paid. Such notice shall be sent (or made available electronically) no later than five (5) days prior to such final Payment Date and shall specify that such final installment will be payable only upon presentation and surrender of such Consumer Rate Relief Bond and shall specify the place where such Consumer Rate Relief Bond may be presented and surrendered for payment of such installment.

(c) If interest on the Consumer Rate Relief Bonds is not paid when due, such defaulted interest shall be paid (plus interest on such defaulted interest at the applicable Bond Interest Rate to the extent lawful) to the Persons who are Holders on a subsequent Special Record Date, which date shall be at least fifteen (15) Business Days prior to the Special Payment Date. The Issuer shall fix or cause to be fixed any such Special Record Date and Special Payment Date, and, at least ten (10) days before any such Special Record Date, the Issuer shall send (or make available electronically) to each affected Holder a notice that states the Special Record Date, the Special Payment Date and the amount of defaulted interest (plus interest on such defaulted interest) to be paid.

SECTION 2.09. Cancellation. All Consumer Rate Relief Bonds surrendered for payment, registration of transfer or exchange shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and shall be promptly canceled by the Indenture Trustee. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Consumer Rate Relief Bonds previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Consumer Rate Relief Bonds so delivered shall be promptly canceled by the Indenture Trustee. No Consumer Rate Relief Bonds shall be authenticated in lieu of or in exchange for any Consumer Rate Relief Bonds canceled as provided in this Section 2.09, except as expressly permitted by this Indenture. All canceled Consumer Rate Relief Bonds may be held or disposed of by the Indenture Trustee in accordance with its standard retention or disposal policy as in effect at the time.

SECTION 2.10. Outstanding Amount; Authentication and Delivery of Consumer Rate Relief Bonds. The aggregate Outstanding Amount of Consumer Rate Relief Bonds that may be authenticated and delivered under this Indenture shall not exceed the aggregate of the amounts of Consumer Rate Relief Bonds that are authorized in the Financing Order but otherwise shall be unlimited.

(a) Consumer Rate Relief Bonds created and established by the Series Supplement may at any time be executed by the Issuer and delivered to the Indenture Trustee for authentication and thereupon the same shall be authenticated and delivered by the Indenture Trustee upon Issuer Request and upon delivery by the Issuer to the Indenture Trustee, and receipt by the Indenture Trustee, or the causing to occur by the Issuer, of the following; provided, however, that compliance with such conditions and delivery of such documents shall only be required in connection with the original issuance of the Consumer Rate Relief Bonds:

(1) Issuer Action. An Issuer Order authorizing and directing the authentication and delivery of the Consumer Rate Relief Bonds by the Indenture Trustee and specifying the principal amount of Consumer Rate Relief Bonds to be authenticated.

(2) Authorizations. Copies of (x) the Financing Order which shall be in full force and effect and be Final, (y) certified resolutions of the Managers or Member of the Issuer authorizing the execution and delivery of the Series Supplement and the execution, authentication and delivery of the Consumer Rate Relief Bonds and (z) a duly executed Series Supplement.

(3) Opinions. An opinion or opinions, portions of which may be delivered by one or more Independent counsel for the Issuer, portions of which may be delivered by one or more Independent counsel for the Servicers, and portions of which may be delivered by one or more Independent counsel for the Seller, dated as of the Closing Date, in each case subject to the customary exceptions, qualifications and assumptions contained therein, to the collective effect, that (a) all conditions precedent provided for in this Indenture relating to (i) the authentication and delivery of the Issuer's Consumer Rate Relief Bonds and (ii) the execution of the Series Supplement to this Indenture dated

as of the date of this Indenture, have been complied with, (b) the execution of the Series Supplement to this Indenture dated as of the date of this Indenture is permitted by this Indenture, together with the other Opinions of Counsel set forth in Sections [•]([•])-([•]) and ([•])-([•]) of the Underwriting Agreement relating to the Issuer's Consumer Rate Relief Bonds, and (c) such action has been taken with respect to the recording and filing of this Indenture, any indentures supplemental hereto and any other requisite documents, including the execution and filing of such filings (including financing statements and continuation statements) with the appropriate governmental filing office pursuant to the Securitization Law and the Financing Order, as is necessary to perfect and make effective the Lien and the perfected security interest created by this Indenture and the Series Supplement, and, based on a review of a current report of a search of the appropriate governmental filing office, no other financing statement has been filed under the applicable UCC describing any Lien that could rank equal or prior to the Lien of the Indenture, and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to make effective such Lien.

(4) Authorizing Certificate. An Officer's Certificate, dated the Closing Date, of the Issuer certifying that (a) the Issuer has duly authorized the execution and delivery of this Indenture and the Series Supplement and the execution and delivery of the Consumer Rate Relief Bonds and (b) the Series Supplement is in the form attached thereto and complies with the requirements of Section 2.02.

(5) The CRR Bond Collateral. The Issuer shall have made or caused to be made all filings with the Commission and the West Virginia Secretary of State pursuant to the Financing Order and the Securitization Law and all other filings necessary to perfect the Grant of the CRR Bond Collateral to the Indenture Trustee and the Lien of this Indenture.

(6) Certificates of the Issuer and the Seller.

(a) An Officer's Certificate from the Issuer, dated as of the Closing Date:

(i) to the effect that (A) the Issuer is not in Default under this Indenture and that the issuance of the Consumer Rate Relief Bonds will not result in any Default or in any breach of any of the terms, conditions or provisions of or constitute a default under the Financing Order or any indenture, mortgage, deed of trust or other agreement or instrument to which the Issuer is a party or by which it or its property is bound or any order of any court or administrative agency entered in any Proceeding to which the Issuer is a party or by which it or its property may be bound or to which it or its property may be subject and (B) that all conditions precedent provided in this Indenture relating to the execution, authentication and delivery of the Consumer Rate Relief Bonds have been complied with;

(ii) to the effect that the Issuer has not assigned any interest or participation in the CRR Bond Collateral except for the Grant contained in the Indenture and the Series Supplement; the Issuer has the power and right to Grant the CRR Bond Collateral to the Indenture Trustee as security hereunder and thereunder; and the Issuer, subject to the terms of this Indenture, has Granted to the Indenture Trustee a first priority perfected security interest in all of its right, title and interest in and to the CRR Bond Collateral free and clear of any Lien arising as a result of actions of the Issuer or through the Issuer, except Permitted Liens;

(iii) to the effect that the Issuer has appointed a firm of Independent registered public accountants as contemplated in Section 8.06;

(iv) to the effect that attached thereto are duly executed, true and complete copies of the Sale Agreement, the Servicing Agreement, the Intercreditor Agreements and the Administration Agreement, which are, to the knowledge of the Issuer, in full force and effect and, to the knowledge of the Issuer, that no party is in default of its obligations under such agreements;

(v) certifying that the Consumer Rate Relief Bonds have received the ratings from the Rating Agencies if required by the Underwriting Agreement as a condition to the issuance of the Consumer Rate Relief Bonds;

(vi) stating that (1) all conditions precedent provided for in this Indenture relating to (a) the authentication and delivery of the Consumer Rate Relief Bonds, and (b) the execution of the Series Supplement, have been complied with, (2) the execution of the Series Supplement to this Indenture dated as of the date of this Indenture is authorized or permitted by this Indenture, and (3) the Issuer has delivered the documents required under this Section 2.10 and has otherwise satisfied the requirements set out in this Section 2.10, including, but not limited to, complying with Section 2.10(6)(a) hereof; and

(vii) stating that all filings with the Commission, the West Virginia Secretary of State and the Delaware Secretary of State pursuant to the Securitization Law, the UCC and the Financing Order and all UCC financing statements with respect to the CRR Bond Collateral which are required to be filed by the terms of the Financing Order, the Securitization Law, the Sale Agreement, the Servicing Agreement and this Indenture have been filed as required.

(b) An Officer's Certificate from the Seller, dated as of the Closing Date, to the effect that, in the case of the CRR Property identified in the Bill of Sale, immediately prior to the conveyance thereof to the Issuer pursuant to the Sale Agreement:

(i) the Seller was the original and the sole owner of such CRR Property, free and clear of any Lien; the Seller had not assigned any interest or participation in such CRR Property and the proceeds thereof other than to the Issuer pursuant to the Sale Agreement; the Seller has the power, authority and right to own, sell and assign such CRR Property and the proceeds thereof to the Issuer; and the Seller, subject to the terms of the Sale Agreement, has validly sold and assigned to the Issuer all of its right, title and interest in and to such CRR Property and the proceeds thereof, free and clear of any Lien (other than Permitted Liens and any Lien created by the Issuer under the Basic Documents in favor of the Indenture Trustee for the benefit of the Secured Parties in accordance with the Securitization Law) and such sale and assignment is absolute and irrevocable and has been perfected; and

(ii) the attached copy of the Financing Order creating such CRR Property is true and complete and is in full force and effect.

(7) Requirements of Series Supplement. Such other funds, accounts, documents, certificates, agreements, instruments or opinions as may be required by the terms of the Series Supplement.

(8) Required Capital Level. Evidence satisfactory to the Indenture Trustee that the Required Capital Level has been credited to the Capital Subaccount.

(9) Other Requirements. Such other documents, certificates, agreements, instruments or opinions as the Indenture Trustee may reasonably require.

The Indenture Trustee may, upon payment of the purchase price for the Consumer Rate Relief Bonds by the Underwriters, conclusively assume the satisfaction of the conditions set forth in clauses (7) and (9) above of this Section 2.10.

SECTION 2.11. Book-Entry Consumer Rate Relief Bonds.

(a) Unless the Series Supplement provides otherwise, all of the Consumer Rate Relief Bonds shall be issued in Book-Entry Form, and the Issuer shall execute and the Indenture Trustee shall, in accordance with this Section 2.11 and the Issuer Order, authenticate and deliver one or more Global Consumer Rate Relief Bonds, evidencing the Consumer Rate Relief Bonds which (i) shall be an aggregate original principal amount equal to the aggregate original principal amount of the Consumer Rate Relief Bonds to be issued pursuant to the Issuer Order, (ii) shall be registered in the name of the Clearing Agency therefor or its nominee, which shall initially be Cede & Co., as nominee for The Depository Trust Company, the initial Clearing Agency, (iii) shall be delivered by the Indenture Trustee pursuant to such Clearing Agency's or such nominee's instructions, and (iv) shall bear a legend substantially to the effect set forth in Exhibit A.

(b) Each Clearing Agency designated pursuant to this Section 2.11 must, at the time of its designation and at all times while it serves as Clearing Agency hereunder, be a "clearing agency" registered under the Exchange Act and any other applicable statute or regulation.

(c) No Holder of Consumer Rate Relief Bonds issued in Book-Entry Form shall receive a Definitive Consumer Rate Relief Bond representing such Holder's interest in any of the Consumer Rate Relief Bonds, except as provided in Section 2.13. Unless (and until) certificated, fully registered Consumer Rate Relief Bonds (the "Definitive Consumer Rate Relief Bonds") have been issued to the Holders pursuant to Section 2.13 or pursuant to the Series Supplement relating thereto:

(i) the provisions of this Section 2.11 shall be in full force and effect;

(ii) the Issuer, the Servicers, the Paying Agent, the CRR Bond Registrar and the Indenture Trustee may deal with the Clearing Agency for all purposes (including the making of distributions on the Consumer Rate Relief Bonds and the giving of instructions or directions hereunder) as the authorized representative of the Holders;

(iii) to the extent that the provisions of this Section 2.11 conflict with any other provisions of this Indenture, the provisions of this Section 2.11 shall control;

(iv) the rights of Holders shall be exercised only through the Clearing Agency and the Clearing Agency Participants and shall be limited to those established by applicable law and agreements between such Holders and the Clearing Agency and/or the Clearing Agency Participants. Pursuant to the Letter of Representations, unless and until Definitive Consumer Rate Relief Bonds are issued pursuant to Section 2.13, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal of and interest on the Book-Entry Consumer Rate Relief Bonds to such Clearing Agency Participants; and

(v) whenever this Indenture requires or permits actions to be taken based upon instruction or directions of the Holders evidencing a specified percentage of the Outstanding Amount of Consumer Rate Relief Bonds, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from the Holders and/or the Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in the Consumer Rate Relief Bonds and has delivered such instructions to a Responsible Officer of the Indenture Trustee.

SECTION 2.12. Notices to Clearing Agency. Unless and until Definitive Consumer Rate Relief Bonds shall have been issued to Holders pursuant to Section 2.13, whenever notice, payment, or other communications to the holders of Book-Entry Consumer Rate Relief Bonds is required under this Indenture, the Indenture Trustee, the Servicers and the Paying Agent, as applicable, shall make all such payments to, and give all such notices and communications specified herein to be given to Holders, to the Clearing Agency.

SECTION 2.13. Definitive Consumer Rate Relief Bonds. If (a) (i) the Issuer advises the Indenture Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities under any Letter of Representations and (ii) the Issuer is unable to locate a qualified successor Clearing Agency, (b) the Issuer, at its option, advises the Indenture Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency or (c) after the occurrence of an Event of Default hereunder, Holders holding Consumer Rate Relief Bonds aggregating not less than a majority of the aggregate Outstanding Amount of Consumer Rate Relief Bonds maintained as Book-Entry Consumer Rate Relief Bonds advise the Indenture Trustee, the Issuer and the Clearing Agency (through the Clearing Agency Participants) in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Holders, the Issuer shall notify the Clearing Agency, the Indenture Trustee and all such Holders in writing of the occurrence of any such

event and of the availability of Definitive Consumer Rate Relief Bonds to the Holders requesting the same. Upon surrender to the Indenture Trustee of the Global Consumer Rate Relief Bonds by the Clearing Agency accompanied by registration instructions from such Clearing Agency for registration, the Issuer shall execute, and the Indenture Trustee shall authenticate and deliver, Definitive Consumer Rate Relief Bonds in accordance with the instructions of the Clearing Agency. None of the Issuer, the CRR Bond Registrar, the Paying Agent or the Indenture Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be fully protected in relying on, such instructions. Upon the issuance of Definitive Consumer Rate Relief Bonds, the Indenture Trustee shall recognize the Holders of the Definitive Consumer Rate Relief Bonds as Holders hereunder without need for any consent or acknowledgement from the Holders.

Definitive Consumer Rate Relief Bonds will be transferable and exchangeable at the offices of the Consumer Rate Relief Bonds Registrar. With respect to any transfer of such listed Consumer Rate Relief Bonds, the new Definitive Consumer Rate Relief Bonds registered in the names specified by the transferee and the original transferor shall be available at the offices of such transfer agent.

SECTION 2.14. CUSIP Number. The Issuer in issuing any Consumer Rate Relief Bonds may use a "CUSIP" number and, if so used, the Indenture Trustee shall use the CUSIP number provided to it by the Issuer in any notices to the Holders thereof as a convenience to such Holders; provided, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number printed in the notice or on the Consumer Rate Relief Bonds and that reliance may be placed only on the other identification numbers printed on the Consumer Rate Relief Bonds. The Issuer shall promptly notify the Indenture Trustee in writing of any change in the CUSIP number with respect to any Consumer Rate Relief Bond.

SECTION 2.15. Letter of Representations. The parties hereto shall comply with the terms of each Letter of Representations applicable to such party.

SECTION 2.16. Tax Treatment. The Issuer and the Indenture Trustee, by entering into this Indenture, and the Holders and any Persons holding a beneficial interest in any Consumer Rate Relief Bond, by acquiring any Consumer Rate Relief Bond or interest therein, (a) express their intention that, solely for the purposes of U.S. federal taxes and, to the extent consistent with applicable state, local and other tax law, solely for the purposes of state, local and other taxes, the Consumer Rate Relief Bonds qualify under applicable tax law as indebtedness of the Member secured by the CRR Bond Collateral and (b) solely for the purposes of U.S. federal taxes and, to the extent consistent with applicable state, local and other tax law, solely for purposes of state, local and other taxes, so long as any of the Consumer Rate Relief Bonds are outstanding, agree to treat the Consumer Rate Relief Bonds as indebtedness of the Member secured by the CRR Bond Collateral unless otherwise required by appropriate taxing authorities.

SECTION 2.17. State Pledge. Under the laws of the State of West Virginia in effect on the Closing Date, pursuant to Section 24-2-4h(s)(1) of the Securitization Law, the State of West Virginia has pledged to and agrees with the Holders, assignees and financing parties under the Financing Order that the State will not take or permit any action that impairs the value of CRR Property under the Financing Order or revises the CRR Costs for which recovery is

authorized under the Financing Order or, except for the adjustment mechanism provided under Section 24-2-4h(k) of the Securitization Law, reduce, alter or impair CRR Charges that are imposed, charged, collected or remitted for the benefit of the Holders, assignees and financing parties, until any and all principal, interest and redemption premium in respect of Consumer Rate Relief Bonds, all financing costs and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid or performed in full.

The Issuer hereby acknowledges that the purchase of any Consumer Rate Relief Bond by a Holder or the purchase of any beneficial interest in a Consumer Rate Relief Bond by any Person and the Indenture Trustee's obligations to perform hereunder are made in reliance on such agreement and pledge by the State of West Virginia.

SECTION 2.18. Security Interests. The Issuer hereby makes the following representations and warranties:

(a) other than the security interests granted to the Indenture Trustee pursuant to this Indenture, the Issuer has not pledged, granted, sold, conveyed or otherwise assigned any interests or security interests in the CRR Bond Collateral and no security agreement, financing statement or equivalent security or Lien instrument listing the Issuer as debtor covering all or any part of the CRR Bond Collateral is on file or of record in any jurisdiction, except such as may have been filed, recorded or made by the Issuer in favor of the Indenture Trustee on behalf of the Secured Parties in connection with this Indenture;

(b) this Indenture constitutes a valid and continuing Lien on, and first priority perfected security interest in, the CRR Bond Collateral in favor of the Indenture Trustee on behalf of the Secured Parties, which Lien and security interest is prior to all other Liens and is enforceable as such as against creditors of and purchasers from the Issuer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing;

(c) with respect to all CRR Bond Collateral, this Indenture, together with the Series Supplement, creates a valid and continuing first priority perfected security interest (as defined in the UCC and as such term is used in the Securitization Law) in such CRR Bond Collateral, which security interest is prior to all other Liens and is enforceable as such as against creditors of and purchasers from the Issuer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing;

(d) the Issuer has good and marketable title to the CRR Bond Collateral free and clear of any Lien, claim or encumbrance of any Person other than Permitted Liens and any Lien created by the Issuer under the Basic Documents in favor of the Indenture Trustee for the benefit of the Secured Parties in accordance with the Securitization Law;

(e) all of the CRR Bond Collateral constitutes either CRR Property or accounts, deposit accounts, investment property or general intangibles (as each such term is defined in the UCC) except that proceeds of the CRR Bond Collateral may also take the form of instruments or money;

(f) the Issuer has taken, or caused the Servicers to take, all action necessary to perfect the security interest in the CRR Bond Collateral granted to the Indenture Trustee, for the benefit of the Secured Parties;

(g) the Issuer has filed (or has caused the Servicers to file) all appropriate financing statements in the proper filing offices in the appropriate jurisdictions under applicable law in order to perfect the security interest in the CRR Bond Collateral granted to the Indenture Trustee;

(h) the Issuer has not authorized the filing of and is not aware, after due inquiry, of any financing statements against the Issuer that include a description of the CRR Bond Collateral other than those filed in favor of the Indenture Trustee;

(i) the Issuer is not aware of any judgment or tax Lien filings against the Issuer;

(j) the Joint Collection Account and the Payment Account (including all subaccounts thereof) each constitutes a "securities account" within the meaning of the UCC;

(k) the Issuer has taken all steps necessary to cause the Securities Intermediary of each such securities account to identify in its records the Indenture Trustee (or, in the case of the Joint Collection Account, the Control Agent on behalf of the Indenture Trustee) as the Person having a Security Entitlement against the Securities Intermediary in such securities account;

(l) neither the Payment Account or any Subaccount is in the name of any Person other than the Indenture Trustee,

(m) the Issuer has not consented to the Securities Intermediary of the Joint Collection Account or the Payment Account to comply with entitlement orders of any Person other than the Indenture Trustee (or, in the case of the Joint Collection Account, the Control Agent on behalf of the Indenture Trustee); and

(n) all of the CRR Bond Collateral constituting investment property has been and will have been credited to the Joint Collection Account, Payment Account or a subaccount thereof, and the Securities Intermediary for the Joint Collection Account and the Payment Account has agreed to treat all assets credited to the Joint Collection Account and the Payment Account as "financial assets" within the meaning of the UCC.

Accordingly, the Indenture Trustee has a first priority perfected security interest in the Joint Collection Account and the Payment Account, all funds and financial assets on deposit therein, and all securities entitlements relating thereto; provided that, the Indenture Trustee acknowledges that the security interest in the Joint Collection Account is a first priority perfected security interest shared with the WPCo Indenture Trustee and subject to the Intercreditor Agreements. The representations and warranties set forth in this Section 2.18 shall survive the execution and delivery of this Indenture and the issuance of any Consumer Rate Relief Bonds, shall be deemed re-made on each date on which any funds in the Joint Collection Account or Payment Account are distributed to Issuer or otherwise released from the Lien granted pursuant to this Indenture and the Series Supplement and may not be waived by any party hereto except pursuant to a supplemental indenture executed in accordance with Article IX and as to which the Rating Agency Condition has been satisfied.

ARTICLE III

COVENANTS

SECTION 3.01. Payment of Principal, Premium, if any, and Interest. The principal of and premium, if any, and interest on the Consumer Rate Relief Bonds shall be duly and punctually paid by the Issuer, or a Servicer on behalf of the Issuer, in accordance with the terms of the Consumer Rate Relief Bonds and this Indenture; provided that except on a Final Maturity Date or upon the acceleration of the Consumer Rate Relief Bonds following the occurrence of an Event of Default, the Issuer shall only be obligated to pay the principal of the Consumer Rate Relief Bonds on each Payment Date therefor to the extent moneys are available for such payment pursuant to Section 8.02. Amounts properly withheld under the Code, the Treasury Regulations promulgated thereunder or other tax laws by any Person from a payment to any Holder of interest or principal or premium, if any, shall be considered as having been paid by the Issuer to such Holder for all purposes of this Indenture.

SECTION 3.02. Maintenance of Office or Agency. The Issuer shall initially maintain in St. Paul, Minnesota, an office or agency where Consumer Rate Relief Bonds may be surrendered for registration of transfer or exchange. The Issuer shall give prompt written notice to the Indenture Trustee of the location, and of any change in the location, of any such office or agency. The Issuer hereby initially appoints the Indenture Trustee to serve as its agent for the foregoing purposes and the Corporate Trust Office of the Indenture Trustee shall serve as the offices provided above in this Section 3.02. If at any time the Issuer shall fail to maintain any such office or agency or shall fail to furnish the Indenture Trustee with the address thereof, such surrenders may be made at the office of the Indenture Trustee located at the Corporate Trust Office, and the Issuer hereby appoints the Indenture Trustee as its agent to receive all such surrenders.

SECTION 3.03. Money for Payments To Be Held in Trust.

(a) As provided in Section 8.02(a), all payments of amounts due and payable with respect to any Consumer Rate Relief Bonds that are to be made from amounts withdrawn from the Payment Account pursuant to Section 8.02(e) shall be made on behalf of the Issuer by the Indenture Trustee or by another Paying Agent, and no amounts so withdrawn from the Payment Account for payments with respect to any Consumer Rate Relief Bonds shall be paid over to the Issuer except as provided in this Section 3.03 and Section 8.02.

(b) Each Paying Agent shall meet the eligibility criteria set forth for the Indenture Trustee under Section 6.11. The Issuer will cause each Paying Agent other than the Indenture Trustee to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee (and if the Indenture Trustee acts as Paying Agent, it hereby so agrees), subject to the provisions of this Section 3.03, that such Paying Agent will:

(i) hold all sums held by it for the payment of amounts due with respect to the Consumer Rate Relief Bonds in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(ii) give the Indenture Trustee (unless the Indenture Trustee is the Paying Agent) and the Rating Agencies written notice of any Default by the Issuer of which it has actual knowledge (and if the Indenture Trustee is the Paying Agent, a Responsible Officer of the Paying Agent that has actual knowledge) in the making of any payment required to be made with respect to the Consumer Rate Relief Bonds;

(iii) at any time during the continuance of any such Default, upon the written request of the Indenture Trustee, forthwith pay to the Indenture Trustee all sums so held in trust by such Paying Agent;

(iv) immediately, with notice to the Rating Agencies, resign as a Paying Agent and forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of Consumer Rate Relief Bonds if at any time the Paying Agent determines that it has ceased to meet the standards required to be met by a Paying Agent at the time of such determination; and

(v) comply with all requirements of the Code, the Treasury Regulations promulgated thereunder and other tax laws with respect to the withholding from any payments made by it on any Consumer Rate Relief Bonds of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

(c) The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Issuer Order direct any Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent, such sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying Agent; and upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such money.

(d) Subject to applicable laws with respect to escheatment of funds, any money held by the Indenture Trustee or any Paying Agent in trust for the payment of any amount due with respect to any Consumer Rate Relief Bond and remaining unclaimed for two (2) years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer upon receipt of an Issuer Request; and, subject to Section 10.15, the Holder of such

Consumer Rate Relief Bond shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Indenture Trustee or such Paying Agent with respect to such trust money shall thereupon cease; provided, however, that the Indenture Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuer, cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Indenture Trustee may also adopt and employ, at the written direction and expense of the Issuer, any other reasonable means of notification of such repayment (including mailing notice of such repayment to Holders whose right to or interest in moneys due and payable but not claimed is determinable from the records of the Indenture Trustee or of any Paying Agent, at the last address of record for each such Holder).

SECTION 3.04. Existence. The Issuer shall keep in full effect its existence, rights and franchises as a limited liability company under the laws of the State of Delaware (unless it becomes, or any successor Issuer hereunder is or becomes, organized under the laws of any other State or of the United States of America, in which case the Issuer will keep in full effect its existence, rights and franchises under the laws of such other jurisdiction) and will obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the other Basic Documents, the Consumer Rate Relief Bonds, the CRR Bond Collateral and each other instrument or agreement referenced herein or therein.

SECTION 3.05. Protection of CRR Bond Collateral.

(a) The Issuer shall from time to time execute and deliver all such supplements and amendments hereto and all filings with the Commission, the Delaware Secretary of State, the Virginia State Corporation Commission or the West Virginia Secretary of State pursuant to the Financing Order or to the Securitization Law and all financing statements, continuation statements, instruments of further assurance and other instruments, and shall take such other action necessary or advisable to:

(i) maintain or preserve the Lien (and the priority thereof) granted pursuant to this Indenture and the Series Supplement or carry out more effectively the purposes hereof;

(ii) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture;

(iii) enforce any of the CRR Bond Collateral;

(iv) preserve and defend title to the CRR Bond Collateral and the rights of the Indenture Trustee and the Holders in the CRR Bond Collateral against the Claims of all Persons and parties, including, without limitation, the challenge by any party to the validity or enforceability of the Financing Order, the CRR Property or any Proceeding relating thereto and institute any action or proceeding necessary to compel performance by the Commission or the State of West Virginia of any of its obligations or duties under the Securitization Law, the State Pledge, or the Financing Order, as the case may be; and

(v) pay any and all taxes levied or assessed upon all or any part of the CRR Bond Collateral.

(b) The Issuer hereby designates the Indenture Trustee its agent and attorney-in-fact to execute or authorize, as the case may be, any filings with the Commission, the Delaware Secretary of State, the Virginia State Corporation Commission or the West Virginia Secretary of State, financing statements, continuation statements or other instrument required pursuant to this Section 3.05, it being understood that the Indenture Trustee shall have no such obligation or any duty to prepare or file such documents. The Indenture Trustee is specifically authorized to file financing statements covering the CRR Bond Collateral, including, without limitation, financing statements that describe the CRR Bond Collateral as "all assets" or "all personal property" of the Issuer.

SECTION 3.06. Opinions as to CRR Bond Collateral.

(a) On the Closing Date, the Issuer shall furnish to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer either stating that, in the opinion of such counsel, such action has been taken with respect to the recording and filing of this Indenture, any indentures supplemental hereto, and any other requisite documents, and with respect to the execution and filing of any filings with the Commission, the Delaware Secretary of State, the Virginia State Corporation Commission or the West Virginia Secretary of State pursuant to the Securitization Law and the Financing Order and any financing statements and continuation statements, as are necessary to perfect and make effective the Lien, and the first priority perfected security interest created by this Indenture and the Series Supplement, and, based on a review of a current report of the appropriate governmental filing office, no other financing statement has been filed under the applicable UCC describing any Lien that is equal or prior to the Lien of the Indenture Trustee in the CRR Bond Collateral, and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to make effective such Lien and security interest.

(b) No later than March 31 of each calendar year (beginning with the calendar year beginning January 1, 202[•]), the Issuer shall furnish to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents and with respect to the execution and filing of any filings with the Commission, the Delaware Secretary of State, the Virginia State Corporation Commission or the West Virginia Secretary of State pursuant to the Securitization Law and the Financing Order and any financing statements and continuation statements as are necessary to maintain the Lien and the first priority perfected security interest created by this Indenture and reciting the details of such action or stating that, in the opinion of such counsel, no such action is necessary to maintain such Lien and security interest. Such Opinion of Counsel shall also describe the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents

and the execution and filing of any filings with the Commission, the Delaware Secretary of State, the Virginia State Corporation Commission or the West Virginia Secretary of State, financing statements and continuation statements that will, in the opinion of such counsel, be required within the twelve-month period following the date of such opinion to maintain the Lien and the first priority perfected security interest created by this Indenture and the Series Supplement.

(c) Prior to the effectiveness of any amendment to the Sale Agreement, the Intercreditor Agreements or the Servicing Agreement, the Issuer shall furnish to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer either (i) stating that, in the opinion of such counsel, all filings, including UCC financing statements and other filings with the Commission, the Delaware Secretary of State, the Virginia State Corporation Commission and the West Virginia Secretary of State pursuant to the Securitization Law or the Financing Order, have been executed and filed that are necessary fully to preserve and protect the Lien and security interest of the Issuer and the Indenture Trustee in the CRR Property and the CRR Bond Collateral, respectively, and the proceeds thereof, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (ii) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such Lien and security interest.

SECTION 3.07. Performance of Obligations; Servicing; SEC Filings.

(a) The Issuer (i) shall diligently pursue any and all actions to enforce its rights under each instrument or agreement included in the CRR Bond Collateral and (ii) shall not take any action and shall use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's covenants or obligations under any such instrument or agreement or that would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such instrument or agreement, except, in each case, as expressly provided in this Indenture, the Series Supplement, the Sale Agreement, the Servicing Agreement, any Intercreditor Agreement or such other instrument or agreement.

(b) The Issuer may contract with other Persons to assist it in performing its duties under this Indenture, and any performance of such duties by a Person identified to the Indenture Trustee herein or in an Officer's Certificate shall be deemed to be action taken by the Issuer. Initially, the Issuer has contracted with the Servicers to assist the Issuer in performing its duties under this Indenture.

(c) The Issuer shall punctually perform and observe all of its obligations and agreements contained in this Indenture, the Series Supplement, the other Basic Documents and in the instruments and agreements included in the CRR Bond Collateral, including filing or causing to be filed all filings with the Commission, the Delaware Secretary of State, the Virginia State Corporation Commission or the West Virginia Secretary of State pursuant to the Securitization Law or the Financing Order, all UCC financing statements and continuation statements required to be filed by it by the terms of this Indenture, the Series Supplement, the Sale Agreement and the Servicing Agreement in accordance with and within the time periods provided for herein and therein.

(d) If the Issuer shall have knowledge of the occurrence of a Servicer Default under the Servicing Agreement, the Issuer shall promptly give written notice thereof to the Indenture Trustee and the Rating Agencies, and shall specify in such notice the response or action, if any, the Issuer has taken or is taking with respect to such default. If a Servicer Default shall arise from the failure of a Servicer to perform any of its duties or obligations under the Servicing Agreement with respect to the CRR Property, the CRR Bond Collateral or the CRR Charges, the Issuer shall take all reasonable steps available to it to remedy such failure.

(e) As promptly as possible after the giving of notice of termination to a Servicer and the Rating Agencies of such Servicer's rights and powers pursuant to Section 7.01 of the Servicing Agreement, the Indenture Trustee may and shall, at the written direction of the Holders evidencing not less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds and subject to the terms of the Intercreditor Agreements, appoint a successor Servicer (the "Successor Servicer") with the Issuer's prior written consent thereto (which shall not be unreasonably withheld), and such Successor Servicer shall accept its appointment by a written assumption in a form acceptable to the Issuer and the Indenture Trustee. A Person shall qualify as a Successor Servicer only if such Person satisfies the requirements of the Servicing Agreement each Intercreditor Agreement and the Financing Order relating to a Successor Servicer. If within thirty (30) days after the delivery of the notice referred to above, a new Servicer shall not have been appointed, the Indenture Trustee may petition the Commission or a court of competent jurisdiction to appoint a Successor Servicer. In connection with any such appointment, the outgoing Servicer(s) may make such arrangements for the compensation of such Successor Servicer as it and such successor shall agree, subject to the limitations set forth in Section 8.02 and in the Servicing Agreement.

(f) Upon any termination of a Servicer's rights and powers pursuant to the Servicing Agreement, the Indenture Trustee shall promptly notify the Issuer, the Holders and the Rating Agencies of such termination. As soon as a Successor Servicer is appointed, the Indenture Trustee shall notify the Issuer, the Holders and the Rating Agencies of such appointment, specifying in such notice the name and address of such Successor Servicer.

(g) The Issuer shall (or shall cause the Sponsor to) post on its website (which for this purpose may be the website of any direct or indirect parent company of the Issuer) and, to the extent consistent with the Issuer's and the Sponsor's obligations under applicable law, file with or furnish to the SEC in periodic reports and other reports as are required from time to time under Section 13 or Section 15(d) of the Exchange Act, and shall direct the Indenture Trustee to post on its website for investors the following information (other than any such information filed with the SEC and publicly available to investors unless the Issuer specifically requests such items to be posted) with respect to the Outstanding Consumer Rate Relief Bonds, in each case to the extent such information is reasonably available to the Issuer:

(i) the final Prospectus;

(ii) statements of any remittances of CRR Charges made to the Indenture Trustee (to be included in a Form 10-D or Form 10-K, or successor forms thereto);

(iii) a statement reporting the balances in the Payment Account and in each Subaccount of the Payment Account as of each Payment Date (to be included on the next Form 10-D or Form 10-K, or successor forms thereto) and as of the end of each year (to be included on the next Form 10-K filed);

(iv) a statement showing the balance of Outstanding Consumer Rate Relief Bonds that reflects the actual periodic payments made on the Consumer Rate Relief Bonds during the applicable period (to be included in the next Form 10-D or Form 10-K filed, or successor forms thereto);

(v) the Semi-Annual Servicers' Certificate as required to be submitted pursuant to the Servicing Agreement (to be filed with a Form 10-D, Form 10-K or Form 8-K, or successor forms thereto);

(vi) the Monthly Servicers' Certificate as required to be submitted pursuant to the Servicing Agreement;

(vii) the text (or a link to the website where a reader can find the text) of each filing of a True-Up Adjustment and the results of each such filing;

(viii) any change in the long-term or short-term credit ratings of the Servicers assigned by the Rating Agencies;

(ix) material legislative enactment or regulatory order or rule directly relevant to the Outstanding Consumer Rate Relief Bonds (to be filed or furnished in a Form 8-K); and

(x) any reports and other information that the Issuer is required to file with the SEC under the Exchange Act, including but not limited to periodic and current reports related to the Consumer Rate Relief Bonds consistent with the disclosure and reporting regime established in Regulation AB.

Notwithstanding the foregoing, nothing herein shall preclude the Issuer from voluntarily suspending or terminating its filing obligations as Issuer with the SEC to the extent permitted by applicable law. Any such reports or information delivered to the Indenture Trustee for purposes of this Section 3.07(g) is for informational purposes only, and the Indenture Trustee's receipt of such reports or information shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Indenture Trustee is entitled to conclusively rely on an Officer's Certificate of the Issuer).

The address of the Indenture Trustee's website for investors is https://pivot.usbank.com. The Indenture Trustee shall promptly notify the Issuer, the Holders and the Rating Agencies of any change to the address of the website for investors.

(h) The Issuer shall make all filings required under the Securitization Law relating to the transfer of the ownership or security interest in the CRR Property other than those required to be made by the Seller or the Servicers pursuant to the Basic Documents.

SECTION 3.08. Certain Negative Covenants. So long as any Consumer Rate Relief Bonds are Outstanding, the Issuer shall not:

(i) except as expressly permitted by this Indenture and the other Basic Documents, sell, transfer, exchange or otherwise dispose of any of the properties or assets of the Issuer, including those included in the CRR Bond Collateral, unless in accordance with Article V;

(ii) claim any credit on, or make any deduction from the principal or premium, if any, or interest payable in respect of, the Consumer Rate Relief Bonds (other than amounts properly withheld from such payments under the Code, the Treasury Regulations promulgated thereunder or other tax laws) or assert any claim against any present or former Holder by reason of the payment of the taxes levied or assessed upon any part of the CRR Bond Collateral;

(iii) terminate its existence or dissolve or liquidate in whole or in part, except in a transaction permitted by Section 3.10;

(iv) (A) permit the validity or effectiveness of this Indenture or the other Basic Documents to be impaired, or permit the Lien of this Indenture and the Series Supplement to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to the Consumer Rate Relief Bonds under this Indenture except as may be expressly permitted hereby, (B) permit any Lien (other than the Lien of this Indenture or the Series Supplement) to be created on or extend to or otherwise arise upon or burden the CRR Bond Collateral or any part thereof or any interest therein or the proceeds thereof (other than tax liens arising by operation of law with respect to amounts not yet due) or (C) permit the Lien granted pursuant to this Indenture and the Series Supplement not to constitute a valid first priority perfected security interest in the CRR Bond Collateral;

(v) enter into any swap, hedge or similar financial instrument;

(vi) elect to be classified as an association taxable as a corporation for U.S. federal income tax purposes or otherwise take any action, file any tax return, or make any election inconsistent with the treatment of the Issuer, for purposes of U.S. federal income tax purposes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes, as a disregarded entity that is not separate from the sole owner of the Issuer;

(vii) change its name, identity or structure or the location of its chief executive office or state of formation, unless at least ten (10) Business Days' prior to the effective date of any such change the Issuer delivers to the Indenture Trustee (with copies to the Rating Agencies) such documents, instruments or agreements, executed by the Issuer, as are necessary to reflect such change and to continue the perfection of the security interest granted pursuant to this Indenture and the Series Supplement;

(viii) take any action which is subject to a Rating Agency Condition without satisfying the Rating Agency Condition;

(ix) except to the extent permitted by applicable law, voluntarily suspend or terminate its filing obligations with the SEC as described in Section 3.07(g); or

(x) issue any consumer rate relief bonds under the Securitization Law (other than the Consumer Rate Relief Bonds) or issue or incur any other debt obligations.

SECTION 3.09. Annual Statement as to Compliance. The Issuer will deliver to the Indenture Trustee and the Rating Agencies not later than March 31 of each year (commencing with March 31, 202[•]), an Officer's Certificate stating, as to the Responsible Officer signing such Officer's Certificate, that:

(i) a review of the activities of the Issuer during the preceding twelve (12) months ended December 31 (or, in the case of the first such Officer's Certificate, since the Closing Date) and of performance under this Indenture has been made; and

(ii) to the best of such Responsible Officer's knowledge, based on such review, the Issuer has in all material respects complied with all conditions and covenants under this Indenture throughout such twelve-month period (or such shorter period in the case of the first such Officer's Certificate), or, if there has been a default in the compliance of any such condition or covenant, specifying each such default known to such Responsible Officer and the nature and status thereof.

SECTION 3.10. Issuer May Consolidate, etc., Only on Certain Terms.

(a) The Issuer shall not consolidate or merge with or into any other Person, unless:

(i) the Person (if other than the Issuer) formed by or surviving such consolidation or merger shall (A) be a Person organized and existing under the laws of the United States of America or any State, (B) expressly assume, by an indenture supplemental hereto, executed and delivered to the Indenture Trustee, in form and substance satisfactory to the Indenture Trustee, the performance or observance of every agreement and covenant of this Indenture and the Series Supplement on the part of the Issuer to be performed or observed, all as provided herein and in the Series Supplement, and (C) assume all obligations and succeed to all rights of the Issuer under the Sale Agreement, the Servicing Agreement and each other Basic Document to which the Issuer is a party;

(ii) immediately after giving effect to such merger or consolidation, no Default, Event of Default or Servicer Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such merger or consolidation;

(iv) the Issuer shall have delivered to APCo, the Indenture Trustee and the Rating Agencies an opinion or opinions of outside tax counsel (as selected by the Issuer, in form and substance reasonably satisfactory to APCo and the Indenture Trustee, and which may be based on a ruling from the Internal Revenue Service (unless the Internal Revenue Service has announced that it will not rule on the issues described in this paragraph)) to the effect that the consolidation or merger will not result in a material adverse U.S. federal or state income tax consequence to the Issuer, APCo, the Indenture Trustee or the then existing Holders;

(v) any action as is necessary to maintain the Lien and the perfected security interest in the CRR Bond Collateral created by this Indenture and the Series Supplement shall have been taken as evidenced by an Opinion of Counsel of external counsel of the Issuer delivered to the Indenture Trustee; and

(vi) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel of external counsel of the Issuer each stating that such consolidation or merger and such supplemental indenture comply with this Indenture and the Series Supplement and that all conditions precedent herein provided for in this Section 3.10(a) with respect to such transaction have been complied with (including any filing required by the Exchange Act).

(b) Except as specifically provided herein, the Issuer shall not sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the CRR Bond Collateral, to any Person, unless:

(i) the Person that acquires the properties and assets of the Issuer, the conveyance or transfer of which is hereby restricted, (A) shall be a United States citizen or a Person organized and existing under the laws of the United States of America or any State, (B) expressly assumes, by an indenture supplemental hereto, executed and delivered to the Indenture Trustee, in form and substance satisfactory to the Indenture Trustee, the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein and in the Series Supplement, (C) expressly agrees by means of such supplemental indenture that all right, title and interest so sold, conveyed, exchanged, transferred or otherwise disposed of shall be subject and subordinate to the rights of Holders, (D) unless otherwise provided in the supplemental indenture referred to in clause (B) above, expressly agrees to indemnify, defend and hold harmless the Issuer and the Indenture Trustee against and from any loss, liability or expense arising under or related to this Indenture, the Series Supplement and the Consumer Rate Relief Bonds, (E) expressly agrees by means of such supplemental indenture that such Person (or if a group of Persons, then one specified Person) shall make all filings with the SEC (and any other appropriate Person) required by the Exchange Act in connection with the CRR Bond Collateral and the Consumer Rate Relief Bonds and (F) if such sale, conveyance, exchange, transfer or disposal relates to the Issuer's rights and obligations under the Sale Agreement or the Servicing Agreement, assumes all obligations and succeeds to all rights of the Issuer under the Sale Agreement and the Servicing Agreement, as applicable;

(ii) immediately after giving effect to such transaction, no Default, Event of Default or Servicer Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such transaction;

(iv) the Issuer shall have delivered to APCo, the Indenture Trustee and the Rating Agencies an opinion or opinions of outside tax counsel (as selected by the Issuer, in form and substance reasonably satisfactory to APCo and the Indenture Trustee, and which may be based on a ruling from the Internal Revenue Service (unless the Internal Revenue Service has announced that it will not rule on the issues described in this paragraph)) to the effect that the disposition will not result in a material adverse U.S. federal or state income tax consequence to the Issuer, APCo, the Indenture Trustee or the then existing Holders;

(v) any action as is necessary to maintain the Lien and the perfected security interest in the CRR Bond Collateral created by this Indenture and the Series Supplement shall have been taken as evidenced by an Opinion of Counsel of external counsel of the Issuer delivered to the Indenture Trustee; and

(vi) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel of external counsel of the Issuer each stating that such sale, conveyance, exchange, transfer or other disposition and such supplemental indenture comply with this Indenture and the Series Supplement and that all conditions precedent herein provided for in this Section 3.10(b) with respect to such transaction have been complied with (including any filing required by the Exchange Act).

SECTION 3.11. Successor or Transferee.

(a) Upon any consolidation or merger of the Issuer in accordance with Section 3.10(a), the Person formed by or surviving such consolidation or merger (if other than the Issuer) shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Person had been named as the Issuer herein.

(b) Except as set forth in Section 6.07, upon a sale, conveyance, exchange, transfer or other disposition of all the assets and properties of the Issuer in accordance with Section 3.10(b), the Issuer will be released from every covenant and agreement of this Indenture and the other Basic Documents to be observed or performed on the part of the Issuer with respect to the Consumer Rate Relief Bonds and the CRR Property immediately following the consummation of such acquisition upon the delivery of written notice to the Indenture Trustee from the Person acquiring such assets and properties stating that the Issuer is to be so released.

SECTION 3.12. No Other Business. The Issuer shall not engage in any business other than financing, purchasing, owning, administering, managing and servicing the CRR Property and the other CRR Bond Collateral and the issuance of the Consumer Rate Relief Bonds in the manner contemplated by the Financing Order and this Indenture and the other Basic Documents and activities incidental thereto.

SECTION 3.13. No Borrowing. The Issuer shall not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any indebtedness except for the Consumer Rate Relief Bonds and any other indebtedness expressly permitted by or arising under the Basic Documents.

SECTION 3.14. Servicers' Obligations. The Issuer shall enforce each Servicer's compliance with and performance of all of such Servicer's material obligations under the Servicing Agreement.

SECTION 3.15. Guarantees, Loans, Advances and Other Liabilities. Except as otherwise contemplated by the Sale Agreement, the Servicing Agreement or this Indenture, the Issuer shall not make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person.

SECTION 3.16. Capital Expenditures. Other than the purchase of CRR Property from the Seller on the Closing Date, the Issuer shall not make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty).

SECTION 3.17. Restricted Payments. Except as provided in Section 8.04(c), the Issuer shall not, directly or indirectly, (a) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to any owner of an interest in the Issuer or otherwise with respect to any ownership or equity interest or similar security in or of the Issuer, (b) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or similar security or (c) set aside or otherwise segregate any amounts for any such purpose; provided, however, that, if no Event of Default shall have occurred and be continuing or would be caused thereby, the Issuer may make, or cause to be made, any such distributions to any owner of an interest in the Issuer or otherwise with respect to any ownership or equity interest or similar security in or of the Issuer using funds distributed to the Issuer pursuant to Section 8.02(e)(xi) to the extent that such distributions would not cause the balance of the Capital Subaccount to decline below the Required Capital Level. The Issuer will not, directly or indirectly, make payments to or distributions from the Joint Collection Account or the Payment Account except in accordance with this Indenture, the Intercreditor Agreements and the other Basic Documents.

SECTION 3.18. Notice of Events of Default. The Issuer agrees to give the Indenture Trustee, the Commission and the Rating Agencies prompt written notice of each Default or Event of Default hereunder as provided in Section 5.01, and each default on the part of the Seller or any Servicer of its obligations under the Sale Agreement or the Servicing Agreement, respectively.

SECTION 3.19. Further Instruments and Acts. Upon request of the Indenture Trustee, the Issuer shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture and to maintain the first priority perfected security interest of the Indenture Trustee in the CRR Bond Collateral.

SECTION 3.20. Inspection. The Issuer agrees that, on reasonable prior notice, it will permit any representative of the Indenture Trustee, during the Issuer's normal business hours, to examine all the books of account, records, reports and other papers of the Issuer, to make copies and extracts therefrom, to cause such books to be audited annually by Independent registered public accountants, and to discuss the Issuer's affairs, finances and accounts with the Issuer's officers, employees and Independent registered public accountants, all at such reasonable times and as often as may be reasonably requested. The Indenture Trustee shall hold, and shall cause its representatives to hold, in confidence all such information except to the extent disclosure may be required by applicable law (and all reasonable applications for confidential treatment are unavailing) and except to the extent that the Indenture Trustee may reasonably determine that such disclosure is consistent with its obligations hereunder. Notwithstanding anything herein to the contrary, the preceding sentence shall not be construed to prohibit (a) disclosure of any and all information that is or becomes publicly known, or information obtained by the Indenture Trustee from sources other than the Issuer, provided such parties are rightfully in possession of such information, (b) disclosure of any and all information (i) if required to do so by any applicable statute, law, rule or regulation, (ii) pursuant to any subpoena, civil investigative demand or similar demand or request of any court or regulatory authority exercising its proper jurisdiction, (iii) in any preliminary or final prospectus, registration statement or other document a copy of which has been filed with the SEC, (iv) to any Affiliate, independent or internal auditor, agent, employee or attorney of the Indenture Trustee having a need to know the same, provided that such parties agree to be bound by the confidentiality provisions contained in this Section 3.20 or (v) to any Rating Agency or (c) any other disclosure authorized by the Issuer.

SECTION 3.21. Economic Sanctions.

(a) The Issuer covenants and represents that neither it nor any of its subsidiaries, managers, officers or affiliates they control are the target or subject of any sanctions enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State), the United Nations Security Council, the European Union, His Majesty's Treasury, or other relevant sanctions authority (collectively "Sanctions").

(b) The Issuer covenants and represents that neither it nor any of its subsidiaries, managers, officers or affiliates they control will directly or indirectly use any payments made pursuant to this Indenture or any of the other Basic Documents, (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person.

SECTION 3.22. Sale Agreement, Servicing Agreement, Intercreditor Agreements and Administration Agreement Covenants.

(a) The Issuer agrees to take all such lawful actions to enforce its rights under the Sale Agreement, the Servicing Agreement, each Intercreditor Agreement, the Administration Agreement and the other Basic Documents to which it is a party, and to compel or secure the performance and observance by the Seller, the Servicers, the Administrator, APCo and WPCo of each of their respective obligations to the Issuer under or in connection with the Sale Agreement, the Servicing Agreement, each Intercreditor Agreement, the Administration Agreement and the other Basic Documents to which the Issuer is a party in accordance with the terms thereof. So long as no Event of Default occurs and is continuing, but subject to Section 3.22(f), the Issuer may exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with the Sale Agreement, the Servicing Agreement, each Intercreditor Agreement, the Administration Agreement and each other Basic Document to which it is a party; provided, that such action shall not adversely affect the interests of the Holders in any material respect.

(b) If an Event of Default occurs and is continuing, the Indenture Trustee may, and at the direction (which direction shall be in writing) of the Holders of a majority of the Outstanding Amount of the Consumer Rate Relief Bonds of all Tranches affected thereby shall, exercise all rights, remedies, powers, privileges and claims of the Issuer against the Seller, APCo, WPCo, the Administrator and the Servicers, as the case may be, under or in connection with the Sale Agreement, the Servicing Agreement, any Intercreditor Agreement and the Administration Agreement, including the right or power to take any action to compel or secure performance or observance by the Seller, APCo, WPCo, the Administrator or any Servicer of each of their obligations to the Issuer thereunder and to give any consent, request, notice, direction, approval, extension or waiver under the Sale Agreement, the Servicing Agreement, any Intercreditor Agreement and the Administration Agreement, and any right of the Issuer to take such action shall be suspended.

(c) Except as set forth in Section 3.22(e), the Administration Agreement, the Sale Agreement, the Servicing Agreement and any Intercreditor Agreement may be amended in accordance with the provisions thereof, so long as the Rating Agency Condition is satisfied in connection therewith, at any time and from time to time, without the consent of the Holders of the Consumer Rate Relief Bonds; provided that all conditions precedent for such amendment have been satisfied and if the amendment increases Ongoing Financing Costs, satisfaction of the Commission Condition (as described in Section 9.03 hereof, or alternatively, if applicable Section 14 of the Administration Agreement, Section 6.02 of the Sale Agreement or Section 8.02 of the Servicing Agreement), as evidenced by an Opinion of Counsel of external counsel of the Issuer. Notwithstanding the foregoing, the Sale Agreement, the Administration Agreement and the Servicing Agreement may be amended in accordance with the provisions thereof with ten (10) Business Days' prior written notice given to the Rating Agencies, the prior written consent of the Indenture Trustee acting at the written direction of the Joint Majority Holders (except that any amendment to the Administration Agreement or the Sale Agreement shall not require the consent of the Indenture Trustee), but without the consent of the Holders, (i) to cure any ambiguity, to correct or supplement any provisions in the applicable agreement or for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions in such agreement or of modifying in any manner the rights of the Holders; provided, however, that such action shall not adversely affect in any material respect the interests of any Holder or (ii) to conform the provisions of the applicable agreement to the description of such agreement in the Prospectus. In the case of an amendment described in the preceding sentence, the Issuer shall furnish copies of such amendment to the Rating Agencies promptly after execution thereof.

(d) Except as set forth in Section 3.22(e), if the Issuer, the Seller, APCo, WPCo, the Administrator, any Servicer or any other party to the respective agreement proposes to amend, modify, waive, supplement, terminate or surrender, or agree to any amendment, modification, waiver, supplement, termination or surrender of, the terms of the Sale Agreement, the Administration Agreement, the Servicing Agreement or any Intercreditor Agreement, or waive timely performance or observance by the Seller, APCo, WPCo, the Administrator, any Servicer or any other party under the Sale Agreement, the Administration Agreement, the Servicing Agreement or any Intercreditor Agreement, in each case in such a way as would materially and adversely affect the interests of any Holder of Consumer Rate Relief Bonds, the Issuer shall first notify the Rating Agencies of the proposed amendment, modification, waiver, supplement, termination or surrender and shall promptly notify the Indenture Trustee, the Paying Agent (if not the Indenture Trustee), the CRR Bond Registrar (if not the Indenture Trustee) and the Commission in writing and the Indenture Trustee shall notify the Holders in writing of the Consumer Rate Relief Bonds of the proposed amendment, modification, waiver, supplement, termination or surrender and whether the Rating Agency Condition has been satisfied with respect thereto. The Indenture Trustee shall consent to such proposed amendment, modification, waiver, supplement, termination or surrender only if the Rating Agency Condition is satisfied and only with (i) the prior written consent of the Holders of a majority of the Outstanding Amount of Consumer Rate Relief Bonds of the Tranches materially and adversely affected thereby (provided that, in order to determine which Holders are materially and adversely affected, the Indenture Trustee may rely upon an Officer's Certificate of the Issuer) and (ii) if such proposed amendment, modification, waiver, supplement, termination or surrender increases Ongoing Financing Costs, satisfaction of the Commission Condition (as described in Section 9.03) (or, in the case of the Servicing Agreement, the Joint Majority Holders). If any such amendment, modification, waiver, supplement, termination or surrender shall be so consented to by the Indenture Trustee or such Holders (or Joint Majority Holders, as applicable), the Issuer agrees to execute and deliver, in its own name and at its own expense, such agreements, instruments, consents and other documents as shall be necessary or appropriate in the circumstances.

(e) If the Issuer or the Servicers propose to materially amend, modify, waive, supplement, terminate or surrender, or to agree to any material amendment, modification, supplement, termination, waiver or surrender of, the process for True-Up Adjustments, the Issuer shall notify the Commission and the Indenture Trustee in writing and the Indenture Trustee shall notify the Holders of the Consumer Rate Relief Bonds of such proposal and the Indenture Trustee shall consent thereto only with the prior written consent of the Joint Majority Holders and only (i) if the Rating Agency Condition has been satisfied with respect thereto and (ii) if such proposed amendment, modification, waiver, supplement, termination or surrender increases Ongoing Financing Costs, satisfaction of the Commission Condition (as described in Section 9.03).

(f) Promptly following a default by the Seller under the Sale Agreement, by the Administrator under the Administration Agreement or by any party under any Intercreditor Agreement, or the occurrence of a Servicer Default under the Servicing Agreement, and at the Issuer's expense, the Issuer agrees to take all such lawful actions as the Indenture Trustee may request to compel or secure the performance and observance by each of the Seller, the Administrator or the Servicers, and by such party to such Intercreditor Agreement, of their

obligations under and in accordance with the Sale Agreement, the Servicing Agreement, the Administration Agreement and such Intercreditor Agreement, as the case may be, in accordance with the terms thereof, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with such agreements to the extent and in the manner directed by the Indenture Trustee, including the transmission of notices of any default by the Seller, the Administrator or a Servicer, respectively, thereunder and the institution of legal or administrative actions or Proceedings to compel or secure performance of their obligations under the Sale Agreement, the Servicing Agreement, the Administration Agreement or such Intercreditor Agreement, as applicable.

Before consenting to any amendment, modification, supplement, termination, waiver or surrender under Sections 3.22(d) or (e), the Indenture Trustee shall be entitled to receive an Opinion of Counsel stating that such action is authorized or permitted by this Indenture and all conditions precedent to such amendment have been satisfied.

SECTION 3.23. Taxes. So long as any of the Consumer Rate Relief Bonds are Outstanding, the Issuer shall pay all taxes, assessments and governmental charges imposed upon it or any of its properties or assets or with respect to any of its franchises, business, income or property before any penalty accrues thereon if the failure to pay any such taxes, assessments and governmental charges would, after any applicable grace periods, notices or other similar requirements, result in a Lien on the CRR Bond Collateral; provided that no such tax need be paid if the Issuer is contesting the same in good faith by appropriate Proceedings promptly instituted and diligently conducted and if the Issuer has established appropriate reserves as shall be required in conformity with generally accepted accounting principles.

SECTION 3.24. Notices from Holders. The Issuer shall promptly transmit any notice received by it from the Holders to the Indenture Trustee.

SECTION 3.25. Volcker Rule. The Issuer is structured so as not to be a "covered fund" under the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule."

ARTICLE IV

SATISFACTION AND DISCHARGE; DEFEASANCE

SECTION 4.01. Satisfaction and Discharge of Indenture; Defeasance.

(a) This Indenture shall cease to be of further effect with respect to the Consumer Rate Relief Bonds and the Indenture Trustee, on reasonable written demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Consumer Rate Relief Bonds, when:

(i) either

(A) all Consumer Rate Relief Bonds theretofore authenticated and delivered (other than (1) Consumer Rate Relief Bonds that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.06 and (2) Consumer Rate Relief Bonds for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided Section 3.03(d)) have been delivered to the Indenture Trustee for cancellation; or

(B) either (1) the Scheduled Final Payment Date has occurred with respect to all Consumer Rate Relief Bonds not theretofore delivered to the Indenture Trustee for cancellation or (2) the Consumer Rate Relief Bonds will be due and payable on their respective Scheduled Final Payment Dates within one year, and in any such case, the Issuer has irrevocably deposited or caused to be irrevocably deposited in trust with the Indenture Trustee (i) cash and/or (ii) U.S. Government Obligations which through the scheduled payments of principal and interest in respect thereof in accordance with their terms are in an amount sufficient to pay principal, interest and premium, if any, on the Consumer Rate Relief Bonds not theretofore delivered to the Indenture Trustee for cancellation, other Ongoing Financing Costs and all other sums payable hereunder by the Issuer with respect to the Consumer Rate Relief Bonds when scheduled to be paid and to discharge the entire indebtedness on the Consumer Rate Relief Bonds when due;

(ii) the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer; and

(iii) the Issuer has delivered to the Indenture Trustee an Officer's Certificate, an Opinion of Counsel of external counsel of the Issuer and (if required by the TIA or the Indenture Trustee) an Independent Certificate from a firm of registered public accountants, each meeting the applicable requirements of Section 10.01(a) and each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to Consumer Rate Relief Bonds have been complied with.

(b) Subject to Sections 4.01(c) and 4.02, the Issuer at any time may terminate (i) all its obligations under this Indenture with respect to the Consumer Rate Relief Bonds ("Legal Defeasance Option") or (ii) its obligations under Sections 3.04, 3.05, 3.06, 3.07, 3.08, 3.09, 3.10, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18 and 3.19 and the operation of Section 5.01(iii) ("Covenant Defeasance Option") with respect to Consumer Rate Relief Bonds. The Issuer may exercise the Legal Defeasance Option with respect to Consumer Rate Relief Bonds notwithstanding its prior exercise of the Covenant Defeasance Option.

If the Issuer exercises the Legal Defeasance Option, the maturity of the Consumer Rate Relief Bonds may not be accelerated because of an Event of Default. If the Issuer exercises the Covenant Defeasance Option, the maturity of the Consumer Rate Relief Bonds may not be accelerated because of an Event of Default specified in Section 5.01(iii).

Upon satisfaction of the conditions set forth herein to the exercise of the Legal Defeasance Option or the Covenant Defeasance Option with respect to Consumer Rate Relief Bonds, the Indenture Trustee, on reasonable written demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of the obligations that are terminated pursuant to such exercise.

(c) Notwithstanding Sections 4.01(a) and 4.01(b) above, (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, destroyed, lost or stolen Consumer Rate Relief Bonds, (iii) rights of Holders to receive payments of principal, premium, if any, and interest, (iv) Sections 4.03 and 4.04, (v) the rights, obligations and immunities of the Indenture Trustee hereunder (including the rights of the Indenture Trustee under Section 6.07 and the obligations of the Indenture Trustee under Section 4.03) and (vi) the rights of Holders as beneficiaries hereof with respect to the property deposited with the Indenture Trustee payable to all or any of them, shall survive until this Indenture or certain obligations hereunder have been satisfied and discharged pursuant to Section 4.01(a) or 4.01(b). Thereafter the obligations, rights, indemnities and immunities in Sections 6.07 and 4.04 shall survive.

SECTION 4.02. Conditions to Defeasance. The Issuer may exercise the Legal Defeasance Option or the Covenant Defeasance Option with respect to Consumer Rate Relief Bonds only if:

(a) the Issuer has irrevocably deposited or caused to be irrevocably deposited in trust with the Indenture Trustee (i) cash and/or (ii) U.S. Government Obligations which through the scheduled payments of principal and interest in respect thereof in accordance with their terms are in an amount sufficient to pay principal, interest and premium, if any, on the Consumer Rate Relief Bonds not therefore delivered to the Indenture Trustee for cancellation and other Ongoing Financing Costs and all other sums payable hereunder by the Issuer with respect to the Consumer Rate Relief Bonds when scheduled to be paid and to discharge the entire indebtedness on the Consumer Rate Relief Bonds when due;

(b) the Issuer delivers to the Indenture Trustee a certificate from a nationally recognized firm of Independent registered public accountants expressing its opinion that the payments of principal and interest on the deposited U.S. Government Obligations when due and without reinvestment plus any deposited cash will provide cash at such times and in such amounts (but, in the case of the Legal Defeasance Option only, not more than such amounts) as will be sufficient to pay in respect of the Consumer Rate Relief Bonds (i) principal in accordance with the Expected Sinking Fund Schedule therefor, (ii) interest when due and (iii) other Ongoing Financing Costs and all other sums payable hereunder by the Issuer with respect to the Consumer Rate Relief Bonds;

(c) in the case of the Legal Defeasance Option, ninety-five (95) days pass after the deposit is made and during the ninety-five (95)-day period no Default specified in Section 5.01(v) or (vi) occurs which is continuing at the end of the period;

(d) no Default has occurred and is continuing on the day of such deposit and after giving effect thereto;

(e) in the case of an exercise of the Legal Defeasance Option, the Issuer shall have delivered to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer stating that (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of execution of this Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of the Consumer Rate Relief Bonds will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(f) in the case of an exercise of the Covenant Defeasance Option, the Issuer shall have delivered to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer to the effect that the Holders of the Consumer Rate Relief Bonds will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(g) the Issuer delivers to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent to the Legal Defeasance Option or the Covenant Defeasance Option, as applicable, have been complied with as required by this Article IV;

(h) the Issuer delivers to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer to the effect that (i) in a case under the Bankruptcy Code in which APCo (or any of its Affiliates, other than the Issuer) is the debtor, the court would hold that the deposited moneys or U.S. Government Obligations would not be in the bankruptcy estate of APCo (or any of its Affiliates, other than the Issuer, that deposited the moneys or U.S. Government Obligations); and (ii) in the event APCo (or any of its Affiliates, other than the Issuer, that deposited the moneys or U.S. Government Obligations) were to be a debtor in a case under the Bankruptcy Code, the court would not disregard the separate legal existence of APCo (or any of its Affiliates, other than the Issuer, that deposited the moneys or U.S. Government Obligations) and the Issuer so as to order substantive consolidation under the Bankruptcy Code of the Issuer's assets and liabilities with the assets and liabilities of APCo or such other Affiliate; and

(i) the Rating Agency Condition shall have been satisfied with respect to the exercise of any Legal Defeasance Option or Covenant Defeasance Option.

Notwithstanding any other provision of this Section 4.02, no delivery of moneys or U.S. Government Obligations to the Indenture Trustee shall terminate any obligation of the Issuer to the Indenture Trustee under this Indenture or the Series Supplement or any obligation of the Issuer to apply such moneys or U.S. Government Obligations under Section 4.03 until principal of and premium, if any, and interest on the Consumer Rate Relief Bonds shall have been paid in accordance with the provisions of this Indenture and the Series Supplement.

SECTION 4.03. Application of Trust Money. All moneys or U.S. Government Obligations deposited with the Indenture Trustee pursuant to Section 4.01 or 4.02 shall be held in trust and applied by it, in accordance with the provisions of the Consumer Rate Relief Bonds and this Indenture, to the payment, either directly or through any Paying Agent, as the Indenture Trustee may determine, to the Holders of the particular Consumer Rate Relief Bonds for the payment of which such moneys have been deposited with the Indenture Trustee, of all sums due and to become due thereon for principal, premium, if any, and interest; but such moneys need not be segregated from other funds except to the extent required herein, in an Intercreditor Agreement or in the Servicing Agreement or required by law. Notwithstanding anything to the contrary in this Article IV, the Indenture Trustee shall deliver or pay to the Issuer from time to time upon Issuer Request any moneys or U.S. Government Obligations held by it pursuant to Section 4.02 which, in the opinion of a nationally recognized firm of Independent registered public accountants expressed in a written certification thereof delivered to the Indenture Trustee (and not at the cost or expense of the Indenture Trustee), are in excess of the amount thereof which would be required to be deposited for the purpose for which such moneys or U.S. Government Obligations were deposited, provided that any such payment shall be subject to the satisfaction of the Rating Agency Condition.

SECTION 4.04. Repayment of Moneys Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture or the Covenant Defeasance Option or Legal Defeasance Option with respect to the Consumer Rate Relief Bonds, all moneys then held by any Paying Agent other than the Indenture Trustee under the provisions of this Indenture or an Intercreditor Agreement with respect to the Consumer Rate Relief Bonds shall, upon written demand of the Issuer, be paid to the Indenture Trustee to be held and applied according to Section 3.03 and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

ARTICLE V

REMEDIES

SECTION 5.01. Events of Default. "Event of Default" wherever used herein, means any one or more of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) default in the payment of any interest on any Consumer Rate Relief Bond when the same becomes due and payable (whether such failure to pay interest is caused by a shortfall in CRR Charges received or otherwise), and such default shall continue for a period of five (5) Business Days; or

(ii) default in the payment of the then unpaid principal of any Consumer Rate Relief Bond of any Tranche on the Final Maturity Date for such Tranche; or

(iii) default in the observance or performance of any covenant or agreement of the Issuer made in this Indenture (other than defaults specified in clauses (i) or (ii) above), and such default shall continue or not be cured, for a period of thirty (30) days after the earlier of (A) the date that there shall have been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by the Holders of at least twenty-five (25) percent of the Outstanding Amount of the Consumer Rate Relief Bonds, a written notice specifying such default and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder or (B) the date that the Issuer has actual knowledge of the default; or

(iv) any representation or warranty of the Issuer made in this Indenture or the Series Supplement, or in any certificate or other writing delivered pursuant hereto or the Series Supplement or in connection herewith proving to have been incorrect in any material respect as of the time when the same shall have been made, and the circumstance or condition in respect of which such representation or warranty was incorrect shall not have been eliminated or otherwise cured, within thirty (30) days after the earlier of (A) the date that there shall have been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by the Holders of at least twenty-five (25) percent of the Outstanding Amount of the Consumer Rate Relief Bonds, a written notice specifying such incorrect representation or warranty and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder or (B) the date the Issuer has actual knowledge of the default, or

(v) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of the Issuer or any substantial part of the CRR Bond Collateral in an involuntary case or Proceeding under any applicable U.S. federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for any substantial part of the CRR Bond Collateral, or ordering the winding-up or liquidation of the Issuer's affairs, and such decree or order shall remain unstayed and in effect for a period of ninety (90) consecutive days; or

(vi) the commencement by the Issuer of a voluntary case under any applicable U.S. federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by the Issuer to the entry of an order for relief in an involuntary case or Proceeding under any such law, or the consent by the Issuer to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for any substantial part of the CRR Bond Collateral, or the making by the Issuer of any general assignment for the benefit of creditors, or the failure by the Issuer generally to pay its debts as such debts become due, or the taking of action by the Issuer in furtherance of any of the foregoing; or

(vii) any act or failure to act by the State of West Virginia or any of its agencies (including the Commission), officers or employees which violates or is not in material accordance with the State Pledge.

The Issuer shall deliver to a Responsible Officer of the Indenture Trustee and to the Rating Agencies, within five (5) days after a Responsible Officer of the Issuer has knowledge of the occurrence thereof, written notice in the form of an Officer's Certificate of any event (I) which is an Event of Default under clauses (i), (ii), (vi), or (vii) or (II) which with the giving of notice, the lapse of time, or both, would become an Event of Default under clauses (iii), (iv) or (v), including, in each case, the status of such Default or Event of Default and what action the Issuer is taking or proposes to take with respect thereto.

SECTION 5.02. Acceleration of Maturity; Rescission and Annulment. If an Event of Default (other than an Event of Default under clause (vii) of Section 5.01) should occur and be continuing, then and in every such case the Indenture Trustee or the Holders representing not less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds may declare the Consumer Rate Relief Bonds to be immediately due and payable, by a notice in writing to the Issuer (and to the Indenture Trustee if given by Holders), and upon any such declaration the unpaid principal amount of the Consumer Rate Relief Bonds, together with accrued and unpaid interest thereon through the date of acceleration, shall become immediately due and payable.

At any time after such declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article V provided, the Holders representing not less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds, by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(A) all payments of principal of and premium, if any, and interest on all Consumer Rate Relief Bonds due and owing at such time as if such Event of Default had not occurred and was not continuing and all other amounts that would then be due hereunder or upon the Consumer Rate Relief Bonds if the Event of Default giving rise to such acceleration had not occurred and was not continuing; and

(B) all sums paid or advanced by the Indenture Trustee hereunder and the reasonable compensation, indemnities, expenses, disbursements and advances of the Indenture Trustee and its agents and counsel; provided, that, the Indenture Trustee shall not be obligated to pay or advance any sums from its own funds if an Event of Default has occurred and is continuing; and

(ii) all Events of Default, other than the nonpayment of the principal of the Consumer Rate Relief Bonds that has become due solely by such acceleration, have been cured or waived as provided in Section 5.12.

No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 5.03. Collection of Indebtedness and Suits for Enforcement by Indenture Trustee.

(a) If an Event of Default under Section 5.01(i) or (ii) has occurred and is continuing, subject to Section 10.18, the Indenture Trustee, in its own name and as trustee of an express trust, may institute a Proceeding for the collection of the sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and, subject to the limitations on recourse set forth herein, may enforce the same against the Issuer or other obligor upon the Consumer Rate Relief Bonds and collect in the manner provided by applicable law out of the

property of the Issuer or other obligor upon the Consumer Rate Relief Bonds, wherever situated the moneys payable, or the CRR Bond Collateral and the proceeds thereof, the whole amount then due and payable on the Consumer Rate Relief Bonds for principal, premium, if any, and interest, with interest upon the overdue principal and premium, if any, and, to the extent payment at such rate of interest shall be legally enforceable, upon overdue installments of interest, at the respective rate borne by the Consumer Rate Relief Bonds or the applicable Tranche and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and counsel.

(b) If an Event of Default (other than an Event of Default under clause (vii) of Section 5.01) occurs and is continuing, the Indenture Trustee (subject to Section 5.11) shall, as more particularly provided in Section 5.04, proceed to protect and enforce its rights and the rights of the Holders, by such appropriate Proceedings as the Indenture Trustee shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Indenture Trustee by this Indenture and the Series Supplement or by applicable law, including foreclosing or otherwise enforcing the Lien of the CRR Bond Collateral securing the Consumer Rate Relief Bonds or applying to a court of competent jurisdiction for sequestration of revenues arising with respect to the CRR Property.

(c) If an Event of Default under Section 5.01(v) or (vi) has occurred and is continuing, the Indenture Trustee, irrespective of whether the principal of any Consumer Rate Relief Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to the provisions of this Section 5.03, shall be entitled and empowered, by intervention in any Proceedings related to such Event of Default or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Consumer Rate Relief Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as a result of negligence or bad faith) and of the Holders allowed in such Proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders in any election of a trustee in bankruptcy, a standby trustee or Person performing similar functions in any such Proceedings;

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Holders and of the Indenture Trustee on their behalf; and

(iv) to file such proofs of claim and other papers and documents as may be necessary or advisable in order to have the claims of the Indenture Trustee or the Holders allowed in any Proceeding relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, custodian or other similar official in any such Proceeding is hereby authorized by each of such Holders to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the making of payments directly to such Holders, to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Indenture Trustee, each predecessor Indenture Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of negligence or bad faith.

(d) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Consumer Rate Relief Bonds or the rights of any Holder thereof or to authorize the Indenture Trustee to vote in respect of the claim of any Holder in any such Proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

(e) All rights of action and of asserting claims under this Indenture, or under any of the Consumer Rate Relief Bonds, may be enforced by the Indenture Trustee without the possession of any of the Consumer Rate Relief Bonds or the production thereof in any trial or other Proceedings relative thereto, and any such action or Proceedings instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Indenture Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders of the Consumer Rate Relief Bonds.

(f) In any Proceedings brought by the Indenture Trustee (and also any Proceedings involving the interpretation of any provision of this Indenture to which the Indenture Trustee shall be a party), the Indenture Trustee shall be held to represent all the Holders of the Consumer Rate Relief Bonds, and it shall not be necessary to make any Holder a party to any such Proceedings.

SECTION 5.04. Remedies; Priorities.

(a) If an Event of Default (other than an Event of Default under clause (vii) of Section 5.01) shall have occurred and be continuing, the Indenture Trustee may do one or more of the following (subject to Section 5.05):

(i) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Consumer Rate Relief Bonds or under this Indenture with respect thereto, whether by declaration of acceleration or otherwise, and, subject to the limitations on recovery set forth herein, enforce any judgment obtained, and collect from the Issuer or any other obligor moneys adjudged due upon the Consumer Rate Relief Bonds;

(ii) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the CRR Bond Collateral;

(iii) exercise any remedies of a secured party under the UCC, the Securitization Law or any other applicable law and take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee and the Holders of the Consumer Rate Relief Bonds;

(iv) at the written direction of the Holders of a majority of the Outstanding Amount of the Consumer Rate Relief Bonds, either sell the CRR Bond Collateral or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by applicable law, or elect that the Issuer maintain possession of all or a portion of the CRR Bond Collateral pursuant to Section 5.05 and continue to apply the CRR Charge Collections as if there had been no declaration of acceleration; and

(v) exercise all rights, remedies, powers, privileges and claims of the Issuer against the Seller, the Administrator or a Servicer under or in connection with, and pursuant to the terms of, the Sale Agreement, the Administration Agreement, the Intercreditor Agreements or the Servicing Agreement;

provided, however, that the Indenture Trustee may not sell or otherwise liquidate any portion of the CRR Bond Collateral following such an Event of Default, other than an Event of Default described in Section 5.01(i), or (ii), unless (A) the Holders of 100 percent of the Outstanding Amount of the Consumer Rate Relief Bonds consent thereto, (B) the proceeds of such sale or liquidation distributable to the Holders are sufficient to discharge in full all amounts then due and unpaid upon the Consumer Rate Relief Bonds for principal, premium, if any, and interest after taking into account payment of all amounts due prior thereto pursuant to the priorities set forth in Section 8.02(e) or (C) the Indenture Trustee determines that the CRR Bond Collateral will not continue to provide sufficient funds for all payments on the Consumer Rate Relief Bonds as they would have become due if the Consumer Rate Relief Bonds had not been declared due and payable, and the Indenture Trustee obtains the written consent of Holders of 66-2/3 percent of the Outstanding Amount of the Consumer Rate Relief Bonds. In determining such sufficiency or insufficiency with respect to clauses (B) and (C), the Indenture Trustee may, but need not, obtain and conclusively rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the CRR Bond Collateral for such purpose.

(b) If an Event of Default under clause (vii) of Section 5.01 shall have occurred and be continuing, the Indenture Trustee, for the benefit of the Secured Parties, shall be entitled and empowered to the extent permitted by applicable law, to institute or participate in Proceedings necessary to compel performance of or to enforce the State Pledge and to collect any monetary damages incurred by the Holders or the Indenture Trustee as a result of any such Event of Default, and may prosecute any such Proceeding to final judgment or decree. Such remedy shall be the only remedy that the Indenture Trustee may exercise if the only Event of Default that has occurred and is continuing is an Event of Default under Section 5.01(vii).

(c) If the Indenture Trustee collects any money pursuant to this Article V, it shall pay out such money in accordance with the priorities set forth in Section 8.02(e).

SECTION 5.05. Optional Preservation of the CRR Bond Collateral. If the Consumer Rate Relief Bonds have been declared to be due and payable under Section 5.02 following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Indenture Trustee may, but need not, elect to maintain possession of all or a portion of the CRR Bond Collateral. It is the desire of the parties hereto and the Holders that there be at all times sufficient funds for the payment of principal of and premium, if any, and interest on the Consumer Rate Relief Bonds, and the Indenture Trustee shall take such desire into account when determining whether or not to maintain possession of the CRR Bond Collateral. In determining whether to maintain possession of the CRR Bond Collateral or sell or liquidate the same, the Indenture Trustee may, but need not, obtain and conclusively rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the CRR Bond Collateral for such purpose.

SECTION 5.06. Limitation of Suits. No Holder of any Consumer Rate Relief Bond shall have any right to institute any Proceeding, judicial or otherwise, to avail itself of any remedies provided in the Securitization Law or to avail itself of the right to foreclose on the CRR Bond Collateral or otherwise enforce the Lien and the security interest on the CRR Bond Collateral with respect to this Indenture and the Series Supplement, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(i) such Holder previously has given written notice to the Indenture Trustee of a continuing Event of Default;

(ii) the Holders of not less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds have made written request to the Indenture Trustee to institute such Proceeding in respect of such Event of Default in its own name as Indenture Trustee hereunder;

(iii) such Holder or Holders have offered to the Indenture Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request;

(iv) the Indenture Trustee for sixty (60) days after its receipt of such notice of a continuing Event of Default, request and offer of indemnity has failed to institute such Proceedings; and

(v) no direction inconsistent with such written request has been given to the Indenture Trustee during such sixty-day period by the Holders of a majority of the Outstanding Amount of the Consumer Rate Relief Bonds;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided.

In the event the Indenture Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders, each representing less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds, the Indenture Trustee in its sole discretion may file a petition with a court of competent jurisdiction to resolve such conflict or determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

SECTION 5.07. Unconditional Rights of Holders To Receive Principal, Premium, if any, and Interest. Notwithstanding any other provisions in this Indenture, the Holder of any Consumer Rate Relief Bond shall have the right, which is absolute and unconditional, (a) to receive payment of (i) the interest, if any, on such Consumer Rate Relief Bond on the due dates thereof expressed in such Consumer Rate Relief Bond or in this Indenture or (ii) the unpaid principal, if any, of the Consumer Rate Relief Bonds on the Final Maturity Date therefor and (b) to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 5.08. Restoration of Rights and Remedies. If the Indenture Trustee or any Holder has instituted any Proceeding to enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Indenture Trustee or to such Holder, then and in every such case the Issuer, the Indenture Trustee and the Holders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee and the Holders shall continue as though no such Proceeding had been instituted.

SECTION 5.09. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by applicable law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.10. Delay or Omission Not a Waiver. No delay or omission of the Indenture Trustee or any Holder to exercise any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by applicable law to the Indenture Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Holders, as the case may be.

SECTION 5.11. Control by Holders. The Holders of not less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds of an affected Tranche or Tranches shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee with respect to the Consumer Rate Relief Bonds of such Tranche or Tranches or exercising any trust or power conferred on the Indenture Trustee with respect to such Tranche or Tranches; provided, that:

(i) such direction shall not be in conflict with any rule of law or with this Indenture or the Series Supplement and shall not involve the Indenture Trustee in any personal liability or expense;

(ii) subject to other conditions specified in Section 5.04, any direction to the Indenture Trustee to sell or liquidate any CRR Bond Collateral shall be by the Holders representing not less than 100 percent of the Outstanding Amount of the Consumer Rate Relief Bonds;

(iii) if the conditions set forth in Section 5.05 have been satisfied and the Indenture Trustee elects to retain the CRR Bond Collateral pursuant to Section 5.05, then any direction to the Indenture Trustee by Holders representing less than 100 percent of the Outstanding Amount of the Consumer Rate Relief Bonds to sell or liquidate the CRR Bond Collateral shall be of no force and effect; and

(iv) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent with such direction;

provided, however, that, the Indenture Trustee's duties shall be subject to Section 6.01, and the Indenture Trustee need not take any action that it determines might involve it in liability or might materially adversely affect the rights of any Holders not consenting to such action. Furthermore and without limiting the foregoing, the Indenture Trustee shall not be required to take any action for which it reasonably believes that it will not be indemnified to its satisfaction against any cost, expense or liabilities.

SECTION 5.12. Waiver of Past Defaults. Prior to the declaration of the acceleration of the maturity of the Consumer Rate Relief Bonds as provided in Section 5.02, the Holders representing not less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds of an affected Tranche, together with the Commission, by written notice to the Indenture Trustee, may waive any past Default or Event of Default and its consequences except a Default (a) in payment of principal of or premium, if any, or interest on any of the Consumer Rate Relief Bonds or (b) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Consumer Rate Relief Bond of all Tranches affected. In the case of any such waiver, the Issuer, the Indenture Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

Upon any such waiver, such Default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured and not to have occurred, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

SECTION 5.13. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Consumer Rate Relief Bond by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 5.13 shall not apply to (a) any suit instituted by the Indenture Trustee, (b) any suit instituted by any Holder, or group of Holders, in each case holding in the aggregate more than ten (10) percent of the Outstanding Amount of the Consumer Rate Relief Bonds or (c) any suit instituted by any Holder for the enforcement of the payment of (i) interest on any Consumer Rate Relief Bond on or after the due dates expressed in such Consumer Rate Relief Bond and in this Indenture or (ii) the unpaid principal, if any, of any Consumer Rate Relief Bond on or after the Final Maturity Date therefor.

SECTION 5.14. Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead or in any manner whatsoever, claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 5.15. Action on Consumer Rate Relief Bonds. The Indenture Trustee's right to seek and recover judgment on the Consumer Rate Relief Bonds or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. Neither the Lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Holders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the CRR Bond Collateral or any other assets of the Issuer.

ARTICLE VI

THE INDENTURE TRUSTEE

SECTION 6.01. Duties of Indenture Trustee.

(a) If an Event of Default has occurred and is continuing, the Indenture Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee; and

(ii) in the absence of bad faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming on their face to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Indenture Trustee may not be relieved from liability for its own negligent action, its own bad faith, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph (c) does not limit the effect of paragraph (b) of this Section 6.01;

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by the Indenture Trustee unless it is proved that the Indenture Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Indenture Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it hereunder.

(d) Every provision of this Indenture that in any way relates to the Indenture Trustee is subject to paragraphs (a), (b) and (c) of this Section 6.01.

(e) The Indenture Trustee shall not be liable for interest on any money received by it except as the Indenture Trustee may agree in writing with the Issuer.

(f) Money held in trust by the Indenture Trustee need not be segregated from other funds held by the Indenture Trustee except to the extent required by applicable law or the terms of this Indenture, the Sale Agreement, the Servicing Agreement, the Administration Agreement or the Intercreditor Agreements.

(g) No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayments of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section 6.01 and to the provisions of the TIA.

(i) In the event that the Indenture Trustee is also acting as Paying Agent or CRR Bond Registrar hereunder, the protections of this Article VI shall also be afforded to the Indenture Trustee in its capacity as Paying Agent or CRR Bond Registrar.

(j) Except for the express duties of the Indenture Trustee with respect to the administrative functions set forth in the Basic Documents, the Indenture Trustee shall have no obligation to administer, service or collect CRR Property or to maintain, monitor or otherwise supervise the administration, servicing or collection of the CRR Property.

(k) Under no circumstance shall the Indenture Trustee be liable for any indebtedness of the Issuer, the Servicers or the Seller evidenced by or arising under the Consumer Rate Relief Bonds or the Basic Documents. None of the provisions of this Indenture shall in any event require the Indenture Trustee to perform or be responsible for the performance of any of the Servicers' obligations under the Basic Documents.

(l) Commencing with March [•], 202[•], on or before March [•]th of each fiscal year ending December 31, so long as the Issuer is required to file Exchange Act reports, the Indenture Trustee shall (i) deliver to the Issuer a report (in form and substance reasonably satisfactory to the Issuer and addressed to the Issuer and signed by an authorized officer of the Indenture Trustee) regarding the Indenture Trustee's assessment of compliance, during the immediately preceding fiscal year ending December 31, with each of the applicable servicing criteria specified on Exhibit C hereto as required under Rules 13a-18 and 15d-18 of the Exchange Act and Item 1122 of Regulation AB and (ii) deliver to the Issuer a report of an Independent registered public accounting firm reasonably acceptable to the Issuer that attests to and reports on, in accordance with Rules 1-02(a)(3) and 2-02(g) of Regulation S-X under the Securities Act and the Exchange Act, the assessment of compliance made by the Indenture Trustee and delivered pursuant to clause (i) of this Section 6.01(l).

(m) The Indenture Trustee shall not be required to take any action it is directed to take under this Indenture if the Indenture Trustee determines in good faith that the action so directed is inconsistent with this Indenture, any other Basic Document or applicable Law, or would involve the Indenture Trustee in personal liability.

(n) The Indenture Trustee shall not be responsible for special, indirect, punitive or consequential damages, except as a result of its own willful misconduct, negligence or bad faith.

(o) In no event shall the Indenture Trustee be liable for failure to perform its duties hereunder if such failure is a direct result of another party's failure to perform its obligations hereunder.

(p) Any discretion, permissive right or privilege of the Indenture Trustee hereunder shall not be deemed to be or otherwise construed as a duty or obligation.

(q) The Indenture Trustee's receipt of publicly available reports hereunder shall constitute notice of any information contained therein or determinable therefrom, including but not limited to a party's compliance with covenants under the Indenture.

SECTION 6.02. Rights of Indenture Trustee.

(a) The Indenture Trustee may conclusively rely and shall be fully protected in relying on any document (including electronic documents and communications delivered in accordance with the terms of this Indenture) believed by it to be genuine and to have been signed or presented by the proper Person. The Indenture Trustee need not investigate any fact or matter stated in such document.

(b) Before the Indenture Trustee acts or refrains from acting, it may require and shall be entitled to receive an Officer's Certificate or an Opinion of Counsel of external counsel of the Issuer (at no cost or expense to the Indenture Trustee) that such action is required or permitted hereunder. The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

(c) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee, and the Indenture Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, any such agent, attorney, custodian or nominee appointed with due care by it hereunder. The Indenture Trustee shall give prompt written notice to the Rating Agencies of the appointment of any such agent, custodian or nominee to whom it delegates any of its express duties under this Indenture; provided, that the Indenture Trustee shall not be obligated to give such notice (i) if the Issuer or the Holders have directed the Indenture Trustee to appoint such agent, custodian or nominee (in which event the Issuer shall give prompt notice to the Rating Agencies of any such direction) or (ii) of the appointment of any agents, custodians or nominees made at any time that an Event of Default on account of non-payment of principal or interest on the Consumer Rate Relief Bonds or insolvency of the Issuer has occurred and is continuing.

(d) The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Indenture Trustee's conduct does not constitute willful misconduct, negligence or bad faith.

(e) The Indenture Trustee may consult with counsel, and the advice or Opinion of Counsel with respect to legal matters relating to this Indenture and the Consumer Rate Relief Bonds shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) Except as otherwise expressly provided herein, the Indenture Trustee shall be under no obligation to (i) take any action or exercise any of the rights or powers vested in it by this Indenture or any other Basic Document at the request or direction of any of the Holders pursuant to this Indenture or (ii) institute, conduct or defend any litigation hereunder or thereunder or in relation hereto or thereto or to investigate any matter, at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture and the Series Supplement or otherwise, unless it is requested to do so by Holders of not less than 25% of the Outstanding Amount of the Bonds and it shall have received security or indemnity reasonably satisfactory against the costs, expenses and liabilities which may be incurred therein by the Indenture Trustee.

(g) In no event shall the Indenture Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer systems and services; it being understood that the Indenture Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(h) The Indenture Trustee shall not be deemed to have notice or knowledge of any Servicer Default, Default or Event of Default unless a Responsible Officer of the Indenture Trustee has actual knowledge thereof or the Indenture Trustee has received written notice thereof pursuant to Section 10.04(a)(i).

(i) Any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by an Issuer Request or an Issuer Order.

(j) Whenever in the administration of this Indenture the Indenture Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Indenture Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate.

(k) The Indenture Trustee shall not be responsible for (i) the validity of the title of the Issuer to the CRR Bond Collateral, (ii) insuring the CRR Bond Collateral or (iii) the payment of taxes, charges, assessments or Liens upon the CRR Bond Collateral or otherwise as to the maintenance of the CRR Bond Collateral.

(l) The Indenture Trustee shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Indenture or any of the other Basic Documents.

(m) The Indenture Trustee shall not be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any security interest in the CRR Bond Collateral.

SECTION 6.03. Individual Rights of Indenture Trustee. The Indenture Trustee in its individual or any other capacity may become the owner or pledgee of Consumer Rate Relief Bonds and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Indenture Trustee. Any Paying Agent, CRR Bond Registrar, co-registrar or co-paying agent or agent appointed under Section 3.02 may do the same with like rights. However, the Indenture Trustee must comply with Sections 6.11 and 6.12.

SECTION 6.04. Indenture Trustee's Disclaimer. The Indenture Trustee shall not be responsible for and makes no representation (other than as set forth in Section 6.13) as to the validity or adequacy of this Indenture or the Consumer Rate Relief Bonds, it shall not be accountable for the Issuer's use of the proceeds from the Consumer Rate Relief Bonds, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Consumer Rate Relief Bonds or in the Consumer Rate

Relief Bonds other than the Indenture Trustee's certificate of authentication. The Indenture Trustee shall not be responsible for the form, character, genuineness, sufficiency, value or validity of any of the CRR Bond Collateral, or for or in respect of the Consumer Rate Relief Bonds (other than the certificate of authentication for the Consumer Rate Relief Bonds) or the Basic Documents and the Indenture Trustee shall in no event assume or incur any liability, duty or obligation to any Holder, other than as expressly provided in this Indenture. The Indenture Trustee shall not be liable for the default or misconduct of the Issuer, the Seller, or the Servicers under the Basic Documents or otherwise, and the Indenture Trustee shall have no obligation or liability to perform the obligations of such Persons.

SECTION 6.05. Notice of Defaults.

(a) If a Default occurs and is continuing and if it is actually known to a Responsible Officer of the Indenture Trustee, the Indenture Trustee shall deliver to the Commission, each Rating Agency and each Holder notice of the Default within ten (10) Business Days after actual notice of such Default was received by a Responsible Officer of the Indenture Trustee (provided that the Indenture Trustee shall give the Rating Agencies prompt notice of any payment default in respect of the Consumer Rate Relief Bonds). Except in the case of a Default in payment of principal of and premium, if any, or interest on any Consumer Rate Relief Bond, the Indenture Trustee may withhold the notice if a Responsible Officer in good faith determines that prompt notice of the Default is not likely to be material to Holders and the Default is likely to be cured and therefore that withholding the notice is in the interests of Holders. Except for an Event of Default under Sections 5.01(i) or (ii), in no event shall the Indenture Trustee be deemed to have knowledge of a Default unless a Responsible Officer of the Indenture Trustee shall have actual knowledge of a Default or shall have received written notice thereof.

(b) [If a Default occurs and is continuing and if it is actually known to a Responsible Officer of the Indenture Trustee, the Indenture Trustee shall promptly, but no more frequently than monthly, deliver to the Commission notice of any legal fees or other expenses incurred by the Indenture Trustee in defending or prosecuting any actual or threatened litigation, including any administrative proceeding, in respect of the Consumer Rate Relief Bonds or the CRR Bond Collateral.][1]

SECTION 6.06. Reports by Indenture Trustee to Holders.

(a) So long as Consumer Rate Relief Bonds are Outstanding and the Indenture Trustee is the CRR Bond Registrar and Paying Agent, upon the written request of any Holder or the Issuer, within the prescribed period of time for tax reporting purposes after the end of each calendar year, the Indenture Trustee shall deliver to each relevant current or former Holder such information in its possession as may be required to enable such Holder to prepare its U.S. federal income and any applicable local or state tax returns. If the CRR Bond Registrar and Paying Agent is other than the Indenture Trustee, such CRR Bond Registrar and Paying Agent, within the prescribed period of time for tax reporting purposes after the end of each calendar year, shall deliver to each relevant current or former Holder such information in its possession as may be required to enable such Holder to prepare its U.S. federal income and any applicable local or state tax returns.

[1] **Note to Form**: Pending further review by U.S. Bank.

(b) On or prior to each Payment Date or Special Payment Date therefor, the Indenture Trustee will deliver or make available electronically to each Holder of the Consumer Rate Relief Bonds on such Payment Date or Special Payment Date a statement as provided and prepared by the Servicers which will include (to the extent applicable) the following information (and any other information so specified in the Series Supplement) as to the Consumer Rate Relief Bonds with respect to such Payment Date or Special Payment Date or the period since the previous Payment Date, as applicable:

(i) the amount of the payment to Holders allocable to principal, if any;

(ii) the amount of the payment to Holders allocable to interest;

(iii) the aggregate Outstanding Amount of the Consumer Rate Relief Bonds, before and after giving effect to any payments allocated to principal reported under clause (i) above;

(iv) the difference, if any, between the amount specified in clause (iii) above and the Outstanding Amount specified in the related Expected Sinking Fund Schedule;

(v) any other transfers and payments to be made on such Payment Date or Special Payment Date, including amounts paid to the Indenture Trustee and to the Servicers; and

(vi) the amounts on deposit in the Capital Subaccount and the Excess Funds Subaccount, after giving effect to the foregoing payments.

(c) The Issuer shall send a copy of each of the Certificate of Compliance delivered to it pursuant to Section 3.03 of the Servicing Agreement and the Annual Accountant's Report delivered to it pursuant to Section 3.04 of the Servicing Agreement to the Rating Agencies, the Indenture Trustee and to the Servicers for posting on the 17g-5 Website in accordance with Rule 17g-5 under the Exchange Act. A copy of such certificate and report may be obtained by any Holder by a request in writing to the Indenture Trustee.

SECTION 6.07. Compensation and Indemnity. The Issuer shall pay to the Indenture Trustee from time-to-time reasonable compensation for its services. The Indenture Trustee's compensation shall not, to the extent permitted by applicable law, be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Indenture Trustee for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Indenture Trustee's agents, counsel, accountants and experts. The Issuer shall indemnify and hold harmless the Indenture Trustee and its officers, directors, employees and agents (each, an "Indenture Trustee Indemnified Person") against any and all cost, damage, loss, liability, tax or expense (including reasonable attorney's fees and expenses, the fees of experts and agents and

any reasonable extraordinary out-of-pocket expenses) incurred by the Indenture Trustee in connection with the administration and the enforcement of this Indenture, the Series Supplement and the other Basic Documents and the Indenture Trustee's rights, powers and obligations under this Indenture, the Series Supplement and the other Basic Documents and the performance of its duties hereunder and obligations under or pursuant to this Indenture, the Series Supplement and the other Basic Documents and the costs of defending any claim or bringing any claim to enforce the Issuer's indemnification obligations hereunder; provided that any such tax on the compensation of the Indenture Trustee for its services as Indenture Trustee. The Issuer shall not be required to indemnify any Indenture Trustee Indemnified Person for any amount paid or payable by such Indenture Trustee Indemnified Person in the settlement of any action, proceeding or investigation without the prior written consent of Issuer, which consent shall not be unreasonably withheld. The Indenture Trustee Indemnified Person shall notify the Issuer in writing as soon as is reasonably practicable of any claim for which it may seek indemnity. Failure by the Indenture Trustee Indemnified Person to so notify the Issuer shall not relieve the Issuer of its obligations hereunder. The Issuer shall defend the claim, the Indenture Trustee may have separate counsel, and the Issuer shall pay the reasonable fees and expenses of such counsel; provided that the Issuer shall not be obligated to pay for the fees and expenses of more than one counsel for the Indenture Trustee Indemnified Person other than one local counsel, if appropriate. Notwithstanding the foregoing or any other provision of this Indenture, the Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Indenture Trustee through the Indenture Trustee Indemnified Person's own willful misconduct, negligence or bad faith. The rights of the Indenture Trustee set forth in this Section 6.07 are subject to and limited by the priority of payments set forth in Section 8.02(e).

The payment obligations to the Indenture Trustee pursuant to this Section 6.07 shall survive the discharge of this Indenture and the Series Supplement or the earlier resignation or removal of the Indenture Trustee. When the Indenture Trustee incurs expenses after the occurrence of a Default specified in Section 5.01(v) or (vi) with respect to the Issuer, the expenses are intended to constitute expenses of administration under the Bankruptcy Code or any other applicable U.S. federal or state bankruptcy, insolvency or similar law.

SECTION 6.08. Replacement of Indenture Trustee and Securities Intermediary.

(a) The Indenture Trustee may resign at any time upon thirty (30) days' prior written notice to the Issuer subject to clause (c) below. The Holders of a majority of the Outstanding Amount of the Consumer Rate Relief Bonds may remove the Indenture Trustee with thirty (30) days' prior written notice by so notifying the Indenture Trustee and may appoint a successor Indenture Trustee. The Issuer shall remove the Indenture Trustee if:

(i) the Indenture Trustee fails to comply with Section 6.11;

(ii) the Indenture Trustee is adjudged as bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Indenture Trustee or its property;

(iv) the Indenture Trustee otherwise becomes incapable of acting; or

(v) the Indenture Trustee fails to provide to the Issuer any information reasonably requested by the Issuer pertaining to the Indenture Trustee and necessary for the Issuer or the Sponsor to comply with its reporting obligations under the Exchange Act and Regulation AB and such failure is not resolved to the Issuer's and the Indenture Trustee's mutual satisfaction within a reasonable period of time.

Any removal or resignation of the Indenture Trustee shall also constitute a removal or resignation of the Securities Intermediary.

(b) If the Indenture Trustee or Securities Intermediary gives notice of resignation or is removed or if a vacancy exists in the office of Indenture Trustee or Securities Intermediary for any reason (the Indenture Trustee in such event being referred to herein as the retiring Indenture Trustee and the Securities Intermediary in such event being referred to herein as the retiring Securities Intermediary), the Issuer shall promptly appoint a successor Indenture Trustee or a successor Securities Intermediary, as the case may be.

(c) Each of the successor Indenture Trustee and the successor Securities Intermediary, as the case may be, shall deliver a written acceptance of its appointment as the Indenture Trustee or as the Securities Intermediary, as applicable, to the retiring Indenture Trustee and the retiring Securities Intermediary, as applicable, and to the Issuer. Thereupon the resignation or removal of the retiring Indenture Trustee or the retiring Securities Intermediary, as the case may be, shall become effective, and the successor Indenture Trustee or the successor Securities Intermediary, as applicable, shall have all the rights, powers and duties of the Indenture Trustee and Securities Intermediary, as applicable, under this Indenture, the Intercreditor Agreements and the other Basic Documents. No resignation or removal of the Indenture Trustee pursuant to this Section 6.08 shall become effective until acceptance of the appointment by a successor Indenture Trustee having the qualifications set forth in Section 6.11. Notice of any such appointment shall be promptly given to each Rating Agency by the successor Indenture Trustee. The successor Indenture Trustee shall mail a notice of its succession to Holders. The retiring Indenture Trustee shall promptly transfer all property held by it as Indenture Trustee to the successor Indenture Trustee.

(d) If a successor Indenture Trustee or a successor Securities Intermediary does not take office within sixty (60) days after the retiring Indenture Trustee or the retiring Securities Intermediary, as the case may be, resigns or is removed, the retiring Indenture Trustee or the retiring Securities Intermediary, as the case may be, the Issuer or the Holders of a majority in Outstanding Amount of the Consumer Rate Relief Bonds may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee or a successor Securities Intermediary, as the case may be.

(e) If the Indenture Trustee fails to comply with Section 6.11, any Holder may petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

(f) Notwithstanding the replacement of the Indenture Trustee or the Securities Intermediary pursuant to this Section 6.08, the Issuer's obligations under Section 6.07 shall continue for the benefit of the retiring Indenture Trustee and the retiring Securities Intermediary.

SECTION 6.09. Successor Indenture Trustee by Merger. If the Indenture Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act shall be the successor Indenture Trustee; provided, however, that if such successor Indenture Trustee is not eligible under Section 6.11, then the successor Indenture Trustee shall be replaced in accordance with Section 6.08. Notice of any such event shall be promptly given to each Rating Agency by the successor Indenture Trustee.

In case at the time such successor or successors by merger, conversion, consolidation or transfer shall succeed to the trusts created by this Indenture any of the Consumer Rate Relief Bonds shall have been authenticated but not delivered, any such successor to the Indenture Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver the Consumer Rate Relief Bonds so authenticated; and in case at that time any of the Consumer Rate Relief Bonds shall not have been authenticated, any successor to the Indenture Trustee may authenticate the Consumer Rate Relief Bonds either in the name of any predecessor hereunder or in the name of the successor to the Indenture Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Consumer Rate Relief Bonds or in this Indenture provided that the certificate of the Indenture Trustee shall have.

SECTION 6.10. Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of the trust created by this Indenture or the CRR Bond Collateral may at the time be located, the Indenture Trustee shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the trust created by this Indenture or the CRR Bond Collateral, and to vest in such Person or Persons, in such capacity and for the benefit of the Secured Parties, such title to the CRR Bond Collateral, or any part hereof, and, subject to the other provisions of this Section 6.10, such powers, duties, obligations, rights and trusts as the Indenture Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 6.11 and no notice to Holders of the appointment of any co-trustee or separate trustee shall be required under Section 6.08. Notice of any such appointment shall be promptly given to each Rating Agency and the Commission by the Indenture Trustee.

(b) Every separate trustee and co-trustee shall, to the extent permitted by applicable law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Indenture Trustee joining in such act), except to the extent that under any applicable law of any jurisdiction in which any particular act or acts are to be performed the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the CRR Bond Collateral or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Indenture Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Indenture Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Indenture Trustee shall be deemed to have been given to each of the then-separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article VI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Indenture Trustee. Every such instrument shall be filed with the Indenture Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Indenture Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by applicable law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Indenture Trustee, to the extent permitted by applicable law, without the appointment of a new or successor trustee.

SECTION 6.11. Eligibility; Disqualification. The Indenture Trustee shall at all times satisfy the requirements of TIA § 310(a)(1) and § 310(a)(5) and Section 26(a)(1) of the Investment Company Act. The Indenture Trustee shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition and it shall have a long-term debt or long-term issuer rating of "Baa3" or better by Moody's and "BBB-" or better by S&P. The Indenture Trustee shall comply with TIA § 310(b), including the optional provision permitted by the second sentence of TIA § 310(b)(9); provided, however, that there shall be excluded from the operation of TIA § 310(b)(1) any indenture or indentures under which other securities of the Issuer are outstanding if the requirements for such exclusion set forth in TIA § 310(b)(1) are met.

SECTION 6.12. Preferential Collection of Claims Against Issuer. The Indenture Trustee shall comply with TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). An Indenture Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated therein.

SECTION 6.13. Representations and Warranties of Indenture Trustee and Securities Intermediary. Each of the Indenture Trustee and the Securities Intermediary hereby represents and warrants as of the date hereof that:

(a) it is a national banking association duly organized, validly existing and in good standing under the laws of the United States;

(b) it has full power, authority and legal right to execute, deliver and perform its obligations under this Indenture and the other Basic Documents to which it is a party and has taken all necessary action to authorize the execution, delivery, and performance of obligations by it of this Indenture and such other Basic Documents; and

(c) no consent, license, approval or authorization of, or filing or registration with, any governmental authority, bureau or agency is required to be obtained that has not been obtained by it in connection with the execution, delivery or performance by it of this Indenture and the Basic Documents to which it is a party.

SECTION 6.14. Annual Report by Independent Registered Public Accountants. In the event the firm of Independent registered public accountants requires the Indenture Trustee to agree or consent to the procedures performed by such firm pursuant to Section 3.04(a) of the Servicing Agreement, the Indenture Trustee shall deliver such letter of agreement or consent in conclusive reliance upon the direction of the Issuer in accordance with Section 3.04(a) of the Servicing Agreement. In the event such firm required the Indenture Trustee to agree to the procedures performed by such firm, the Issuer shall direct the Indenture Trustee in writing to so agree, it being understood and agreed that the Indenture Trustee will deliver such letter of agreement in conclusive reliance upon the direction of the Issuer, and the Indenture Trustee makes no independent inquiry or investigation to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

SECTION 6.15. Custody of CRR Bond Collateral. The Indenture Trustee shall hold such of the CRR Bond Collateral (and any other collateral that may be granted to the Indenture Trustee) as consists of instruments, deposit accounts, negotiable documents, money, goods, letters of credit, and advices of credit in the State of New York. The Indenture Trustee shall hold such of the CRR Bond Collateral as constitute investment property through the Securities Intermediary (which, as of the date hereof, is U.S. Bank National Association). The initial Securities Intermediary, hereby agrees (and each future Securities Intermediary shall agree) with the Indenture Trustee that (a) such investment property (including cash) shall at all times be credited to a securities account of the Indenture Trustee, (b) the Securities Intermediary shall treat the Indenture Trustee as entitled to exercise the rights that comprise each financial asset credited to such securities account, (c) all property (including cash) credited to such securities account shall be treated as a financial asset, (d) the Securities Intermediary shall comply with entitlement orders originated by the Indenture Trustee without the further consent of any other Person or entity, (e) the Securities Intermediary will not agree with any Person other than the Indenture Trustee to comply with entitlement orders originated by such other Person, (f) such securities accounts and the property credited thereto shall not be subject to any Lien or right of set-off in favor of the Securities Intermediary or anyone claiming through it (other than the Indenture Trustee), and (g) such agreement shall be governed by the internal laws of the State of New York. Terms used in the preceding sentence that are defined in the UCC and not otherwise defined herein shall have the meaning set forth in the UCC. Except as permitted by this Section 6.15, or elsewhere in this Indenture, the Indenture Trustee shall not hold CRR Bond Collateral through an agent or a nominee.

SECTION 6.16. FATCA.The Issuer agrees (i) to provide the Indenture Trustee with such reasonable information as it has in its possession to enable the Indenture Trustee to determine whether any payments pursuant to the Indenture are subject to the withholding requirements described in Section 1471(b) of the Internal Revenue Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code and any regulations, or agreements thereunder or official interpretations thereof ("Applicable FATCA Law"), and (ii) that the Indenture Trustee shall be entitled to make any withholding or deduction from payments under the Indenture to the extent necessary to comply with Applicable FATCA Law, for which the Indenture Trustee shall not have any liability.

SECTION 6.17. Related Parties. It is expressly acknowledged, agreed and consented to that U.S. Bank National Association will be acting in the capacity of Securities Intermediary and its affiliate, U.S. Bank Trust Company, National Association will be acting in the capacities of Indenture Trustee, CRR Bond Registrar, Paying Agent hereunder and in such other roles as are assigned to them under the Basic Documents. Each of U.S. Bank National Association and U.S. Bank Trust Company, National Association, may in such multiple capacities, discharge its separate functions fully, without hindrance or regard to conflict of interest principles, duty of loyalty principles or other equitable principles to the extent that any such conflict arises from the performance by it of its express duties set forth in this Indenture or any other Basic Document, in any such capacities, all of which defenses, claims or assertions based on the foregoing are hereby expressly waived by the Issuer and Holders and any other Person having rights pursuant to hereto or thereto; provided, in no event shall this Section 6.17 exculpate either U.S. Bank National Association or U.S. Bank Trust Company, National Association, in the case of its own willful misconduct, negligence or bad faith.

ARTICLE VII

HOLDERS' LISTS AND REPORTS

SECTION 7.01. Issuer To Furnish Indenture Trustee Names and Addresses of Holders. The Issuer will furnish or cause to be furnished to the Indenture Trustee (a) not more than five (5) days after the earlier of (i) each Record Date and (ii) six (6) months after the last Record Date, a list, in such form as the Indenture Trustee may reasonably require, of the names and addresses of the Holders as of such Record Date, and (b) at such other times as the Indenture Trustee may request in writing, within thirty (30) days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than ten (10) days prior to the time such list is furnished; provided, however, that so long as the Indenture Trustee is the CRR Bond Registrar, no such list shall be required to be furnished.

SECTION 7.02. Preservation of Information; Communications to Holders.

(a) The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders contained in the most recent list furnished to the Indenture Trustee as provided in Section 7.01 and the names and addresses of Holders received by the Indenture Trustee in its capacity as CRR Bond Registrar. The Indenture Trustee may destroy any list furnished to it as provided in Section 7.01 upon receipt of a new list so furnished.

(b) Holders may communicate pursuant to TIA § 312(b) with other Holders with respect to their rights under this Indenture or under the Consumer Rate Relief Bonds. In addition, upon the written request of any Holder or group of Holders of Outstanding Consumer Rate Relief Bonds evidencing not less than 10 percent of the Outstanding Amount of the Consumer Rate Relief Bonds, the Indenture Trustee shall afford the Holder or Holders making such request a copy of a current list of Holders for purposes of communicating with other Holders with respect to their rights hereunder; provided, that the Indenture Trustee gives prior written notice to the Issuer of such request.

(c) The Issuer, the Indenture Trustee and the CRR Bond Registrar shall have the protection of TIA § 312(c).

SECTION 7.03. Reports by Issuer.

(a) The Issuer shall:

(i) so long as the Issuer or the Sponsor is required to file such documents with the SEC, provide to the Indenture Trustee, within fifteen (15) days after the Issuer is required to file the same with the SEC, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) which the Issuer or the Sponsor may be required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act;

(ii) provide to the Indenture Trustee and file with the SEC, in accordance with rules and regulations prescribed from time to time by the SEC such additional information, documents and reports with respect to compliance by the Issuer with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(iii) supply to the Indenture Trustee (and the Indenture Trustee shall transmit to all Holders described in TIA § 313(c)), such summaries of any information, documents and reports required to be filed by the Issuer pursuant to clauses (i) and (ii) of this Section 7.03(a) as may be required by rules and regulations prescribed from time to time by the SEC.

(b) Except as may be provided by TIA § 313(c), the Issuer may fulfill its obligation to provide the materials described in Section 7.03(a) by providing such materials in electronic format, and the Issuer shall be deemed to have provided such materials to the Indenture Trustee if such materials are available on the SEC's EDGAR website (or any successor SEC website).

(c) Delivery of such reports, information and documents to the Indenture Trustee is for informational purposes only and the Indenture Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Indenture Trustee is entitled to rely exclusively on Officer's Certificates).

(d) Unless the Issuer otherwise determines, the fiscal year of the Issuer shall end on December 31 of each year.

SECTION 7.04. Reports by Indenture Trustee.

(a) If required by TIA § 313(a), within sixty (60) days after March 30 of each year, commencing with March 30, 202[•], the Indenture Trustee shall send to each Holder as required by TIA § 313(c) a brief report dated as of such date that complies with TIA § 313(a). The Indenture Trustee also shall comply with TIA § 313(b); provided, however, that the initial report if required to be so issued shall be delivered not more than twelve (12) months after the initial issuance of the Consumer Rate Relief Bonds.

(b) A copy of each report at the time of its sending to Holders shall be filed by the Servicers with the SEC and each stock exchange, if any, on which the Consumer Rate Relief Bonds are listed. The Issuer shall notify the Indenture Trustee in writing if and when the Consumer Rate Relief Bonds are listed on any stock exchange.

ARTICLE VIII

ACCOUNTS, DISBURSEMENTS AND RELEASES

SECTION 8.01. Collection of Money. Except as otherwise expressly provided herein, the Indenture Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Indenture Trustee pursuant to this Indenture and the other Basic Documents. The Indenture Trustee shall apply all such money received by it as provided in this Indenture. Except as otherwise expressly provided in this Indenture, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the CRR Bond Collateral, the Indenture Trustee may take such action as may be appropriate to enforce such payment or performance, subject to Article VI, including the institution and prosecution of appropriate Proceedings. Any such action shall be without prejudice to any right to claim a Default or Event of Default under this Indenture and any right to proceed thereafter as provided in Article V.

SECTION 8.02. Joint Collection Account and Payment Account.

(a) On or prior to the Closing Date, the Issuer shall open or cause to be opened with the Securities Intermediary, or at another Eligible Institution, (1) a joint account together with the WPCo Issuer for the deposit by the Issuer of Estimated CRR Charge Collections, CRR Charge Collections and all other amounts received with respect to the CRR Bond Collateral and by the WPCo Issuer of similar amounts under the WPCo Indenture (the

"Joint Collection Account") and (2) one or more segregated trust accounts in the Indenture Trustee's name for the transfer of APCo Transfer Amounts from the Joint Collection Account (such trust accounts collectively, the "Payment Account"). The Securities Intermediary shall (i) hold the Joint Collection Account for the benefit of the Control Agent on behalf of the Indenture Trustee and the WPCo Indenture Trustee and the other Persons indemnified hereunder and under the WPCO Indenture and (ii) hold the Payment Account for the benefit of the Secured Parties and other Persons indemnified hereunder. Initially, the Payment Account shall be divided into three subaccounts, which need not be separate accounts: a general subaccount (the "General Subaccount"), an excess funds subaccount (the "Excess Funds Subaccount") and a capital subaccount (the "Capital Subaccount" and, together with the General Subaccount and the Excess Funds Subaccount, the "Subaccounts"). For administrative purposes, the Subaccounts may be established by the Securities Intermediary as separate accounts. Such separate Subaccounts will be recognized individually as a Subaccount and collectively as the "Payment Account." Prior to or concurrently with the issuance of Consumer Rate Relief Bonds, the Member shall deposit into the Capital Subaccount an amount equal to the Required Capital Level. Unless otherwise provided herein, all amounts in the Payment Account not allocated to any other Subaccount shall be allocated to the General Subaccount. Prior to the initial Payment Date, all amounts in the Payment Account (other than funds deposited into the Capital Subaccount, up to the Required Capital Level and any Permitted Return) shall be allocated to the General Subaccount. All references to the Payment Account shall be deemed to include reference to all Subaccounts contained therein. Withdrawals from and deposits to the Joint Collection Account shall be made as set forth in the Servicing Agreement and the CRR Property Intercreditor Agreement. Withdrawals from and deposits to each of the foregoing Subaccounts of the Payment Account shall be made as set forth in Section 8.02(d) and (e). The Joint Collection Account and the Payment Account shall each at all times be maintained in an Eligible Account. Funds in the Payment Account shall not be commingled with any other moneys. All moneys deposited from time to time in the Payment Account, all deposits therein pursuant to this Indenture, and all investments made in Eligible Investments as directed in writing by the Issuer with such moneys, including all income or other gain from such investments other than Permitted Return, shall be held by the Securities Intermediary in the Payment Account as part of the CRR Bond Collateral as herein provided. Neither the Indenture Trustee nor the Securities Intermediary shall have any liability in respect of losses incurred as a result of the liquidation of any Eligible Investment prior to its stated maturity or its date of redemption or the failure of the Issuer or the Servicers to provide timely written investment direction.

(b) The Securities Intermediary hereby confirms that:

(x) with respect to the Joint Collection Account, (i) the Joint Collection Account is, or at inception will be established as, a "securities account" as such term is defined in Section 8-501(a) of the UCC, (ii) the Securities Intermediary is a "securities intermediary" (as such term is defined in Section 8-102(a) (14) of the UCC) and is acting in such capacity with respect to such accounts, (iii) the Control Agent, for the benefit of the Indenture Trustee and the WPCo Indenture Trustee, is the sole "entitlement holder" (as such term is defined in Section 8-102(a)(7) of the UCC) with respect to the Joint Collection Account and no other Person shall have the right to give "entitlement orders" (as such term is defined in Section 8-102(a)(8)) with respect to the Joint Collection Account and (iv) the Securities Intermediary agrees to comply with "entitlement orders" originated by the Control Agent with respect to the Joint Collection Account without further consent of the Issuer or any other Person; and

(y) with respect to the Payment Account, (i) the Payment Account is, or at inception will be established as, a "securities account" as such term is defined in Section 8-501(a) of the UCC, (ii) the Securities Intermediary is a "securities intermediary" (as such term is defined in Section 8-102(a)(14) of the UCC) and is acting in such capacity with respect to the Payment Account, (iii) the Indenture Trustee for the benefit of the Secured Parties is the sole "entitlement holder" (as such term is defined in Section 8-102(a)(7) of the UCC) with respect to the Payment Account and no other Person shall have the right to give "entitlement orders" (as such term is defined in Section 8-102(a)(8)) with respect to the Payment Account and (iv) the Securities Intermediary agrees to comply with "entitlement orders" originated by the Indenture Trustee with respect to the Payment Account without further consent of the Issuer or any other Person.

The Securities Intermediary hereby further agrees that each item of property (whether investment property, financial asset, security, instrument or cash) received by it will be credited to the Joint Collection Account or Payment Account, as applicable, and shall be treated by it as a "financial asset" within the meaning of Section 8-102(a)(9) of the UCC. Notwithstanding anything to the contrary, for purposes of the UCC, the State of New York shall be deemed to be the "securities intermediary's jurisdiction" within the meaning of Section 8-110(e) of the UCC of the Securities Intermediary and the "bank's jurisdiction" within the meaning of Section 9-304(a) of the UCC of the Securities Intermediary acting as a "bank," and the Joint Collection Account and the Payment Account (as well as the securities entitlements related thereto) shall be governed by the laws of the State of New York. The Securities Intermediary represents and agrees that (i) each "account agreement" (within the meaning of the Hague Securities Convention) establishing the Joint Collection Account and Payment Account is governed by the law of the State of New York and that the law of the State of New York shall govern all issues specified in Article 2(1) of the Hague Securities Convention and (ii) at the time of entry of such account agreement, the Securities Intermediary had one or more offices (within the meaning of the Hague Securities Convention) in the United States of America which satisfies the criteria provided in Article 4(1)(a) or (b) of the Hague Securities Convention.

(c) The Control Agent (on behalf of each of the Indenture Trustee and the WPCo Indenture Trustee) shall have sole dominion and exclusive control over all moneys in the Joint Collection Account through the Securities Intermediary and shall apply such amounts therein as provided in the Servicing Agreement and the Intercreditor Agreement. The Indenture Trustee shall have sole dominion and exclusive control over all moneys in the Payment Account through the Securities Intermediary and shall apply such amounts therein as provided in this Section 8.02. The Indenture Trustee shall also pay from the Payment Account, or transfer to the Joint Collection Account, any amounts requested in writing to be paid by or to the Servicers pursuant to Section 6.11(c) of the Servicing Agreement or Section 2(h) of the CRR Property Intercreditor Agreement.

(d) CRR Charge Collections shall be deposited in the Joint Collection Account and the APCo Transfer Amounts transferred from the Joint Collection Account shall be deposited in the General Subaccount of the Payment Account, all as provided in Section 6.11 of the Servicing Agreement; provided that amounts shall be transferred from the Payment Account to the Joint Collection Account to the extent required pursuant to Section 6.11(c) of the Servicing Agreement or Section 2(h) of the CRR Property Intercreditor Agreement. All deposits to and withdrawals from the Joint Collection Account, the Payment Account, all allocations to the Subaccounts of the Payment Account and any amounts to be paid to the Servicers under Section 8.02(c) shall be made by the Indenture Trustee in accordance with the written instructions provided by the Servicers in the Monthly Servicers' Certificate, the Semi-Annual Servicers' Certificate or upon other written notice provided by the Servicers pursuant to Section 6.11(a) of the Servicing Agreement or the Intercreditor Agreements, as applicable.

(e) On each Payment Date, the Indenture Trustee shall apply all amounts on deposit in the Payment Account, including all Investment Earnings thereon, to pay the following amounts, solely in accordance with the Semi-Annual Servicers' Certificate, in the following priority:

(i) payment of (A) the Indenture Trustee's fees, expenses and outstanding indemnity amounts shall be paid to the Indenture Trustee (subject to Section 6.07) and (B) the Control Agent's fees, expenses and outstanding indemnity amounts, to the extent allocable to the Consumer Rate Relief Bonds under the CRR Property Intercreditor Agreement, shall be paid to the Control Agent; provided that, the amounts in clauses (A) and (B) shall collectively be in an amount not to exceed $200,000 in any 12-month period (the "Indenture Trustee and Control Agent Cap"); provided, however, that the Indenture Trustee and Control Agent Cap shall be disregarded and inapplicable upon the acceleration of the Consumer Rate Relief Bonds upon an Event of Default;

(ii) payment of the Servicing Fee with respect to such Payment Date, plus all unpaid Servicing Fees for prior Payment Dates, shall be paid to the applicable Servicer(s);

(iii) payment of the Administration Fee for such Payment Date shall be paid to the Administrator and the Independent Manager Fee for such Payment Date shall be paid to the Independent Managers, and in each case with any unpaid Administration Fees or Independent Manager Fees from prior Payment Dates;

(iv) payment of all other ordinary and periodic Operating Expenses for such Payment Date (including Reimbursable Servicing Expenses and Reimbursable Administrative Expenses) not described above shall be paid to the parties to which such Operating Expenses are owed;

(v) payment of Periodic Interest for such Payment Date, including any overdue Periodic Interest (together with, to the extent lawful, interest on such overdue Periodic Interest at the applicable Bond Interest Rate), with respect to the Consumer Rate Relief Bonds shall be paid to the Holders of Consumer Rate Relief Bonds;

(vi) payment of principal due to be paid on the Consumer Rate Relief Bonds on the Final Maturity Date or as a result of an acceleration upon an Event of Default shall be paid to the Holders of Consumer Rate Relief Bonds;

(vii) Periodic Principal for such Payment Date, including any previously unpaid Periodic Principal, with respect to the Consumer Rate Relief Bonds shall be paid to the Holders of Consumer Rate Relief Bonds;

(viii) payment of any other unpaid fees, expenses and indemnity amounts owed to the Indenture Trustee and, to the extent allocable to the Consumer Rate Relief Bonds under the CRR Property Intercreditor Agreement, the Control Agent, including any amounts owing to the Indenture Trustee and the Control Agent but unpaid due to the limitation in clause (i) above, shall be paid to Indenture Trustee and the Control Agent, pro rata;

(ix) payment of any other unpaid Operating Expenses and any remaining amounts owed pursuant to the Basic Documents shall be paid to the Parties, pro rata, to which such remaining unpaid Operating Expenses and remaining amounts are owed;

(x) replenishment of the amount, if any, by which the Required Capital Level exceeds the amount in the Capital Subaccount as of such Payment Date shall be allocated to the Capital Subaccount;

(xi) payment of the Permitted Return then due and payable shall be paid to APCo;

(xii) the balance, if any, shall be allocated to the Excess Funds Subaccount for distribution on subsequent Payment Dates pursuant to this Section 8.02(e); and

(xiii) after the Consumer Rate Relief Bonds have been paid in full and discharged, and all of the other foregoing amounts have been paid in full, together with all amounts due and payable to the Indenture Trustee under Section 6.07 or otherwise, the balance (including all amounts then held in the Capital Subaccount and the Excess Funds Subaccount), if any, shall be paid to the Issuer, free from the Lien of this Indenture and the Series Supplement, and credited (other than an amount equal to the Required Capital Level plus any unpaid Permitted Return) to Customers through normal ratemaking processes consistent with the Financing Order.

All payments to the Holders of the Consumer Rate Relief Bonds pursuant to clauses (v), (vi) and (vii) above shall be made to such Holders pro rata based on the respective amounts of interest and/or principal owed, unless, in the case of Consumer Rate Relief Bonds comprised of two or more Tranches, the Series Supplement provides otherwise. Payments in respect of principal of and premium, if any, and interest on any Tranche of Consumer Rate Relief Bonds will be made on a pro rata basis among all the Holders of such Tranche. In the case of an Event of Default, then, in accordance with Section 5.04(c), in respect of any application of moneys pursuant to Section 8.02(e)(v) or (vi), moneys will be applied pursuant to clauses (v) and (vi), as the case may be, in such order, on a pro rata basis, based upon the interest or the principal owed.

The amounts paid during any calendar year pursuant to clauses (i) and (iv) of Section 8.02(e) may not exceed the amounts, if any, set forth in the Series Supplement.

(f) If on any Payment Date, or for any amounts payable under clauses (i) through (iv) above, on any Business Day, funds on deposit in the General Subaccount are insufficient to make the payments contemplated by clauses (i) through (ix) of Section 8.02(e) above, the Indenture Trustee shall solely in accordance with the Semi-Annual Servicers' Certificate (i) first, draw from amounts on deposit in the Excess Funds Subaccount and (ii) second, draw from amounts on deposit in the Capital Subaccount, in each case, up to the amount of such shortfall in order to make the payments contemplated by clauses (i) through (ix) of Section 8.02(e). In addition, if on any Payment Date funds on deposit in the General Subaccount are insufficient to make the allocations contemplated by clause (x) of Section 8.02(e) above, the Indenture Trustee shall draw, solely in accordance with the Semi-Annual Servicers' Certificate from amounts on deposit in the Excess Funds Subaccount to make such allocations to the Capital Subaccount.

(g) On any Business Day upon which the Indenture Trustee receives a written request from the Administrator stating that any Operating Expense payable by the Issuer (but only as described in Section 8.02(e)(i) through (iv) above) will become due and payable prior to the next succeeding Payment Date, and setting forth the amount and nature of such Operating Expense and the date such Operating Expense is due, as well as any supporting documentation that the Indenture Trustee may reasonably request, the Indenture Trustee upon receipt of such information, will make payment of such Operating Expenses on or before the date such payment is due from amounts on deposit in the General Subaccount, the Excess Funds Subaccount and the Capital Subaccount, in that order and only to the extent required to make such payment.

SECTION 8.03. General Provisions Regarding the Payment Account.

(a) So long as no Default or Event of Default shall have occurred and be continuing, all or a portion of the funds in the Payment Account shall be invested in Eligible Investments and reinvested by the Indenture Trustee upon Issuer Order; provided, however, that such Eligible Investments shall not mature or be redeemed later than the Business Day prior to the next Payment Date or Special Payment Date, if applicable, for the Consumer Rate Relief Bonds. All income or other gain from investments of moneys deposited in the Payment Account shall be deposited by the Indenture Trustee in such Payment Account, and any loss resulting from such investments shall be charged to the Payment Account. The Issuer will not direct the Indenture Trustee to make any investment of any funds or to sell any investment held in the Payment Account unless the security interest Granted and perfected in such account will continue to be perfected in such investment or the proceeds of such sale, in either case without any further action by any Person, and, in connection with any direction to the Indenture Trustee to make any such investment or sale, if requested by the Indenture Trustee, the Issuer shall deliver to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer (at the Issuer's cost and expense) to such effect. In no event shall the Indenture Trustee be liable for the selection of Eligible Investments or for investment losses incurred thereon. The Indenture Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any Eligible Investment prior to its stated maturity or its date of redemption or the failure of the Issuer or the Servicers to provide timely and specific written investment direction. The Indenture Trustee shall have no obligation to invest or reinvest any amounts held hereunder in the absence of written investment direction pursuant to an Issuer Order, in which case such amounts shall remain uninvested.

(b) Subject to Section 6.01(c), the Indenture Trustee shall not in any way be held liable by reason of any insufficiency in the Payment Account resulting from any loss on any Eligible Investment included therein except for losses attributable to the Indenture Trustee's failure to make payments on such Eligible Investments issued by the Indenture Trustee, in its commercial capacity as principal obligor and not as trustee, in accordance with their terms.

(c) If (i) the Issuer shall have failed to give written investment directions for any funds on deposit in the Payment Account to the Indenture Trustee by 11:00 a.m. New York City Time (or such other time as may be agreed by the Issuer and Indenture Trustee) on any Business Day; or (ii) a Default or Event of Default shall have occurred and be continuing with respect to the Consumer Rate Relief Bonds but the Consumer Rate Relief Bonds shall not have been declared due and payable pursuant to Section 5.02, then the Indenture Trustee shall, to the fullest extent practicable, invest and reinvest funds in the Payment Account in Eligible Investments specified in the most recent written investment directions delivered by the Issuer to the Indenture Trustee; provided, that if the Issuer has never delivered written investment directions to the Indenture Trustee, the Indenture Trustee shall not invest or reinvest such funds in any investments.

(d) The parties hereto acknowledge that the Servicers may, pursuant to the Servicing Agreement, select Eligible Investments on behalf of the Issuer; provided, however, that any such investment direction on behalf of the Issuer must be given in writing to the Indenture Trustee.

(e) Except as otherwise provided hereunder or agreed in writing among the parties hereto, the Issuer shall retain the authority to institute, participate and join in any plan of reorganization, readjustment, merger or consolidation with respect to the issuer of any Eligible Investments held hereunder, and, in general, to exercise each and every other power or right with respect to each such asset or investment as Persons generally have and enjoy with respect to their own assets and investment, including power to vote upon any Eligible Investments.

SECTION 8.04. Release of CRR Bond Collateral.

(a) So long as the Issuer is not in Default hereunder and no Default or Event of Default hereunder would occur as a result of such action, the Issuer, through the Servicers, may collect, sell or otherwise dispose of written-off receivables, at any time and from time to time in the ordinary course of business, without any notice to, or release or consent by, the Indenture Trustee, but only as and to the extent permitted by the Basic Documents; provided, however, that any and all proceeds of such dispositions shall become part of the CRR Bond Collateral and be deposited to the Joint Collection Account promptly upon receipt thereof by the Issuer or any other Person, including any Servicer. Without limiting the foregoing, each Servicer, may, at any time and from time to time without any notice to, or release or consent by, the Indenture Trustee, sell or otherwise dispose of any part of the CRR Bond Collateral previously written-off as a defaulted or uncollectible account in accordance with the terms of the Servicing Agreement and the requirements of the proviso in the immediately preceding sentence.

(b) The Indenture Trustee may, and when required by the provisions of this Indenture shall, execute instruments to release property from the Lien of this Indenture, or convey the Indenture Trustee's interest in the same, in a manner and under circumstances that are not inconsistent with the provisions of this Indenture. No party relying upon an instrument executed by the Indenture Trustee as provided in this Article VIII shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys. The Indenture Trustee shall release property from the Lien of this Indenture pursuant to this Section 8.04(b) only upon receipt of an Issuer Request accompanied by an Officer's Certificate, an Opinion of Counsel of external counsel of the Issuer (at the Issuer's cost and expense) and (if required by the TIA) Independent Certificates in accordance with TIA §§ 314(c) and 314(d)(1) meeting the applicable requirements of Section 10.01.

(c) The Indenture Trustee shall, at such time as there are no Consumer Rate Relief Bonds Outstanding and all other Financing Costs are paid and full and all sums payable to the Indenture Trustee pursuant to Section 6.07 or otherwise have been paid, release any remaining portion of the CRR Bond Collateral that secured the Consumer Rate Relief Bonds from the Lien of this Indenture and release to the Issuer or any other Person entitled thereto any funds or investments then on deposit in or credited to the Payment Account in accordance with Section 8.02.

SECTION 8.05. Opinion of Counsel. The Indenture Trustee shall receive at least seven (7) days' notice when requested by the Issuer to take any action pursuant to Section 8.04, accompanied by copies of any instruments involved, and the Indenture Trustee shall also require, as a condition to such action, an Opinion of Counsel of external counsel of the Issuer, in form and substance satisfactory to the Indenture Trustee, stating the legal effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of such action have been complied with and such action will not materially and adversely impair the perfection or priority of the remaining security for the Consumer Rate Relief Bonds or the rights of the Holders in contravention of the provisions of this Indenture and the Series Supplement; provided, however, that such Opinion of Counsel shall not be required to express an opinion as to the fair value of the CRR Bond Collateral. Counsel rendering any such opinion may rely, without independent investigation, on the accuracy and validity of any certificate or other instrument delivered to the Indenture Trustee in connection with any such action.

SECTION 8.06. Reports by Independent Registered Public Accountants. As of the Closing Date, the Issuer shall appoint a firm of Independent registered public accountants of recognized national reputation for purposes of preparing and delivering the reports or certificates of such accountants required by this Indenture and the Series Supplement. In the event such firm requires the Indenture Trustee to agree to the procedures performed by such firm, the Issuer shall direct the Indenture Trustee in writing to so agree; it being understood and agreed that the Indenture Trustee will deliver such letter of agreement in conclusive reliance upon the direction of the Issuer, and the Indenture Trustee makes no independent inquiry or investigation to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures. Upon any resignation by, or termination by the Issuer of, such firm the Issuer shall provide written notice thereof to the Indenture Trustee and shall promptly appoint a successor

thereto that shall also be a firm of Independent registered public accountants of recognized national reputation. If the Issuer shall fail to appoint a successor to a firm of Independent registered public accountants that has resigned or been terminated within fifteen (15) days after such resignation or termination, the Servicers shall promptly notify the Issuer of such failure in writing. If the Issuer shall not have appointed a successor within ten (10) days thereafter the Servicers shall promptly appoint a successor firm of Independent registered public accountants of recognized national reputation. The fees of such Independent registered public accountants and its successor shall be payable by the Issuer as an Operating Expense.

ARTICLE IX

Supplemental Indentures

SECTION 9.01. Supplemental Indentures Without Consent of Holders.

(a) Without the consent of the Holders of any Consumer Rate Relief Bonds but with prior notice to the Rating Agencies, the Issuer and the Indenture Trustee, when authorized by an Issuer Order and, if the contemplated amendment may in the judgment of the Issuer increase Ongoing Financing Costs, with the consent of the Commission pursuant to Section 9.03 (which consent shall not be required with regard to the Series Supplement), at any time and from time to time, may enter into one or more indentures supplemental hereto (which shall conform to the provisions of the TIA as in force at the date of the execution thereof), in form satisfactory to the Indenture Trustee, for any of the following purposes:

(i) to correct or amplify the description of any property, including, without limitation, the CRR Bond Collateral, at any time subject to the Lien of this Indenture, or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the Lien of this Indenture and the Series Supplement, or to subject to the Lien of this Indenture and the Series Supplement additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another Person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Consumer Rate Relief Bonds;

(iii) to add to the covenants of the Issuer, for the benefit of the Secured Parties, or to surrender any right or power herein conferred upon the Issuer;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Indenture Trustee;

(v) to cure any ambiguity or mistake, to correct or supplement any provision herein or in any supplemental indenture, including the Series Supplement, which may be inconsistent with any other provision herein or in any supplemental indenture, including the Series Supplement, or to make any other provisions with respect to matters or questions arising under this Indenture or in any supplemental indenture; provided that (i) such action shall not, as evidenced by an Officer's Certificate of the Issuer, adversely affect in any material respect the interests of the Holders of the Consumer Rate Relief Bonds and (ii) the Rating Agency Condition shall have been satisfied with respect thereto;

(vi) to evidence and provide for the acceptance of the appointment hereunder by a successor trustee with respect to the Consumer Rate Relief Bonds and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Article VI;

(vii) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under the TIA or under any similar or successor federal statute hereafter enacted and to add to this Indenture such other provisions as may be expressly required by the TIA;

(viii) to evidence the final terms of the Consumer Rate Relief Bonds in the Series Supplement;

(ix) to qualify the Consumer Rate Relief Bonds for registration with a Clearing Agency;

(x) to satisfy any Rating Agency requirements;

(xi) to make any amendment to this Indenture or the Consumer Rate Relief Bonds relating to the transfer and legending of the Consumer Rate Relief Bonds to comply with applicable securities laws; or

(xii) to conform the text of this Indenture or the Consumer Rate Relief Bonds to any provisions of the registration statement filed by the Issuer with the SEC with respect to the issuance of the Consumer Rate Relief Bonds to the extent that such provision was intended to be a verbatim recitation of a provision of this Indenture or the Consumer Rate Relief Bonds; or

(xiii) to authorize the appointment of any fiduciary for the Consumer Rate Relief Bonds required or advisable with the listing of the Consume Rate Relief Bonds on any stock exchange and otherwise amend this Indenture to incorporate changes requested or required by any Government Authority, stock exchange authority or fiduciary for the Consumer Rate Relief Bonds in connection with such listing.

The Indenture Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained.

(b) The Issuer and the Indenture Trustee, when authorized by an Issuer Order, may, also without the consent of any of the Holders of the Consumer Rate Relief Bonds, with the consent of the Commission pursuant to Section 9.03 if required thereunder, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Consumer Rate Relief Bonds under this Indenture; provided, however, that (i) such action shall not, as evidenced by an Opinion of Counsel of nationally recognized counsel of the Issuer experienced in structured finance transactions, adversely affect in any material respect the interests of the Holders and (ii) the Rating Agency Condition shall have been satisfied with respect thereto.

SECTION 9.02. Supplemental Indentures with Consent of Holders. The Issuer and the Indenture Trustee, when authorized by an Issuer Order, also may, with the consent of the Commission pursuant to Section 9.03, if required thereunder, with prior notice to the Rating Agencies and with the consent of the Holders of not less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds of each Tranche to be affected, by Act of such Holders delivered to the Issuer and the Indenture Trustee, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Consumer Rate Relief Bonds under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Consumer Rate Relief Bond of each Tranche affected thereby:

(i) change the date of payment of any installment of principal of or premium, if any, or interest on any Consumer Rate Relief Bond of such Tranche, or reduce the principal amount thereof, the interest rate thereon or premium, if any, with respect thereto, change the provisions of this Indenture and the Series Supplement relating to the application of collections on, or the proceeds of the sale of, the CRR Bond Collateral to payment of principal of or premium, if any, or interest on the Consumer Rate Relief Bonds, or change any place of payment where, or the coin or currency in which, any Consumer Rate Relief Bond or the interest thereon is payable;

(ii) reduce the percentage of the Outstanding Amount of the Consumer Rate Relief Bonds or of a Tranche thereof, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(iii) reduce the percentage of the Outstanding Amount of the Consumer Rate Relief Bonds or Tranche thereof required to direct the Indenture Trustee to direct the Issuer to sell or liquidate the CRR Bond Collateral pursuant to Section 5.04;

(iv) modify any provision of this Section 9.02 except to increase any percentage specified herein or to provide that those provisions of this Indenture or the other Basic Documents referenced in this Section 9.02 cannot be modified or waived without the consent of the Holder of each Outstanding Consumer Rate Relief Bond affected thereby;

(v) modify any of the provisions of this Indenture in such manner as to affect the calculation of the amount of any payment of interest, principal or premium, if any, due on any Consumer Rate Relief Bond on any Payment Date (including the calculation of any of the individual components of such calculation) or change the Expected Sinking Fund Schedule, Expected Amortization Schedule or Final Maturity Date of any Tranche of Consumer Rate Relief Bonds;

(vi) decrease the Required Capital Level;

(vii) permit the creation of any Lien ranking prior to or on a parity with the Lien of this Indenture with respect to any part of the CRR Bond Collateral or, except as otherwise permitted or contemplated herein, terminate the Lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Consumer Rate Relief Bond of the security provided by the Lien of this Indenture;

(viii) cause any material adverse U.S. federal income tax consequence to the Seller, the Issuer, the Managers, the Indenture Trustee or the then-existing Holders; or

(ix) impair the right to institute suit for the enforcement of the provisions of this Indenture regarding payment or application of funds.

It shall not be necessary for any Act of Holders under this Section 9.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Promptly after the execution by the Issuer and the Indenture Trustee of any supplemental indenture pursuant to this Section 9.02, the Issuer shall mail to the Rating Agencies a copy of such supplemental indenture and to the Holders of the Consumer Rate Relief Bonds to which such supplemental indenture relates either a copy of such supplemental indenture or a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 9.03. Commission Condition. Notwithstanding anything to the contrary in Section 9.01 or 9.02, no supplemental indenture (other than the Series Supplement) that would result in an increase to Ongoing Financing Costs shall be effective unless the process set forth in this Section 9.03 has been followed.

(a) At least thirty-one (31) days prior to the effectiveness of any such supplemental indenture and after obtaining the other necessary approvals set forth in Section 9.01 or 9.02, as applicable, except for the written consent of the Indenture Trustee and subject to the written consent of the Joint Majority Holder, the Issuer shall have delivered to the Commission's executive secretary and general counsel written notification of any proposed supplemental indenture, which notification shall contain:

(i) a reference to Case No. 25-0310-E-PC.

(ii) an Officer's Certificate stating that the proposed supplemental indenture has been approved by all parties to this Indenture; and

(iii) a statement identifying the person to whom the Commission or its authorized representative is to address any response to the proposed supplemental indenture or to request additional time.

(b) The Commission or its authorized representative shall, within thirty (30) days after receiving the notification complying with Section 9.03(a) above, either:

(i) provide notice of its determination that the proposed supplemental indenture will not under any circumstances have the effect of increasing the Ongoing Financing Costs,

(ii) provide notice of its consent or lack of consent to the person specified in Section 9.03(a)(iii) above, or

(iii) be conclusively deemed to have consented to the proposed supplemental indenture,

unless, within thirty (30) days after receiving the notification complying with Section 9.03(a) above, the Commission or its authorized representative delivers to the office of the person specified in Section 9.03(a)(iii) above a written statement requesting an additional amount of time not to exceed thirty (30) days in which to consider whether to consent to the proposed supplemental indenture. If the Commission or its authorized representative requests an extension of time in the manner set forth in the preceding sentence, then the Commission shall either provide notice of its consent or lack of consent or notice of its determination that the proposed supplemental indenture will not under any circumstances increase Ongoing Financing Costs to the person specified in Section 9.03(a)(iii) above no later than the last day of such extension of time or be conclusively deemed to have consented to the proposed supplemental indenture on the last day of such extension of time. Any supplemental indenture requiring the consent of the Commission shall become effective on the later of (i) the date proposed by the parties to such supplemental indenture and (ii) the first day after the expiration of the thirty (30) day period provided for in this Section 9.03(b), or, if such period has been extended pursuant hereto, the first day after the expiration of such period as so extended.

(c) Following the delivery of a notice to the Commission by the Issuer under Section 9.03(a) above, the Issuer shall have the right at any time to withdraw from the Commission further consideration of any notification of a proposed supplemental indenture. Such withdrawal shall be evidenced by the prompt written notice thereof by the Issuer to the Commission, the Indenture Trustee and the Servicers.

(d) For the purpose of this Section 9.03, an "authorized representative" of the Commission means any person authorized to act on behalf of the Commission.

(e) In no event shall the Indenture Trustee be responsible or liable for determining if an amendment or modification of this Agreement would result in an Ongoing Financing Cost, nor shall the Indenture Trustee be charged with monitoring or satisfying the requirements of this Section 9.03.

SECTION 9.04. Execution of Supplemental Indentures. In executing any supplemental indenture permitted by this Article IX or the modifications thereby of the CRR Bond Collateral, the Indenture Trustee shall be entitled to receive, and subject to Sections 6.01 and 6.02, shall be fully protected in relying upon an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and all conditions precedent, if any, provided for in this Indenture relating to such supplemental indenture or modification have been satisfied. The Indenture Trustee and the Securities Intermediary may, but shall not be obligated to, enter into any such supplemental indenture that affects the Indenture Trustee's or the Securities Intermediary's own rights, duties, liabilities or immunities under this Indenture or otherwise. All fees, costs and expenses (including attorneys' fees and expenses) in connection with any such supplemental indenture shall be paid by the requesting party, provided, however, that any and all such fees, costs, and expenses (including attorneys' fees and expenses) incurred by the Indenture Trustee shall be paid and/or reimbursed by the Issuer.

SECTION 9.05. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith with respect to each Tranche of Consumer Rate Relief Bonds affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Indenture Trustee, the Issuer and the Holders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.06. Conformity with Trust Indenture Act. Every amendment of this Indenture and every supplemental indenture executed pursuant to this Article IX shall conform to the requirements of the TIA as then in effect so long as this Indenture shall then be qualified under the TIA.

SECTION 9.07. Reference in Consumer Rate Relief Bonds to Supplemental Indentures. Consumer Rate Relief Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and if required by the Indenture Trustee shall, bear a notation in a form approved by the Indenture Trustee as to any matter provided for in such supplemental indenture. If the Issuer or the Indenture Trustee shall so determine, new Consumer Rate Relief Bonds so modified as to conform, in the opinion of the Indenture Trustee and the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Consumer Rate Relief Bonds.

ARTICLE X

Miscellaneous

SECTION 10.01. Compliance Certificates and Opinions, etc.

(a) Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Indenture Trustee (i) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, (ii) an Opinion of Counsel stating that in the opinion of such counsel the amendment is authorized and permitted and all such conditions precedent, if any, have been complied with and (iii) (if required by the TIA) an Independent Certificate from a firm of registered public accountants meeting the applicable requirements of this Section 10.01, except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether, in the opinion of each such signatory, such condition or covenant has been complied with.

(b) (i) Prior to the deposit of any CRR Bond Collateral or other property or securities with the Indenture Trustee that is to be made the basis for the release of any property or securities subject to the Lien of this Indenture, the Issuer shall, in addition to any obligation imposed in Section 10.01(a) or elsewhere in this Indenture, furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of each Person signing such certificate as to the fair value (within ninety (90) days of such deposit) to the Issuer of the CRR Bond Collateral or other property or securities to be so deposited.

(ii) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (i) above, the Issuer shall also deliver to the Indenture Trustee an Independent Certificate as to the same matters, if the fair value to the Issuer of the securities to be so deposited and of all other such securities made the basis of any such withdrawal or release since the commencement of the then-current fiscal year of the Issuer, as set forth in the certificates delivered pursuant to clause (i) above and this clause (ii), is ten percent or more of the Outstanding Amount of the Consumer Rate Relief Bonds, but such a certificate need not be furnished with respect to any securities so deposited, if the fair value thereof to the Issuer as set forth in the related Officer's Certificate is less than the lesser of (A) $25,000 or (B) one percent of the Outstanding Amount of the Consumer Rate Relief Bonds.

(iii) Whenever any property or securities are to be released from the Lien of this Indenture other than pursuant to Section 8.02(e), the Issuer shall also furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of each Person signing such certificate as to the fair value (within ninety (90) days of such release) of the property or securities proposed to be released and stating that in the opinion of such Person the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(iv) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of any signatory thereof as to the matters described in clause (iii) above, the Issuer shall also furnish to the Indenture Trustee an Independent Certificate as to the same matters if the fair value of the property or securities with respect thereto, or securities released from the Lien of this Indenture (other than pursuant to Section 8.02(e)) since the commencement of the then-current calendar year, as set forth in the certificates required by clause (iii) above and this clause (iv), equals 10 percent or more of the Outstanding Amount of the Consumer Rate Relief Bonds, but such certificate need not be furnished in the case of any release of property or securities if the fair value thereof as set forth in the related Officer's Certificate is less than the lesser of (A) $25,000 or (B) one percent of the then Outstanding Amount of the Consumer Rate Relief Bonds.

(v) Notwithstanding any other provision of this Section 10.01, the Indenture Trustee may (A) collect, liquidate, sell or otherwise dispose of the CRR Property and the other CRR Bond Collateral as and to the extent permitted or required by the Basic Documents and (B) make cash payments out of the Joint Collection Account (subject to the CRR Property Intercreditor Agreement) and the Payment Account as and to the extent permitted or required by the Basic Documents.

SECTION 10.02. Form of Documents Delivered to Indenture Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of a Responsible Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such Responsible Officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such certificate of a Responsible Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Servicers or the Issuer stating that the information with respect to such factual matters is in the possession of the Servicers or the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Whenever in this Indenture, in connection with any application or certificate or report to the Indenture Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely conclusively upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article VI.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 10.03. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing; and except as herein otherwise expressly provided such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.01) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section 10.03.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner that the Indenture Trustee deems sufficient.

(c) The ownership of Consumer Rate Relief Bonds shall be proved by the CRR Bond Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Consumer Rate Relief Bonds shall bind the Holder of every Consumer Rate Relief Bond issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Consumer Rate Relief Bond.

SECTION 10.04. Notices, etc., to Indenture Trustee, Issuer and Rating Agencies.

(a) Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other documents provided or permitted by this Indenture to be made upon, given or furnished to or filed with:

(i) the Indenture Trustee by any Holder or by the Issuer shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing by email or other electronic transmission, first-class mail or overnight delivery service to or with the Indenture Trustee at the Corporate Trust Office,

(ii) the Issuer by the Indenture Trustee or by any Holder shall be sufficient for every purpose hereunder if in writing by email or other electronic transmission, first-class mail or overnight delivery service, to the Issuer addressed to: Appalachian Consumer Rate Relief Funding II LLC at 200 Association Drive, 02, Charleston, West Virginia 25311, Attention: Managers, Telephone: (614) 716-1522, Email: Treasury_Operations_AEP@aep.com, or at any other address previously furnished in writing to the Indenture Trustee by the Issuer. The Issuer shall promptly transmit any notice received by it from the Holders to the Indenture Trustee, or

(iii) the Commission by the Seller, the Issuer or the Indenture Trustee shall be sufficient for every purpose hereunder if in writing by email or other electronic transmission, first-class mail or overnight delivery service, to: Public Service Commission of West Virginia, [201 Brooks Street, Charleston, West Virginia, 25301, Attention: Executive Secretary, Telephone: 1-800-344-5113, Facsimile: (304) 340-0325];

(b) Notices required to be given to the Rating Agencies by the Issuer or the Indenture Trustee shall be in writing, email or other electronic transmission, personally delivered or mailed by certified mail, return receipt requested to:

(i) in the case of Moody's, to: Moody's Investors Service, Inc., ABS/RMBS Monitoring Department, 24th Floor, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Email: ServicerReports@moodys.com (all such notices to be delivered to Moody's in writing by email), and solely for purposes of Rating Agency Condition communications: abscormonitoring@moodys.com;

(ii) in the case of S&P, to Standard & Poor's Ratings Group, Inc., Structured Credit Surveillance, 55 Water Street, New York, New York 10041, Telephone: (212) 438-8991, Email: servicer_reports@spglobal.com (all such notices to be delivered to S&P in writing by email); and

(iii) as to each of the foregoing, at such other address as shall be designated by written notice to the other parties.

Any notice, report or other communication given hereunder may be in writing and addressed as follows or to the extent receipt is confirmed telephonically sent by Electronic Means to the address provided above.

SECTION 10.05. Notices to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class, postage prepaid, or otherwise delivered in accordance with DTC's procedures, to each Holder affected by such event, at such Holder's address as it appears on the CRR Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Holder shall affect the sufficiency of such notice with respect to other Holders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Indenture Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event of Holders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed to be a sufficient giving of such notice.

Where this Indenture provides for notice to the Rating Agencies, failure to give such notice shall not affect any other rights or obligations created hereunder, and shall not under any circumstance constitute a Default or Event of Default.

SECTION 10.06. Conflict with Trust Indenture Act. If any provision hereof limits, qualifies or conflicts with another provision hereof that is required to be included in this Indenture by any of the provisions of the TIA, such required provision shall control.

The provisions of TIA §§ 310 through 317 that impose duties on any Person (including the provisions automatically deemed included herein unless expressly excluded by this Indenture) are a part of and govern this Indenture, whether or not physically contained herein.

SECTION 10.07. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 10.08. Successors and Assigns. All covenants and agreements in this Indenture and the Consumer Rate Relief Bonds by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Indenture Trustee in this Indenture shall bind its successors.

SECTION 10.09. Severability. Any provision in this Indenture or in the Consumer Rate Relief Bonds that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.10. Benefits of Indenture. Nothing in this Indenture or in the Consumer Rate Relief Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Holders, and any other party secured hereunder, and any other Person with an ownership interest in any part of the CRR Bond Collateral, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 10.11. Legal Holidays. In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Consumer Rate Relief Bonds or this Indenture) payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

SECTION 10.12. GOVERNING LAW. THIS INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND SECTIONS 9-301 THROUGH 9-306 OF THE NY UCC), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS; PROVIDED THAT THE CREATION, ATTACHMENT AND PERFECTION OF ANY LIENS CREATED HEREUNDER IN CRR PROPERTY, AND ALL RIGHTS AND REMEDIES OF THE INDENTURE TRUSTEE, THE SECURITIES INTERMEDIARY AND THE HOLDERS WITH RESPECT TO THE CRR PROPERTY, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF WEST VIRGINIA.

SECTION 10.13. Counterparts. This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. The Issuer, the Indenture Trustee and the Securities Intermediary agree that this Indenture may be electronically signed, that any digital or electronic signatures (including pdf, facsimile or electronically imaged signatures provided by DocuSign or any other digital signature provider as specified in writing to the Indenture Trustee) appearing on this Indenture are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Indenture may be made by facsimile, email or other electronic transmission.

SECTION 10.14. Recording of Indenture. If this Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel at the Issuer's cost and expense (which may be counsel to the Indenture Trustee or any other counsel reasonably acceptable to the Indenture Trustee or, if requested by the Indenture Trustee, external counsel of the Issuer) to the effect that such recording is necessary either for the protection of the Holders or any other Person secured hereunder or for the enforcement of any right or remedy granted to the Indenture Trustee under this Indenture. For the avoidance of doubt, the Indenture Trustee shall not be responsible or liable for recording this Indenture.

SECTION 10.15. Issuer Obligation. No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer or the Indenture Trustee on the Consumer Rate Relief Bonds or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against (a) the Issuer, other than from the CRR Bond Collateral as specified in Section 10.16 below, (b) any owner of a membership interest in the Issuer (including APCo), (c) WPCo or (d) any shareholder, partner, owner, beneficiary, agent, officer, director or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuer (including APCo) in its respective individual capacity, or of any successor or assign of any of them in their respective individual or corporate capacities, except as any such Person may have expressly agreed in writing. Each Holder by accepting a Consumer Rate Relief Bond specifically confirms the nonrecourse nature of these obligations, and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Consumer Rate Relief Bonds.

SECTION 10.16. No Recourse to Issuer. Notwithstanding any provision of this Indenture or the Series Supplement to the contrary, Holders shall look only to the CRR Bond Collateral with respect to any amounts due to the Holders hereunder and under the Consumer Rate Relief Bonds and, in the event such CRR Bond Collateral is insufficient to pay in full the amounts owed on the Consumer Rate Relief Bonds, shall have no recourse against the Issuer in respect of such insufficiency. Each Holder by accepting a Consumer Rate Relief Bond specifically confirms the nonrecourse nature of these obligations, and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Consumer Rate Relief Bonds.

SECTION 10.17. Basic Documents. The Indenture Trustee is hereby authorized to execute and deliver the Intercreditor Agreements (or joinders thereto, as applicable) and the Servicing Agreement and to execute and deliver any other Basic Document which it is requested to acknowledge and accept and, upon receipt of an Issuer Request, to modify the CRR Property Intercreditor Agreement in order to add as parties thereto any other trustees for holders of "consumer rate relief bonds" (as defined in the Securitization Law) issued by Affiliates of APCo so long as such modification, as evidenced by an Officer's Certificate delivered to the Indenture Trustee, does not materially and adversely affect any Holder's rights in and to any Tranche of Consumer Rate Relief Bonds, or otherwise hereunder. Such request shall, if requested by the Indenture Trustee, be accompanied by an Opinion of Counsel of external counsel of the Issuer, upon which the Indenture Trustee may rely conclusively with no duty of independent investigation or inquiry, to the effect that all conditions precedent for an amendment to the CRR Property Intercreditor Agreement have been satisfied. The Intercreditor Agreements shall be binding on the Holders.

SECTION 10.18. No Petition. The Indenture Trustee, by entering into this Indenture, and each Holder, by accepting a Consumer Rate Relief Bond (or interest therein) issued hereunder, hereby covenant and agree that they shall not, prior to the date which is one year and one day after the termination of this Indenture, acquiesce, petition or otherwise invoke or cause the Issuer or any Manager to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Issuer under any bankruptcy or insolvency law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its respective property, or ordering the dissolution, winding up or liquidation of the affairs of the Issuer. Nothing in this paragraph shall preclude, or be deemed to estop, such Holder or the Indenture Trustee (a) from taking or omitting to take any action prior to such date in (i) any case or Proceeding voluntarily filed or commenced by or on behalf of the Issuer under or pursuant to any such law or (ii) any involuntary case or Proceeding pertaining to the Issuer which is filed or commenced by or on behalf of a Person other than such Holder and is not joined in by such Holder (or any Person to which such Holder shall have assigned, transferred or otherwise conveyed any part of the obligations of the Issuer hereunder) under or pursuant to any such law, or (b) from commencing or prosecuting any legal action which is not an involuntary case or Proceeding under or pursuant to any such law against the Issuer or any of its properties.

SECTION 10.19. Securities Intermediary. The Securities Intermediary, in acting under this Indenture, is entitled to all rights, benefits, protections, immunities and indemnities accorded to U.S. Bank Trust Company, National Association, a national banking association, in its capacity as Indenture Trustee under this Indenture.

SECTION 10.20. Rule 17g-5 Compliance.

(a) The Indenture Trustee agrees that any notice, report, request for satisfaction of the Rating Agency Condition, document or other information provided by the Indenture Trustee to any Rating Agency under this Indenture or any other Basic Document to which it is a party for the purpose of determining or confirming the credit rating of the Consumer Rate Relief Bonds or undertaking credit rating surveillance of the Consumer Rate Relief Bonds shall be provided, substantially concurrently, to the Servicers for posting on a password-protected website (the "17g-5 Website"). The Servicers shall be responsible for posting all of the information on the 17g-5 Website.

(b) The Indenture Trustee will not be responsible for creating or maintaining the 17g-5 Website, posting any information to the 17g-5 Website or assuring that the 17g-5 Website complies with the requirements of this Indenture, Rule 17g-5 or any other law or regulation. In no event shall the Indenture Trustee be deemed to make any representation in respect of the content of the 17g-5 Website or compliance by the 17g-5 Website with this Indenture, Rule 17g-5 or any other law or regulation. The Indenture Trustee shall have no obligation to engage in or respond to any oral communications with respect to the transactions contemplated hereby, any transaction documents relating hereto or in any way relating to the Consumer Rate Relief Bonds or for the purposes of determining the initial credit rating of the Consumer Rate Relief Bonds or undertaking credit rating surveillance of the Consumer Rate Relief Bonds with any Rating Agency or any of its respective officers, directors or employees. The Indenture Trustee shall not be responsible or liable for the dissemination of any identification numbers or passwords for the 17g-5 Website, including by the Servicers, the Rating Agencies, a nationally recognized statistical rating organization ("NRSRO"), any of their respective agents or any other party. Additionally, the Indenture Trustee shall not be liable for the use of the information posted on the 17g-5 Website, whether by the Servicers, the Rating Agencies, an NRSRO or any other third party that may gain access to the 17g-5 Website or the information posted thereon.

SECTION 10.21. Submission to Non-Exclusive Jurisdiction; Waiver of Jury Trial. Each of the Issuer and the Indenture Trustee and each Holder (by its acceptance of the Consumer Rate Relief Bonds) hereby irrevocably submits to the non-exclusive jurisdiction of any New York State court sitting in The Borough of Manhattan in The City of New York or any U.S. federal court sitting in The Borough of Manhattan in The City of New York in respect of any suit, action or proceeding arising out of or relating to this Indenture and the Consumer Rate Relief Bonds and irrevocably accepts for itself and in respect of its respective property, generally and unconditionally, jurisdiction of the aforesaid courts. EACH OF THE ISSUER, THE INDENTURE TRUSTEE, THE SECURITIES INTERMEDIARY AND EACH HOLDER (BY ITS ACCEPTANCE OF THE CONSUMER RATE RELIEF BONDS) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT THAT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, TRIAL BY JURY.

(*SIGNATURES FOLLOW*)

IN WITNESS WHEREOF, the Issuer, the Indenture Trustee and the Securities Intermediary have caused this Indenture to be duly executed by their respective officers thereunto duly authorized and duly attested, all as of the day and year first above written.

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, as Issuer

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Indenture Trustee

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Securities Intermediary

By: _____
Name:
Title:

EXHIBIT A

FORM OF CONSUMER RATE RELIEF BOND

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED No. _____ $_____

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP NO.

THE PRINCIPAL OF THIS TRANCHE ┼ - ┼ CONSUMER RATE RELIEF BOND ("THIS TRANCHE ┼ - ┼ CONSUMER RATE RELIEF BOND") WILL BE PAID IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS TRANCHE ┼ - ┼ CONSUMER RATE RELIEF BOND AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. THE HOLDER OF THIS TRANCHE ┼ - ┼ CONSUMER RATE RELIEF BOND HAS NO RECOURSE TO THE ISSUER HEREOF AND AGREES TO LOOK ONLY TO THE CRR BOND COLLATERAL, AS DESCRIBED IN THE INDENTURE, FOR PAYMENT OF ANY AMOUNTS DUE HEREUNDER. ALL OBLIGATIONS OF THE ISSUER OF THIS TRANCHE ┼ - ┼ CONSUMER RATE RELIEF BOND UNDER THE TERMS OF THE INDENTURE WILL BE RELEASED AND DISCHARGED UPON PAYMENT IN FULL HEREOF OR AS OTHERWISE PROVIDED IN SECTION 3.10(b) OR ARTICLE IV OF THE INDENTURE. THE HOLDER OF THIS TRANCHE ┼ - ┼ CONSUMER RATE RELIEF BOND HEREBY COVENANTS AND AGREES THAT PRIOR TO THE DATE WHICH IS ONE (1) YEAR AND ONE (1) DAY AFTER THE PAYMENT IN FULL OF THE TRANCHE ┼ - ┼ CONSUMER RATE RELIEF BONDS, IT WILL NOT INSTITUTE AGAINST, OR JOIN

ANY OTHER PERSON IN INSTITUTING AGAINST, THE ISSUER ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDINGS OR OTHER SIMILAR PROCEEDING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES. NOTHING IN THIS PARAGRAPH SHALL PRECLUDE, OR BE DEEMED TO ESTOP, SUCH HOLDER (A) FROM TAKING OR OMITTING TO TAKE ANY ACTION PRIOR TO SUCH DATE IN (I) ANY CASE OR PROCEEDING VOLUNTARILY FILED OR COMMENCED BY OR ON BEHALF OF THE ISSUER UNDER OR PURSUANT TO ANY SUCH LAW OR (II) ANY INVOLUNTARY CASE OR PROCEEDING PERTAINING TO THE ISSUER WHICH IS FILED OR COMMENCED BY OR ON BEHALF OF A PERSON OTHER THAN SUCH HOLDER AND IS NOT JOINED IN BY SUCH HOLDER (OR ANY PERSON TO WHICH SUCH HOLDER SHALL HAVE ASSIGNED, TRANSFERRED OR OTHERWISE CONVEYED ANY PART OF THE OBLIGATIONS OF THE ISSUER HEREUNDER) UNDER OR PURSUANT TO ANY SUCH LAW, OR (B) FROM COMMENCING OR PROSECUTING ANY LEGAL ACTION WHICH IS NOT AN INVOLUNTARY CASE OR PROCEEDING UNDER OR PURSUANT TO ANY SUCH LAW AGAINST THE ISSUER OR ANY OF ITS PROPERTIES.

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC SERIES 2026-A CONSUMER RATE RELIEF BONDS,

TRANCHE ┼ - ┼.

BOND INTEREST RATE	ORIGINAL PRINCIPAL AMOUNT	SCHEDULED FINAL PAYMENT DATE	FINAL MATURITY DATE

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, a limited liability company created under the laws of the State of Delaware (herein referred to as the "Issuer"), for value received, hereby promises to pay to ┼ ┼, or registered assigns, the Original Principal Amount shown above [in semi-annual installments] on the Payment Dates and in the amounts specified on the reverse hereof or, if less, the amounts determined pursuant to Section 8.02 of the Indenture, in each year, commencing on the date determined as provided on the reverse hereof and ending on or before the Final Maturity Date shown above and to pay interest, at the Bond Interest Rate shown above, on each _____ and _____ or if any such day is not a Business Day, the next succeeding Business Day, commencing on ┼ ┼ and continuing until the earlier of the payment in full of the principal hereof and the Final Maturity Date (each a "Payment Date"), on the principal amount of this Tranche ┼ - ┼ Consumer Rate Relief Bond (hereinafter referred to as this "Tranche ┼ - ┼ Consumer Rate Relief Bond"). Interest on this Tranche ┼ - ┼ Consumer Rate Relief Bond will accrue for each Payment Date from the most recent Payment Date on which interest has been paid to but excluding such Payment Date or, if no interest has yet been paid, from the date of issuance. Interest will be computed on the basis of ┼specify method of computation┼. Such principal of and interest on this Tranche ┼ - ┼ Consumer Rate Relief Bond shall be paid in the manner specified on the reverse hereof.

The principal of and interest on this Tranche ┼ - ┼ Consumer Rate Relief Bond are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Tranche ┼ - ┼ Consumer Rate Relief Bond shall be applied first to interest due and payable on this Tranche ┼ - ┼ Consumer Rate Relief Bond as provided above and then to the unpaid principal of and premium, if any, on this Tranche ┼ - ┼ Consumer Rate Relief Bond, all in the manner set forth in the Indenture.

Reference is made to the further provisions of this Tranche ┼ - ┼ Consumer Rate Relief Bond set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Tranche ┼ - ┼ Consumer Rate Relief Bond.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual, electronic or facsimile signature, this Tranche ┼ - ┼ Consumer Rate Relief Bond shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually, electronically or in facsimile, by its Responsible Officer.

Date:

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC

By: _____

Name:
Title:

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: _____ ___, ____

This is one of the Tranche ┼ - ┼ Consumer Rate Relief Bonds, designated above and referred to in the within-mentioned Indenture.

[U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION],
as Indenture Trustee

By: _____
Name:
Title:

REVERSE OF CONSUMER RATE RELIEF BOND* 2

This Tranche ┼ - ┼ Consumer Rate Relief Bond is one of a duly authorized issue of Consumer Rate Relief Bonds of the Issuer (herein called the "Consumer Rate Relief Bonds"), which Consumer Rate Relief Bonds are issuable in one or more Tranches. The Consumer Rate Relief Bonds consist of ┼ ┼ Tranches, including the Tranche ┼ - ┼ Consumer Rate Relief Bonds (herein called the "Tranche ┼ - ┼ Consumer Rate Relief Bonds"), all issued and to be issued under that certain Indenture dated as of [*closing date*] (as supplemented by the Series Supplement (as defined below), the "Indenture"), by and among the Issuer, U.S. Bank Trust Company, National Association, a national banking association, in its capacity as indenture trustee (the "Indenture Trustee", which term includes any successor indenture trustee under the Indenture), and U.S. Bank National Association, a national banking association, not in its individual capacity but solely in its capacity as a securities intermediary and account bank (the "Securities Intermediary", which term includes any successor securities intermediary under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee and the Holders of the Consumer Rate Relief Bonds. For purposes herein, "Series Supplement" means that certain Series Supplement dated as of [*closing date*], between the Issuer, the Indenture Trustee and the Securities Intermediary. All terms used in this Tranche ┼ - ┼ Consumer Rate Relief Bond that are defined in the Indenture, as amended, restated, supplemented or otherwise modified from time to time, shall have the meanings assigned to such terms in the Indenture.

All Tranches of Consumer Rate Relief Bonds are and will be equally and ratably secured by the CRR Bond Collateral pledged as security therefor as provided in the Indenture.

The principal of this Tranche ┼ - ┼ Consumer Rate Relief Bond shall be payable on each Payment Date only to the extent that amounts in the Joint Collection Account (to the extent of the then applicable APCo Transfer Amount) and the Payment Account, collectively, are available therefor, and only until the outstanding principal balance thereof on the preceding Payment Date (after giving effect to all payments of principal, if any, made on the preceding Payment Date) has been reduced to the principal balance specified in the Expected Amortization Schedule which is attached to the Series Supplement as Schedule A, unless payable earlier because an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders representing not less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds have declared the Consumer Rate Relief Bonds to be immediately due and payable in accordance with Section 5.02 of the Indenture (unless such declaration shall have been rescinded and annulled in accordance with Section 5.02 of the Indenture). However, actual principal payments may be made in lesser than expected amounts and at later than expected times as determined pursuant to Section 8.02 of the Indenture. The entire unpaid principal amount of this Tranche **[-]** Consumer Rate Relief Bond shall be due and payable on the Final

* The form of the reverse of a Consumer Rate Relief Bond is substantially as follows, unless otherwise specified in the Series Supplement.

Maturity Date hereof. Notwithstanding the foregoing, the entire unpaid principal amount of the Consumer Rate Relief Bonds shall be due and payable, if not then previously paid, on the date on which an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders of the Consumer Rate Relief Bonds representing not less than a majority of the Outstanding Amount of the Consumer Rate Relief Bonds have declared the Consumer Rate Relief Bonds to be immediately due and payable in the manner provided in Section 5.02 of the Indenture (unless such declaration shall have been rescinded and annulled in accordance with Section 5.02 of the Indenture). All principal payments on the Tranche ǂ - ǂ Consumer Rate Relief Bonds shall be made pro rata to the Tranche ǂ - ǂ Holders entitled thereto based on the respective principal amounts of the Tranche ǂ - ǂ Consumer Rate Relief Bonds held by them.

Payments of interest on this Tranche ǂ - ǂ Consumer Rate Relief Bond due and payable on each Payment Date, together with the installment of principal or premium, if any, shall be made by wire transfer to an account maintained by the Person whose name appears as the Registered Holder of this Tranche ǂ - ǂ Consumer Rate Relief Bond (or one or more Predecessor Consumer Rate Relief Bonds) on the CRR Bond Register as of the close of business on the Record Date or in such other manner as may be provided in the Indenture or the Series Supplement, except that if this Tranche ǂ - ǂ Consumer Rate Relief Bond is held in Book-Entry Form, payments will be made by wire transfer in immediately available funds to the account designated by the Holder of the applicable Global Consumer Rate Relief Bond evidencing this Tranche ǂ - ǂ Consumer Rate Relief Bond unless and until such Global Consumer Rate Relief Bond is exchanged for Definitive Consumer Rate Relief Bonds (in which event payments shall be made as provided above) and except for the final installment of principal and premium, if any, payable with respect to this Tranche ǂ - ǂ Consumer Rate Relief Bond on a Payment Date which shall be payable as provided below. Any reduction in the principal amount of this Tranche ǂ - ǂ Consumer Rate Relief Bond (or any one or more Predecessor Consumer Rate Relief Bonds) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Tranche ǂ - ǂ Consumer Rate Relief Bond and of any Consumer Rate Relief Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Tranche ǂ - ǂ Consumer Rate Relief Bond on a Payment Date, then the Indenture Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Registered Holder hereof as of the Record Date preceding such Payment Date by notice mailed no later than five (5) days prior to such final Payment Date and shall specify that such final installment will be payable only upon presentation and surrender of this Tranche ǂ - ǂ Consumer Rate Relief Bond and shall specify the place where this Tranche ǂ - ǂ Consumer Rate Relief Bond may be presented and surrendered for payment of such installment.

The Issuer shall pay interest on overdue installments of interest at the Bond Interest Rate to the extent lawful.

This Tranche ┼ - ┼ Consumer Rate Relief Bond is a "consumer rate relief bond" as such term is defined in the Securitization Law. Principal and interest due and payable on this Tranche ┼ - ┼ Consumer Rate Relief Bond are payable from and secured primarily by CRR Property created and established by the Financing Order obtained from the Commission pursuant to the Securitization Law. CRR Property consists of the rights and interests of the Seller in the Financing Order, including the right to impose, charge and collect certain charges (defined in the Securitization Law as "consumer rate relief charges") to be included in regular electric utility bills of all existing and future West Virginia electric retail customers of APCo and WPCo, or any of their respective Successors, as more fully described in the Financing Order.

Under the laws of the State of West Virginia in effect on the Closing Date, pursuant to Section 24-2-4h(s)(1) of the Securitization Law, the State of West Virginia has pledged to and agrees with the Holders, assignees and financing parties under the Financing Order that the State will not take or permit any action that impairs the value of CRR Property under the Financing Order or revises the CRR Costs for which recovery is authorized under the Financing Order or, except as allowed under Section 24-2-4h(k) of the Securitization Law, reduce, alter or impair CRR Charges that are imposed, charged, collected or remitted for the benefit of the Holders, assignees and financing parties under the Financing Order, until any principal, interest and redemption premium in respect of Consumer Rate Relief Bonds, all financing costs and all amounts to be paid to any assignee or financing party under an ancillary agreement are paid or performed in full.

The Issuer and APCo hereby acknowledge that the purchase of this Tranche ┼ - ┼ Consumer Rate Relief Bond by the Holder hereof or the purchase of any beneficial interest herein by any Person are made in reliance on the foregoing pledge.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Tranche ┼ - ┼ Consumer Rate Relief Bond may be registered on the CRR Bond Register upon surrender of this Tranche ┼ - ┼ Consumer Rate Relief Bond for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by (a) a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, with such signature guaranteed by an institution which is a member of one of the following recognized signature guarantee programs: (i) The Securities Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MSP); (iii) The Stock Exchange Medallion Program (SEMP); or (iv) in such other signature guarantee program acceptable to the Indenture Trustee, and (b) such other documents as the Indenture Trustee may require, and thereupon one or more new Tranche ┼ - ┼ Consumer Rate Relief Bonds of Minimum Denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Tranche ┼ - ┼ Consumer Rate Relief Bond, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange, other than exchanges pursuant to Sections 2.04 or 2.06 of the Indenture not involving any transfer.

Each Holder, by acceptance of a Consumer Rate Relief Bond, covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer or the Indenture Trustee on the Consumer Rate Relief Bonds or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) any owner of a membership interest in the Issuer (including APCo) or (ii) any shareholder, partner, owner, beneficiary, agent, officer or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuer (including APCo) in its respective individual or corporate capacities, or of any successor or assign of any of them in their individual or corporate capacities, except as any such Person may have expressly agreed in writing. Each Holder by accepting a Consumer Rate Relief Bond specifically confirms the nonrecourse nature of these obligations, and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Consumer Rate Relief Bonds.

Prior to the due presentment for registration of transfer of this Tranche ┼ - ┼ Consumer Rate Relief Bond, the Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Tranche ┼ - ┼ Consumer Rate Relief Bond is registered (as of the day of determination) as the owner hereof for the purpose of receiving payments of principal of and premium, if any, and interest on this Tranche [- ┼ Consumer Rate Relief Bond and for all other purposes whatsoever, whether or not this Tranche ┼ - ┼ Consumer Rate Relief Bond be overdue, and neither the Issuer, the Indenture Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Consumer Rate Relief Bonds under the Indenture at any time by the Issuer with the consent of the Holders representing not less than a majority of the Outstanding Amount of all Consumer Rate Relief Bonds at the time outstanding and upon the satisfaction of the Rating Agency Condition (if applicable) of each Tranche to be affected. The Indenture also contains provisions permitting the Holders representing specified percentages of the Outstanding Amount of the Consumer Rate Relief Bonds, on behalf of the Holders of all the Consumer Rate Relief Bonds, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Tranche ┼ - ┼ Consumer Rate Relief Bond (or any one of more Predecessor Consumer Rate Relief Bonds) shall be conclusive and binding upon such Holder and upon all future Holders of this Tranche ┼ - ┼ Consumer Rate Relief Bond and of any Consumer Rate Relief Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Tranche ┼ - ┼ Consumer Rate Relief Bond. The Indenture also permits the Indenture Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Consumer Rate Relief Bonds issued thereunder.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Issuer on this Tranche ┼ - ┼ Consumer Rate Relief Bond and (b) certain restrictive covenants and the related Events of Default, upon compliance by the Issuer with certain conditions set forth in the Indenture, which provisions apply to this Tranche ┼ - ┼ Consumer Rate Relief Bond.

The term "Issuer" as used in this Tranche ┼ - ┼ Consumer Rate Relief Bond includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Indenture Trustee and the Holders under the Indenture.

The Tranche ┼ - ┼ Consumer Rate Relief Bonds are issuable only in registered form in denominations as provided in the Indenture and the Series Supplement subject to certain limitations therein set forth.

THIS TRANCHE [-] CONSUMER RATE RELIEF BOND, THE INDENTURE AND THE SERIES SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND SECTIONS 9-301 THROUGH 9-306 OF THE NY UCC), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS; PROVIDED THAT THE CREATION, ATTACHMENT AND PERFECTION OF ANY LIENS CREATED UNDER THE INDENTURE AND THE SERIES SUPPLEMENT IN CRR PROPERTY, AND ALL RIGHTS AND REMEDIES OF THE INDENTURE TRUSTEE, THE SECURITIES INTERMEDIARY AND THE HOLDERS WITH RESPECT TO THE CRR PROPERTY, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF WEST VIRGINIA.

No reference herein to the Indenture and no provision of this Tranche ┼ - ┼ Consumer Rate Relief Bond or of the Indenture shall alter or impair the obligation, which is absolute and unconditional, to pay the principal of and interest on this Tranche ┼ - ┼ Consumer Rate Relief Bond at the times, place, and rate, and in the coin or currency herein prescribed.

The Issuer and the Indenture Trustee, by entering into the Indenture, and the Holders and any Persons holding a beneficial interest in any Tranche ┼ - ┼ Consumer Rate Relief Bond, by acquiring any Tranche ┼ - ┼ Consumer Rate Relief Bond or interest therein, (i) express their intention that, solely for the purpose of U.S. federal taxes and, to the extent consistent with applicable state, local and other tax law, solely for the purpose of state, local and other taxes, the Tranche ┼ - ┼ Consumer Rate Relief Bonds qualify under applicable tax law as indebtedness of the sole owner of the Issuer secured by the CRR Bond Collateral and (ii) solely for purposes of U.S. federal taxes and, to the extent consistent with applicable state, local and other tax law, solely for purposes of state, local and other taxes, so long as any of the Tranche ┼ - ┼ Consumer Rate Relief Bonds are outstanding, agree to treat the Tranche ┼ - ┼ Consumer Rate Relief Bonds as indebtedness of the sole owner of the Issuer secured by the CRR Bond Collateral unless otherwise required by appropriate taxing authorities.

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this Tranche ┼ - ┼ Consumer Rate Relief Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	as tenants in common
TEN ENT	as tenants by the entireties
JT TEN	as joint tenants with right of survivorship and not as tenants in common
UNIF GIFT MIN ACT	_____ Custodian _____ (Custodian) (minor) Under Uniform Gifts to Minor Act (_____) (State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee _____

FOR VALUE RECEIVED, the undersigned[3] hereby sells, assigns and transfers unto

(name and address of assignee)

the within Tranche ǂ - ǂ Consumer Rate Relief Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Tranche ǂ - ǂ Consumer Rate Relief Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ Signature Guaranteed:

[3] CONSUMER RATE RELIEF BOND: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Tranche ǂ - ǂ Consumer Rate Relief Bond in every particular, without alteration, enlargement or any change whatsoever.

NOTE: Signature(s) must be guaranteed by an institution which is a member of one of the following recognized signature guaranty programs: (i) The Securities Transfer Agent Medallion Program (STAMP), (ii) The New York Stock Exchange Medallion Program (MSP), (iii) the Stock Exchange Medallion Program (SEMP) or (iv) such other signature guarantee program acceptable to the Indenture Trustee.

EXHIBIT B

FORM OF SERIES SUPPLEMENT

This SERIES SUPPLEMENT dated as of [•], 20[•] (this "Supplement"), by and between APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, a limited liability company created under the laws of the State of Delaware (the "Issuer"), [U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association] ("Bank"), not in its individual capacity, but solely in its capacity as indenture trustee (the "Indenture Trustee"), and [U.S. BANK NATIONAL ASSOCIATION, a national banking association], not in its individual capacity but in its capacity as securities intermediary and account bank (the "Securities Intermediary"), for the benefit of the Secured Parties under the Indenture dated as of [•], 20[•] (the "Indenture"), by and among the Issuer, the Indenture Trustee and the Securities Intermediary.

PRELIMINARY STATEMENT

Section 9.01 of the Indenture provides, among other things, that the Issuer and the Indenture Trustee may at any time enter into an indenture supplemental to the Indenture for the purposes of authorizing the issuance by the Issuer of the Senior Secured Consumer Rate Relief Bonds and specifying the terms thereof. The Issuer has duly authorized the creation of the Consumer Rate Relief Bonds with an initial aggregate principal amount of $ to be known as Appalachian Consumer Rate Relief Funding II LLC Consumer Rate Relief Bonds (the "Consumer Rate Relief Bonds"), and the Issuer and the Indenture Trustee are executing and delivering this Supplement in order to provide for the Consumer Rate Relief Bonds.

All terms used in this Supplement that are defined in the Indenture, either directly or by reference therein, have the meanings assigned to them therein, except to the extent such terms are defined or modified in this Supplement or the context clearly requires otherwise. In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Indenture, the terms and provisions of this Supplement shall govern.

GRANTING CLAUSE

With respect to the Consumer Rate Relief Bonds, the Issuer hereby Grants to the Indenture Trustee, as Indenture Trustee for the benefit of the Secured Parties of the Consumer Rate Relief Bonds, all of the Issuer's right, title and interest (whether now owned or hereafter acquired or arising) in and to the following (the "CRR Bond Collateral"):

(a) the CRR Property created under and pursuant to the Financing Order and the Securitization Law, and transferred by the Seller to the Issuer on the date hereof pursuant to the Sale Agreement (including, to the fullest extent permitted by law, the right to impose, charge and collect the CRR Charges, the right to obtain adjustments to the CCR Charges, and all revenues, receipts, collections, rights to payment, payments, moneys, claims or other proceeds arising from rights and interests created under the Financing Order);

(b) all CRR Charges related to the CRR Property;

(c) the Sale Agreement and the Bill of Sale executed in connection therewith and all property and interests in property transferred under the Sale Agreement and the Bill of Sale with respect to the CRR Property and the Consumer Rate Relief Bonds;

(d) the Servicing Agreement, the Administration Agreement, each Intercreditor Agreement and any subservicing, agency, administration, intercreditor or collection agreements executed in connection therewith, to the extent related to the foregoing CRR Property and the Consumer Rate Relief Bonds;

(e) the Joint Collection Account, the Payment Account and all subaccounts to each of the foregoing accounts, and all amounts of cash, instruments, investment property or other assets on deposit in each account and subaccount or credited thereto from time to time and all financial assets and securities entitlements carried therein or credited thereto;

(f) all rights to compel the Servicers to file for and obtain adjustments to the CRR Charges in accordance with the Securitization Law and the Financing Order;

(g) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing, whether such claims, demands, causes and choses in action constitute CRR Property, accounts, general intangibles, instruments, contract rights, chattel paper or proceeds of such items or any other form of property;

(h) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letters of credit, letters-of-credit rights, money, commercial tort claims and supporting obligations related to the foregoing; and

(i) all payments on or under, and all proceeds in respect of, any or all of the foregoing;

provided that none of the following shall constitute any part of the CRR Bond Collateral:

(x) cash that has been released pursuant to the terms of the Indenture, including Section 8.02(e)(xi) of the Indenture and, following retirement of all Outstanding Consumer Rate Relief Bonds, pursuant to Section 8.02(e)(xiii) of the Indenture;

(y) amounts deposited with the Issuer on the Closing Date, for payment of costs of issuance with respect to the Consumer Rate Relief Bonds (together with any interest earnings thereon); or

(z) proceeds from the sale of the Consumer Rate Relief Bonds required to pay (A) the purchase price for the CRR Property and paid pursuant to the Sale Agreement or (B) up-front Financing Costs;

it being understood that such amounts described in clauses (x), (y) and (z) above shall not be subject to Section 3.17 of the Indenture.

The foregoing Grant is made in trust to secure the payment of principal of and premium, if any, interest on, and any other amounts owing in respect of, the Consumer Rate Relief Bonds and all fees, expenses, counsel fees and other amounts due and payable to the Indenture Trustee (collectively, the "Secured Obligations") equally and ratably without prejudice, priority or distinction, except as expressly provided in the Indenture, to secure compliance with the provisions of the Indenture with respect to the Consumer Rate Relief Bonds, all as provided in the Indenture and to secure the performance by the Issuer of all of its obligations under the Indenture. The Indenture and this Series Supplement constitute a security agreement within the meaning of the Securitization Law and under the UCC to the extent that the provisions of the UCC are applicable hereto.

The Indenture Trustee, as indenture trustee on behalf of the Secured Parties, acknowledges such Grant and accepts the trusts under this Supplement and the Indenture in accordance with the provisions of this Supplement and the Indenture.

SECTION 1. Designation. The Consumer Rate Relief Bonds shall be designated generally as the Consumer Rate Relief Bonds, and further denominated as Tranches ‡ † through ‡ †.

SECTION 2. Initial Principal Amount; Bond Interest Rate; Scheduled Final Payment Date; Final Maturity Date. The Consumer Rate Relief Bonds of each Tranche shall have the initial principal amount, bear interest at the rates per annum (the "Bond Interest Rate") and shall have the Scheduled Final Payment Dates and the Final Maturity Dates set forth below:

Tranche	Initial Principal Amount	Bond Interest Rate	Scheduled Final Payment Date	Final Maturity Date

The Bond Interest Rate shall be computed by the Issuer on the basis of a 360-day year of twelve 30-day months.

SECTION 3. Authentication Date; Payment Dates; Expected Amortization Schedule for Principal; Periodic Interest; No Premium; Other Terms.

(a) Authentication Date. The Consumer Rate Relief Bonds that are authenticated and delivered by the Indenture Trustee to or upon the order of the Issuer on ‡ † (the "Closing Date") shall have as their date of authentication ‡ †.

(b) Payment Dates. The Payment Dates for the Consumer Rate Relief Bonds are _____ and _____ of each year commencing on ‡ † (the "Initial Payment Date") or, if any such date is not a Business Day, the next succeeding Business Day, commencing on ‡ † and continuing until the earlier of repayment of the Tranche ‡ † Consumer Rate Relief Bonds in full and the Final Maturity Date Tranche ‡ † Consumer Rate Relief Bonds.

(c) Expected Amortization Schedule for Principal. Unless an Event of Default shall have occurred and be continuing on each Payment Date, the Indenture Trustee shall distribute to the Holders of record as of the related Record Date amounts payable pursuant to Section 8.02(e) of the Indenture as principal, in the following order and priority: **[**(1) to the holders of the Tranche A-1 Consumer Rate Relief Bonds, until the Outstanding Amount of such Tranche of Consumer Rate Relief Bonds thereof has been reduced to zero; (2) to the holders of the Tranche A-2 Consumer Rate Relief Bonds, until the Outstanding Amount of such Tranche of Consumer Rate Relief Bonds thereof has been reduced to zero; (3) to the holders of the Tranche A-3 Consumer Rate Relief Bonds, until the Outstanding Amount of such Tranche of Consumer Rate Relief Bonds thereof has been reduced to zero; and (4) to the holders of the Tranche A-4 Consumer Rate Relief Bonds, until the Outstanding Amount of such Tranche of Consumer Rate Relief Bonds thereof has been reduced to zero;**]** provided, however, that in no event shall a principal payment pursuant to this Section 3(c) on any Tranche on a Payment Date be greater than the amount necessary to reduce the Outstanding Amount of such Tranche of Consumer Rate Relief Bonds to the amount specified in the Expected Amortization Schedule which is attached as Schedule A hereto for such Tranche and Payment Date.

(d) Periodic Interest. Periodic Interest will be payable on each Tranche of the Consumer Rate Relief Bonds on each Payment Date in an amount equal to **[**one-half**]** of the product of (i) the applicable Bond Interest Rate and (ii) the Outstanding Amount of the related Tranche of Consumer Rate Relief Bonds as of the close of business on the preceding Payment Date after giving effect to all payments of principal made to the Holders of the related Tranche of Consumer Rate Relief Bonds on such preceding Payment Date; provided, however, that with respect to the Initial Payment Date, or, if no payment has yet been made, interest on the outstanding principal balance will accrue from and including the Closing Date to, but excluding, the following Payment Date.

(e) Book-Entry Consumer Rate Relief Bonds. The Consumer Rate Relief Bonds shall be Book-Entry Consumer Rate Relief Bonds and the applicable provisions of Section 2.11 of the Indenture shall apply to the Consumer Rate Relief Bonds.

SECTION 4. Minimum Denominations. The Consumer Rate Relief Bonds shall be issuable in the Minimum Denomination and integral multiples of $1,000 in excess thereof.

SECTION 5. Certain Defined Terms. Article I of the Indenture provides that the meanings of certain defined terms used in the Indenture shall be as defined in Appendix A to the Indenture. Additionally, Article II of the Indenture provides certain terms will have the meanings specified in the related Series Supplement. With respect to the Consumer Rate Relief Bonds, the following definitions shall apply:

"Bond Interest Rate" has the meaning set forth in Section 2 of this Supplement.

"Closing Date" has the meaning set forth in Section 3(a) of this Supplement.

"Initial Payment Date" has the meaning set forth in Section 3(b) of this Supplement.

"Minimum Denomination" shall mean $2,000 or integral multiples of $1,000 in excess thereof, except for one bond of each tranche which may be of a smaller denomination.

"Payment Date" has the meaning set forth in Section 3(b) of this Supplement.

"Periodic Interest" has the meaning set forth in Section 3(d) of this Supplement.

SECTION 6. Delivery and Payment for the Consumer Rate Relief Bonds; Form of the Consumer Rate Relief Bonds. The Indenture Trustee shall deliver the Consumer Rate Relief Bonds to the Issuer when authenticated in accordance with Section 2.03 of the Indenture. The Consumer Rate Relief Bonds of each Tranche shall be in the form of Exhibits **[**A-1 through A-_**]** hereto.

SECTION 7. Ratification of Indenture. As supplemented by this Supplement, the Indenture is in all respects ratified and confirmed and the Indenture, as so supplemented by this Supplement, shall be read, taken, and construed as one and the same instrument. This Supplement amends, modifies and supplements the Indenture only in so far as it relates to the Consumer Rate Relief Bonds.

SECTION 8. Counterparts. This Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. This Supplement may be electronically signed, and any digital or electronic signatures (including pdf, facsimile or electronically imaged signatures provided by DocuSign or any other digital signature provider as specified in writing to the Indenture Trustee) appearing on this Supplement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Supplement may be made by facsimile, email or other electronic transmission.

SECTION 9. GOVERNING LAW; JURISDICTION.

(A) GOVERNING LAW. THIS SUPPLEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND SECTIONS 9-301 THROUGH 9-306 OF THE NY UCC), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS; PROVIDED THAT, EXCEPT AS SET FORTH IN SECTION 8.02(b) OF THE INDENTURE, THE CREATION, ATTACHMENT AND PERFECTION OF ANY LIENS CREATED UNDER THE INDENTURE AND THIS SUPPLEMENT IN CRR PROPERTY, AND ALL RIGHTS AND REMEDIES OF THE INDENTURE TRUSTEE, THE SECURITIES INTERMEDIARY AND THE HOLDERS WITH RESPECT TO THE CRR PROPERTY, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF WEST VIRGINIA.

(B) SUBMISSION TO NON-EXCLUSIVE JURISDICTION. EACH OF THE ISSUER AND THE INDENTURE TRUSTEE, THE SECURITIES INTERMEDIARY AND EACH HOLDER (BY ITS ACCEPTANCE OF THE CONSUMER RATE RELIEF BONDS) HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT SITTING IN THE BOROUGH OF

MANHATTAN IN THE CITY OF NEW YORK OR ANY U.S. FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENT AND THE CONSUMER RATE RELIEF BONDS AND IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS RESPECTIVE PROPERTY, GENERALLY AND UNCONDITIONALLY, JURISDICTION OF THE AFORESAID COURTS. EACH OF THE ISSUER, THE INDENTURE TRUSTEE, THE SECURITIES INTERMEDIARY AND EACH HOLDER (BY ITS ACCEPTANCE OF THE CONSUMER RATE RELIEF BONDS) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT THAT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, TRIAL BY JURY.

SECTION 10. Issuer Obligation. No recourse may be taken directly or indirectly, by the Holders with respect to the obligations of the Issuer on the Consumer Rate Relief Bonds, under the Indenture or under this Supplement or any certificate or other writing delivered in connection herewith or therewith, against (i) any owner of a beneficial interest in the Issuer (including APCo) or (ii) any shareholder, partner, owner, beneficiary, agent, officer, director, employee or agent of the Indenture Trustee, the Managers or any owner of a beneficial interest in the Issuer (including APCo) in its individual capacity, or of any successor or assign of any of them in their respective individual or corporate capacities, except as any such Person may have expressly agreed. Each Holder by accepting a Consumer Rate Relief Bond specifically confirms the nonrecourse nature of these obligations, and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Consumer Rate Relief Bonds.

IN WITNESS WHEREOF, the Issuer, the Indenture Trustee and the Securities Intermediary have caused this Supplement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, as Issuer

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Indenture Trustee

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as Securities Intermediary

By: _____
Name:
Title:

SCHEDULE A

EXPECTED SINKING FUND SCHEDULE

EXPECTED AMORTIZATION SCHEDULE

OUTSTANDING PRINCIPAL BALANCE

DATE	TRANCHE	TRANCHE	TRANCHE	TRANCHE
Closing Date	$	$	$	$
_____ ___, 20__				
_____ ___, 20__				
_____ ___, 20__				
_____ ___, 20__				

EXHIBIT B

SERVICING CRITERIA TO BE ADDRESSED
BY INDENTURE TRUSTEE IN ASSESSMENT OF COMPLIANCE

Reg AB Reference	Servicing Criteria	Applicable Indenture Trustee Responsibility
	General Servicing Considerations	
1122(d)(1)(i)	Policies and procedures are instituted to monitor any performance or other triggers and events of default in accordance with the transaction agreements.	
1122(d)(1)(ii)	If any material servicing activities are outsourced to third parties, policies and procedures are instituted to monitor the third party's performance and compliance with such servicing activities.	
1122(d)(1)(iii)	Any requirements in the transaction agreements to maintain a back-up servicer for the pool assets are maintained.	
1122(d)(1)(iv)	A fidelity bond and errors and omissions policy is in effect on the party participating in the servicing function throughout the reporting period in the amount of coverage required by and otherwise in accordance with the terms of the transaction agreements.	
1122(d)(1)(v)	Aggregation of information, as applicable, is mathematically accurate and the information conveyed accurately reflects the information.	
	Cash Collection and Administration	
1122(d)(2)(i)	Payments on pool assets are deposited into the appropriate custodial bank accounts and related bank clearing accounts no more than two (2) business days following receipt, or such other number of days specified in the transaction agreements.	**X**
1122(d)(2)(ii)	Disbursements made via wire transfer on behalf of an obligor or to an investor are made only by authorized personnel.	**X**
1122(d)(2)(iii)	Advances of funds or guarantees regarding collections, cash flows or distributions, and any interest or other fees charged for such advances, are made, reviewed and approved as specified in the transaction agreements.	
1122(d)(2)(iv)	The related accounts for the transaction, such as cash reserve accounts or accounts established as a form of overcollateralization, are separately maintained (e.g., with respect to commingling of cash) as set forth in the transaction agreements.	**X**
1122(d)(2)(v)	Each custodial account is maintained at a federally insured depository institution as set forth in the transaction agreements. For purposes of this criterion, "federally insured depository institution" with respect to a foreign financial institution means a foreign financial institution that meets the requirements of Rule 13k-1(b)(1) of the Securities Exchange Act.	**X**
1122(d)(2)(vi)	Unissued checks are safeguarded so as to prevent unauthorized access.	
1122(d)(2)(vii)	Reconciliations are prepared on a monthly basis for all asset-backed securities related bank accounts, including custodial accounts and related bank clearing accounts. These reconciliations (A) are mathematically accurate; (B) are prepared within thirty (30) calendar days after the bank statement cutoff date, or such other number of days specified in the transaction agreements; (C) are reviewed and approved by someone other than the person who prepared the reconciliation; and (D) contain explanations for reconciling items. These reconciling items are resolved within ninety (90) calendar days of their original identification, or such other number of days specified in the transaction agreements.	

Reg AB Reference	Servicing Criteria	Applicable Indenture Trustee Responsibility
	Investor Remittances and Reporting	
1122(d)(3)(i)	Reports to investors, including those to be filed with the SEC, are maintained in accordance with the transaction agreements and applicable SEC requirements. Specifically, such reports (A) are prepared in accordance with timeframes and other terms set forth in the transaction agreements; (B) provide information calculated in accordance with the terms specified in the transaction agreements; (C) are filed with the SEC as required by its rules and regulations; and (D) agree with investors' or the trustee's records as to the total unpaid principal balance and number of pool assets serviced by the servicer.	
1122(d)(3)(ii)	Amounts due to investors are allocated and remitted in accordance with timeframes, distribution priority and other terms set forth in the transaction agreements.	**X**
1122(d)(3)(iii)	Disbursements made to an investor are posted within two (2) business days to the servicer's investor records, or such other number of days specified in the transaction agreements.	**X**
1122(d)(3)(iv)	Amounts remitted to investors per the investor reports agree with cancelled checks, or other form of payment, or custodial bank statements.	**X**
	Pool Asset Administration	
1122(d)(4)(i)	Collateral or security on pool assets is maintained as required by the transaction agreements or related pool asset documents.	
1122(d)(4)(ii)	Pool assets and related documents are safeguarded as required by the transaction agreements.	
1122(d)(4)(iii)	Any additions, removals or substitutions to the asset pool are made, reviewed and approved in accordance with any conditions or requirements in the transaction agreements.	
1122(d)(4)(iv)	Payments on pool assets, including any payoffs, made in accordance with the related pool asset documents are posted to the servicer's obligor records maintained no more than two (2) business days after receipt, or such other number of days specified in the transaction agreements, and allocated to principal, interest or other items (e.g., escrow) in accordance with the related pool asset documents.	
1122(d)(4)(v)	The servicer's records regarding the pool assets agree with the servicer's records with respect to an obligor's unpaid principal balance.	
1122(d)(4)(vi)	Changes with respect to the terms or status of an obligor's pool assets (e.g., loan modifications or re-agings) are made, reviewed and approved by authorized personnel in accordance with the transaction agreements and related pool asset documents.	
1122(d)(4)(vii)	Loss mitigation or recovery actions (e.g., forbearance plans, modifications and deeds in lieu of foreclosure, foreclosures and repossessions, as applicable) are initiated, conducted and concluded in accordance with the timeframes or other requirements established by the transaction agreements.	
1122(d)(4)(viii)	Records documenting collection efforts are maintained during the period a pool asset is delinquent in accordance with the transaction agreements. Such records are maintained on at least a monthly basis, or such other period specified in the transaction agreements, and describe the entity's activities in monitoring delinquent pool assets including, for example, phone calls, letters and payment rescheduling plans in cases where delinquency is deemed temporary (e.g., illness or unemployment).	
1122(d)(4)(ix)	Adjustments to interest rates or rates of return for pool assets with variable rates are computed based on the related pool asset documents.	
1122(d)(4)(x)	Regarding any funds held in trust for an obligor (such as escrow accounts): (A) such funds are analyzed, in accordance with the obligor's pool asset documents, on at least an annual basis, or such other period specified in the transaction agreements; (B) interest on such funds is paid, or credited, to obligors in accordance with applicable pool asset documents and state laws; and (C) such funds are returned to the obligor within thirty (30) calendar days of full repayment of the related pool assets, or such other number of days specified in the transaction agreements.	

Reg AB Reference	Servicing Criteria	Applicable Indenture Trustee Responsibility
1122(d)(4)(xi)	Payments made on behalf of an obligor (such as tax or insurance payments) are made on or before the related penalty or expiration dates, as indicated on the appropriate bills or notices for such payments, provided that such support has been received by the servicer at least thirty (30) calendar days prior to these dates, or such other number of days specified in the transaction agreements.	
1122(d)(4)(xii)	Any late payment penalties in connection with any payment to be made on behalf of an obligor are paid from the servicer's funds and not charged to the obligor, unless the late payment was due to the obligor's error or omission.	
1122(d)(4)(xiii)	Disbursements made on behalf of an obligor are posted within two (2) business days to the obligor's records maintained by the servicer, or such other number of days specified in the transaction agreements.	
1122(d)(4)(xiv)	Delinquencies, charge-offs and uncollectible accounts are recognized and recorded in accordance with the transaction agreements.	
1122(d)(4)(xv)	Any external enhancement or other support, identified in Item 1114(a)(1) through (3) or Item 1115 of Regulation AB, is maintained as set forth in the transaction agreements.	

APPENDIX A

DEFINITIONS

This is Appendix A to the Indenture.

A. Defined Terms. As used in the Indenture, the Sale Agreement, the Servicing Agreement, the Series Supplement, the CRR Property Intercreditor Agreement or any other Basic Document as hereinafter defined, as the case may be (unless the context requires a different meaning), the following terms have the following meanings:

"17g-5 Website" is defined in Section 10.20 of the Indenture.

"Act" is defined in Section 10.03(a) of the Indenture.

"Account Records" is defined in Section 1(a)(i) of the Administration Agreement.

"Actual CRR Charge Collections" means, with respect to Billed CRR Charges in any Collection Period, the amount of CRR Charge Collections in respect of such Billed CRR Charges.

"Additional Interim True-Up Adjustment" means any adjustment to the CRR Charges made pursuant to the terms of the CRR Rate Schedule in accordance with Section 4.01(b)(iv) of the Servicing Agreement.

"Administration Agreement" means the Administration Agreement, dated as of [•], by and between the Administrator and the Issuer, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Administration Fee" is defined in Section 2 of the Administration Agreement.

"Administrator" means APCo, as Administrator under the Administration Agreement, or any successor Administrator to the extent permitted under the Administration Agreement.

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agency Office" means the office of the Issuer maintained pursuant to Section 3.02 of the Indenture.

"Amendatory Schedule" means a revision to service riders or any other notice filing filed with the Commission in respect of the CRR Rate Schedule pursuant to a True-Up Adjustment.

"Annual Accountant's Report" is defined in Section 3.04(a) of the Servicing Agreement.

"Annual Compliance Certificate" is defined in Section 3.03(a) of the Servicing Agreement.

"Annual True-Up Adjustment" means each adjustment to the CRR Charges made in accordance with Section 4.01(b)(i) of the Servicing Agreement.

"Annual True-Up Adjustment Date" means the first billing cycle of [*insert true-up month*] of each year, commencing in [*insert first true-up date*], 20[•].

"APCo" means Appalachian Power Company, a Virginia corporation, and any of its successors or permitted assigns.

"APCo Issuer Share of Joint CRR Charges" is defined in the recitals to the CRR Property Intercreditor Agreement.

"APCo Issuer Share of Joint CRR Property" is defined in the recitals to the CRR Property Intercreditor Agreement.

"APCo Proportion" means (a) the initial principal amount of the Consumer Rate Relief Bonds as of the Closing Date divided by (b) the initial aggregate principal amount of both the Consumer Rate Relief Bonds and the WPCo CRR Bonds as of the Closing Date.

"APCo Transfer Amount" means, as of any date of determination, the dollar amount of funds then on deposit in the Joint Collection Account corresponding to Issuer's percentage interest in the Joint Collection Account, which percentage interest shall be equal to (a) the interest and scheduled principal on the Consumer Rate Relief Bonds payable on the upcoming Payment Date and the Ongoing Financing Costs payable on or prior to such Payment Date divided by (b) the interest and scheduled principal payable on such upcoming Payment Date with respect to both the Consumer Rate Relief Bonds and the WPCo CRR Bonds and all Ongoing Financing Costs and WPCo Ongoing Financing Costs payable on or prior to such Payment Date; provided that, if immediately prior to the final transfer of amounts in the Joint Collection Account to the Payment Account for a Payment Date, the amount of such funds (taken together with the amounts in the Payment Account) are insufficient to pay the amounts specified in clause (a) above on such Payment Date, then, solely for purposes of such final transfer, the APCo Transfer Amount shall be equal to (i) the total amount of funds on deposit in the Joint Collection Account *multiplied by* (ii) a percentage equal to (x) the Outstanding Amount of the Consumer Rate Relief Bonds *divided by* (y) the sum of the Outstanding Amount of the Consumer Rate Relief Bonds and the "Outstanding Amount" (as defined in the WPCo Indenture) of the WPCo CRR Bonds.

"APCo Transfer Date" means, with respect to any Payment Date, any Business Day on or before such Payment Date; provided that the final APCo Transfer Date prior to a Payment Date shall occur on the Business Day before such Payment Date.

"Applicable FATCA Law" is defined in Section 6.16 of the Indenture.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. §§ 101 et seq.), as amended from time to time.

"Basic Documents" means the Indenture, the Administration Agreement, the Sale Agreement and the Bill of Sale, the Certificate of Formation, the LLC Agreement, the Servicing Agreement, the CRR Property Intercreditor Agreement, the Receivables Intercreditor Agreement (including the Receivables Intercreditor Joinder), the Series Supplement, the Letter of Representations, the Underwriting Agreement and all other documents and certificates delivered in connection therewith.

"Bill of Sale" means a bill of sale substantially in the form of Exhibit A to the Sale Agreement.

"Billed CRR Charges" is defined in Annex I to the Servicing Agreement.

"Billing Period" means the period created by dividing the calendar year into twelve (12) consecutive periods of approximately twenty-one (21) Servicer Business Days.

"Bill" means each of the regular monthly bills, summary bills, opening bills and closing bills issued to Customers by APCo or WPCo on their own behalf and in each of their capacities as a Servicer.

"Bond Interest Rate" means, with respect to any Tranche of Consumer Rate Relief Bonds, the rate at which interest accrues on the Consumer Rate Relief Bonds of such Tranche, as specified in the Series Supplement.

"Book-Entry Consumer Rate Relief Bonds" means any Consumer Rate Relief Bonds issued in Book-Entry Form; provided, however, that after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Consumer Rate Relief Bonds are to be issued to the Holder of such Consumer Rate Relief Bonds, such Consumer Rate Relief Bonds shall no longer be "Book-Entry Consumer Rate Relief Bonds."

"Book-Entry Form" means, with respect to any Consumer Rate Relief Bond, that such Consumer Rate Relief Bond is not certificated and the ownership and transfers thereof shall be made through book entries by a Clearing Agency as described in Section 2.11 of the Indenture and the Series Supplement pursuant to which such Consumer Rate Relief Bond was issued.

"Budget Billing Plan" means any payment plan made available by APCo or WPCo to Customers, who have had service for an established period of time and meet established rating standards, that uses averaged demand in calculating periodic obligations of the Customer, including any "Average Monthly Payment (AMP) Plan".

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Charleston, West Virginia, New York, New York, or Columbus, Ohio are, or DTC or the Corporate Trust Office is, authorized or obligated by law, regulation or executive order to be closed.

"Calculation Period" means, with respect to any True-Up Adjustment, the period comprised of the twelve (12) succeeding Collection Periods beginning with the Collection Period in which a True-Up Adjustment would go into effect; provided, that in the case of any True-Up Adjustment which will go into effect after the last Scheduled Final Payment Date, the Calculation Period shall begin on the date the True-Up Adjustment goes into effect and end on the Payment Date next following such True-Up Adjustment date; and provided further that for the purpose of calculating the first Periodic Payment Requirement as of the Closing Date, "Calculation Period" means, initially, the period commencing on the Closing Date and ending on the last day of the billing cycle of [*insert month before Closing Date*], 20[•].

"Capital Contribution" means the amount of cash contributed to the Issuer by APCo as specified in the LLC Agreement.

"Capital Subaccount" is defined in Section 8.02(a) of the Indenture.

"Certificate of Compliance" is defined in Section 3.03(a) of the Servicing Agreement.

"Certificate of Formation" means the Certificate of Formation filed with the Secretary of State of the State of Delaware on August 19, 2025, pursuant to which the Issuer was formed.

"Claim" means a "claim" as defined in Section 101(5) of the Bankruptcy Code.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Agency Participant" means a securities broker, dealer, bank, trust company, clearing corporation or other financial institution or other Person for whom from time to time a Clearing Agency effects book entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" means, [•], 20[•], the date on which the Consumer Rate Relief Bonds are originally issued in accordance with Section 2.10 of the Indenture and the Series Supplement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collection Period" means any period commencing on the first Servicer Business Day of any Billing Period and ending on the last Servicer Business Day of such Billing Period.

"Commission" means the Public Service Commission of West Virginia, or any Governmental Authority succeeding to the duties of such agency.

"Commission Regulations" means any regulations, including proposed or temporary regulations, promulgated by the Commission under the Code of West Virginia, 1931, as amended.

"Company Minutes" is defined in Section 1(a)(iv) of the Administration Agreement.

"Consumer Rate Relief Bonds" means the Consumer Rate Relief Bonds authorized by the Financing Order and issued under the Indenture.

"Corporate Trust Office" means the office of the Indenture Trustee at which, at any particular time, its corporate trust business shall be administered, which office (for all purposes other than registration of transfer of Consumer Rate Relief Bonds) as of the Closing Date is located at 190 South LaSalle Street, 7th Floor, MK-IL-SL7R, Chicago, Illinois 60603, Attention: Corporate Trust Services / Appalachian Consumer Rate Relief Funding II LLC, Jacqueline Reyes (Telephone: 312-332-7454; Email: jacqueline.reyes@usbank.com) and Maryann Turbak (Telephone: 312-332-7531; Email: maryann.turbak@usbank.com), and for registration of transfers of Consumer Rate Relief Bonds, the office as of the Closing Date is located at 111 Fillmore Avenue East, St. Paul, Minnesota 55107, Attention: Bondholder Services, or at such other address as the Indenture Trustee may designate from time to time by notice to the Holders of Consumer Rate Relief Bonds and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice.

"Covenant Defeasance Option" is defined in Section 4.01(b) of the Indenture.

"CRR Bond Collateral" has the meaning specified in the preamble of the Indenture.

"CRR Bond Register" means the register maintained pursuant to Section 2.05 of the Indenture, providing for the registration of the Consumer Rate Relief Bonds and transfers and exchanges thereof.

"CRR Bond Registrar" means the registrar at any time of the CRR Bond Register, appointed pursuant to Section 2.05 of the Indenture.

"CRR Charge" means any "consumer rate relief charge" (as defined in Section 24-2-4h(b)(7) of the Securitization Law) that is authorized by the Financing Order to be imposed, charged and collected from Customers.

"CRR Charge Collections" means CRR Charges actually received by the Servicers to be remitted to the Joint Collection Account.

"CRR Charge Payments" means the payments made by Customers to the Servicers in respect of the CRR Charges.

"CRR Costs" means the Issuer's interest (as assignee of APCO) in the "consumer rate relief costs" (as defined in Section 24-2-4h(b)(8) of the Securitization Law) recoverable pursuant to the Financing Order through the issuance of the Consumer Rate Relief Bonds.

"CRR Property" means all of APCo's interest in "consumer rate relief property" (as defined in Section 24-2-4h(b)(9) of the Securitization Law) created pursuant to the Financing Order and under the Securitization Law and transferred, sold, conveyed or assigned to the Issuer pursuant to the Sale Agreement, including the right to impose, charge and collect the CRR Charges, the right to obtain adjustments to the CRR Charges, and all revenues, receipts, collections, rights to payment, payments, moneys, claims or other proceeds arising from the rights and interests of APCo created under the Financing Order. As used in the Sale Agreement and the other Basic Documents with respect to APCo, the term "CRR Property" when used with respect to APCo means and includes the rights of APCo that exist prior to the time that such rights are first transferred in connection with the issuance of the Consumer Rate Relief Bonds so as to become CRR Property in accordance with Section 24-2-4h(e)(7) of the Securitization Law and the Financing Order.

"CRR Property Intercreditor Agreement" means the CRR Property Intercreditor Agreement, dated as of [•], 20[•], by and among the Issuer, the WPCo Issuer, APCo, WPCo, the Indenture Trustee, the WPCo Indenture Trustee and the Securities Intermediary, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"CRR Property Records" is defined in Section 5.01 of the Servicing Agreement.

"CRR Rate Class" means each "CRR Rate Class" under, and as defined in, the Financing Order.

"CRR Rate Schedule" means the Tariff sheets to be filed with the Commission stating the amounts of the CRR Charges, as such Tariff sheets may be amended or modified from time to time pursuant to a True-Up Adjustment.

"CRR Revenue Group" means each "CRR Revenue Group" under, and as defined in, the Financing Order.

"Customers" means all existing and future West Virginia electric retail customers that receive electric service within APCo's and WPCo's, or any Successors', geographic service territory notwithstanding any change in West Virginia law regarding the ability of any such customer to choose a provider of generation or transmission service from a party other than APCo or WPCo (or their respective Successor) in the future, including all existing and future West Virginia electric retail customers who are obligated to pay CRR Charges pursuant to the Financing Order or any Tariff.

"Daily Remittance" is defined in Section 6.11(a) of the Servicing Agreement.

"Default" means any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default as defined in Section 5.01 of the Indenture.

"Definitive Consumer Rate Relief Bonds" means Consumer Rate Relief Bonds issued in definitive form in accordance with Section 2.13 of the Indenture.

"Delaware Financing Statements" means one or more Uniform Commercial Code financing statements to be filed in the appropriate filing office in the State of Delaware.

"Delaware UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of Delaware.

"DTC" means The Depository Trust Company or any successor thereto.

"Electronic Means" means telephone, telecopy, telegraph, telex, internet, electronic mail, facsimile transmission or any other similar means of electronic communication. Any communication by telephone as an Electronic Means shall be promptly confirmed in writing or by one of the other means of electronic communication authorized herein.

"Eligible Account" means a segregated non-interest-bearing trust account with an Eligible Institution.

"Eligible Institution" means:

(a) the corporate trust department of the Indenture Trustee or an affiliate thereof, so long as the Indenture Trustee or such Affiliate have: (i) either a short-term deposit or issuer rating from Moody's of at least "P-1" or a long-term unsecured debt or issuer rating from Moody's of at least "A2", and (ii) a short-term deposit or issuer rating from S&P of at least "A-1", a long-term unsecured debt or issuer rating from S&P of at least "A"; or

(b) a depository institution organized under the laws of the United States of America or any state (or any domestic branch of a foreign bank), (i) that has either:

(A) a long-term unsecured debt or issuer rating of "AA-" or higher by S&P and "A2" or higher by Moody's;

(B) a short-term deposit, short-term (bank deposit) or issuer rating of "A-1" or higher by S&P and "P-1" or higher by Moody's, and

(ii) and whose deposits are insured by the FDIC;

provided, however, that if an Eligible Institution then being utilized for any purposes under the Indenture or the Series Supplement no longer meets the definition of Eligible Institution, then the Issuer shall replace such Eligible Institution within sixty (60) days of such Eligible Institution no longer meeting the definition of Eligible Institution.

"Eligible Investments" mean funds in the Joint Collection Account or Payment Account that may be invested at the joint direction of the Servicers (or in the absence of such joint direction, at the direction of the APCo Servicer) only in such investments as meet the criteria described below and which mature on or before the Business Day immediately preceding the next Payment Date:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of or bankers' acceptances issued by, any depository institution (including the Indenture Trustee or any of its Affiliates, acting in its commercial capacity) incorporated or organized under the laws of the United States of America or any State thereof and subject to supervision and examination by U.S. federal or state banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit or contractual commitment, rated at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Consumer Rate Relief Bonds;

(c) commercial paper (including commercial paper of the Indenture Trustee or any of its Affiliates, acting in its commercial capacity, and other commercial paper issued by APCo, WPCo or any of their respective Affiliates), which, at the time of purchase is rated at least "A-1" or "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Consumer Rate Relief Bonds;

(d) investments in money market funds which have a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its Affiliates is investment manager or advisor) from Moody's and S&P;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or its agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under Section 15 of the Exchange Act (any such broker/dealer being referred to in this definition as a "broker/dealer"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of entering into such repurchase obligations; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; or

(g) any other investment permitted by each Rating Agency.

Notwithstanding the foregoing: (1) no securities or investments which mature in thirty (30) days or more will be "Eligible Investments" unless the issuer thereof has either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A1" from Moody's; (2) no securities or investments described in clauses (b) through (d) above which have maturities of more than thirty (30) days but less than or equal to 3 months will be "Eligible Investments" unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (3) no securities or investments described in clauses (b) through (d) above which have maturities of more than 3 months which be an "Eligible Investment" unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (4) no securities or investments described in clauses (b) through (d) above which have a maturity of sixty (60) days or less will be Eligible Investments unless such securities have a rating from S&P of at least "A-1"; and (5) no securities or investments described in clauses (b) through (d) above which have a maturity of more than three hundred and sixty five (365) days or less will be Eligible Investments unless such securities have a rating from S&P of at least "AA-", "A-1+" or "AAAm".

"Estimated CRR Charge Collections" means the sum of the payments in respect of CRR Charges which are deemed to have been received by the Servicers in respect of billed CRR Charges, directly or indirectly, from or on behalf of Customers, calculated in accordance with Annex I of the Servicing Agreement.

"Event of Default" is defined in Section 5.01 of the Indenture.

"Excess Funds Subaccount" is defined in Section 8.02(a) of the Indenture.

"Excess Remittance" means the amount, if any, calculated for a particular Collection Period, by which all Estimated CRR Charge Collections remitted to the Joint Collection Account during such Collection Period exceed Actual CRR Charge Collections received by the Servicers during such Collection Period.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Expected Amortization Schedule" means, with respect to any Tranche, the expected amortization schedule related thereto set forth in the Series Supplement.

"FDIC" means the Federal Deposit Insurance Corporation or any successor thereto.

"Federal Book-Entry Regulations" means 31 C.F.R. Part 357 et seq. (Department of Treasury).

"Federal Book-Entry Securities" means securities issued in book-entry form by the United States Treasury.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Servicers from three (3) federal funds brokers of recognized standing selected by it.

"Final Maturity Date" means, with respect to each Tranche of Consumer Rate Relief Bonds, the "Final Maturity Date" therefor specified in the Series Supplement.

"Financial Asset" means "financial asset" as set forth in Section 8-102(a)(9) of the NY UCC.

"Financing Costs" means the Issuer's interest (as assignee of APCo) in the "financing costs" (as defined in Section 24-2-4h(b)(13) of the Securitization Law) recoverable under the Financing Order.

"Future Receivables Arrangement" is defined in Section 4.14 of the Sales Agreement.

"Future Sale Arrangement" is defined in Section 4.14 of the Sales Agreement.

"Financing Order" means the Commission Order issued by the Commission on March 31, 2026, pursuant to the Securitization Law in Case No. 25-0310-E-PC authorizing the creation of the CRR Property, as modified by the Commission Order issued by the Commission on July 21, 2026, in Case No. 25-0310-E-PC.

"General Subaccount" is defined in Section 8.02(a) of the Indenture.

"Global Consumer Rate Relief Bond" means a Consumer Rate Relief Bond to be issued to the Holders thereof in Book-Entry Form, which Global Consumer Rate Relief Bond shall be issued to the Clearing Agency, or its nominee, in accordance with Section 2.11 of the Indenture and the Series Supplement.

"Governmental Authority" means any nation or government, any federal, state, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

"Grant" means mortgage, pledge, bargain, sell, warrant, alienate, remise, release, convey, grant, transfer, create, and grant a lien upon and a security interest in and right of set-off against, deposit, set over and confirm pursuant to the Indenture and the Series Supplement. A Grant of the CRR Bond Collateral or of any other agreement or instrument included therein shall include all rights, powers and options (but none of the obligations) of the Granting party thereunder, including the immediate and continuing right to claim for, collect, receive and give receipt for payments in respect of the CRR Bond Collateral and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the Granting party or otherwise and generally to do and receive anything that the Granting party is or may be entitled to do or receive thereunder or with respect thereto. The terms "Granting" and "Granted" have meaning correlative to the foregoing.

"Hague Securities Convention" means the Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary, ratified September 28, 2016, S. Treaty Doc. No. 112-6 (2012).

"Holder" or "Bondholder" means the Person in whose name a Consumer Rate Relief Bond is registered on the CRR Bond Register.

"Indemnified Losses" is defined in Section 5.03 of the Servicing Agreement.

"Indemnified Person" has the following meanings:

(a) with respect to the Servicing Agreement, as defined in Section 6.02(a) of the Servicing Agreement; and

(b) with respect to the Sale Agreement, as defined in Section 5.01(e) of the Sale Agreement.

"Indenture" means the Indenture, dated as of [•], 20[•], by and among the Issuer, U.S. Bank Trust Company, National Association, a national banking association, as Indenture Trustee, and U.S. Bank National Association, a national banking association, as Securities Intermediary, as originally executed and, as from time to time supplemented or amended by the Series Supplement or indentures supplemental thereto entered into pursuant to the applicable provisions of the Indenture, as so supplemented or amended, or both, and shall include the forms and terms of the Consumer Rate Relief Bonds established thereunder.

"Indenture Trustee" means U.S. Bank Trust Company, National Association, a national banking association, as indenture trustee for the benefit of the Secured Parties, or any successor indenture trustee under the Indenture.

"Indenture Trustee and Control Agent Cap" is defined in Section 8.02(e)(i) of the Indenture.

"Indenture Trustee Indemnified Person" is defined in Section 6.07 of the Indenture.

"Independent" means, when used with respect to any specified Person, that the Person (a) is in fact independent of the Issuer, any other obligor on the Consumer Rate Relief Bonds, the Seller, any Servicer and any Affiliate of any of the foregoing Persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor, the Seller, any Servicer or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other obligor, the Seller, any Servicer or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, trustee, partner, director (other than as an independent director or independent manager) or Person performing similar functions.

"Independent Certificate" means a certificate or opinion to be delivered to the Indenture Trustee under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.01 of the Indenture, made by an Independent appraiser or other expert appointed by an Issuer Order and consented to by the Indenture Trustee, and such opinion or certificate shall state that the signer has read the definition of "Independent" in the Indenture and that the signer is Independent within the meaning thereof.

"Independent Manager" is defined in Section 4.01(a) of the LLC Agreement.

"Independent Manager Fee" is defined in Section 7.03(a) of the LLC Agreement.

"Initial Payment Date" is defined in Section 3(b) of the Series Supplement.

"Insolvency Event" means, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any

substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"Insolvency Law" means any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect.

"Intercreditor Agreements" means the CRR Property Intercreditor Agreement and the Receivables Intercreditor Agreement.

"Interim True-Up Adjustment" means either a Mandatory Interim True-Up Adjustment made in accordance with Section 4.01(b)(iii) of the Servicing Agreement or an Additional Interim True-Up Adjustment made in accordance with Section 4.01(b)(iv) of the Servicing Agreement.

"Interim True-Up Adjustment Date" means the effective date of any Interim True-Up Adjustment.

"Internal Revenue Service" means the Internal Revenue Service of the United States of America, or any successor thereto.

"Investment Company Act" means the Investment Company Act of 1940, as amended.

"Investment Earnings" means investment earnings on funds deposited in the Joint Collection Account (to the extent of the Issuer's rights and interests therein) and in the Payment Account, net of losses and investment expenses.

"Issuance Advice Letter" means the Issuance Advice Letter delivered to the Commission pursuant to the Securitization Law and the Financing Order with respect to the Consumer Rate Relief Bonds.

"Issuer" means Appalachian Consumer Rate Relief Funding II LLC, a Delaware limited liability company, named as such in the Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein and required by the TIA, each other obligor on the Consumer Rate Relief Bonds.

"Issuer Documents" is defined in Section 1(a)(iv) of the Administration Agreement.

"Issuer Order" and "Issuer Request" mean a written order or request signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee or Paying Agent, as applicable.

"Joint Collection Account" means the joint account of the Issuer and the WPCo Issuer established and maintained in accordance with Section 8.02(a)(1) of the Indenture, the Servicing Agreement and the CRR Property Intercreditor Agreement, and any subaccounts contained therein.

"Joint CRR Charge Rate" is defined in Section 7(a)(iv) of the CRR Property Intercreditor Agreement.

"Joint Majority Holder" means both (a) the Holders of a majority of the Outstanding Amount of the Consumer Rate Relief Bonds and (b) the "Holders" of a majority of the "Outstanding Amount" (as each such term in this clause (b) is defined in the WPCo Indenture) of the WPCo CRR Bonds.

"Jurisdictional Successor" means:

(a) with respect to the Sale Agreement, as defined in Section 5.02 of the Sale Agreement; and

(b) with respect to the Servicing Agreement, as defined in Section 6.03 of the Servicing Agreement.

"Legal Defeasance Option" is defined in Section 4.01(b) of the Indenture.

"Letter of Representations" means any applicable agreement between the Issuer and the applicable Clearing Agency, with respect to such Clearing Agency's rights and obligations (in its capacity as a Clearing Agency) with respect to any Book-Entry Consumer Rate Relief Bonds, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Lien" means a security interest, lien, mortgage, charge, pledge, claim, equity or encumbrance of any kind.

"LLC Act" means the Delaware Limited Liability Company Act, 6 Del. C. § 18-101 et seq., as amended from time to time.

"LLC Agreement" means the Amended and Restated Limited Liability Company Agreement of Appalachian Consumer Rate Relief Funding II LLC, dated as of [•], 20[•], as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Loss" is defined in Section 1.01(b) of the Sale Agreement.

"Manager" means each manager of the Issuer under the LLC Agreement.

"Mandatory Interim True-Up Adjustment" means each adjustment to the CRR Charges made pursuant to the terms of the CRR Rate Schedule in accordance with Section 4.01(b)(iii) of the Servicing Agreement.

"Member" has the meaning specified in the first paragraph of the LLC Agreement.

"Minimum Denomination" means, with respect to any Consumer Rate Relief Bond, the minimum denomination therefor specified in the Series Supplement, which minimum denomination shall be not less than $2,000, except for one Consumer Rate Relief Bond of each Tranche which may be of smaller denomination, and, except as otherwise provided in the Series Supplement, integral multiples of $1,000.

"Monthly Servicers' Certificate" is defined in Section 3.01(b)(i) of the Servicing Agreement.

"Moody's" means Moody's Investors Service, Inc. or any successor thereto. References to Moody's are effective so long as Moody's is a Rating Agency.

"Nonstandard True-Up Adjustment" means any special adjustment to the CRR Charges to reallocate the respective percentages of such CRR Charges to be paid among CRR Revenue Groups in accordance with Section 4.01(b)(ii) of the Servicing Agreement.

"Nonstandard True-Up Adjustment Date" means the date revised CRR Charges are approved and effective pursuant to a final order of the Commission in the related Nonstandard True-Up Adjustment proceeding.

"Notice of Default" is defined in Section 5.01(iii) of the Indenture.

"NY UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of New York.

"Officer's Certificate" means, with respect to any Person, a certificate signed by a Responsible Officer of such Person and, with respect to an Officer's Certificate of the Issuer delivered to the Indenture Trustee under the Indenture, under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.01 of the Indenture, and delivered to the Indenture Trustee. Unless otherwise specified, any reference in a Basic Document to an Officer's Certificate shall be to an Officer's Certificate of any Responsible Officer of the party delivering such certificate.

"Ongoing Financing Costs" means the "Ongoing Financing Costs" described as such in the Financing Order, including, without limitation, the Permitted Return, Operating Expenses, the Servicing Fee, the Administration Fee, principal and interest on the Consumer Rate Relief Bonds and any other costs identified in the Basic Documents; provided, however, that Ongoing Financing Costs do not include the Issuer's costs of issuance of the Consumer Rate Relief Bonds.

"Operating Expenses" means all unreimbursed fees, costs and expenses of the Issuer, including all amounts owed by the Issuer to the Indenture Trustee or the Securities Intermediary (including indemnities, legal fees and expenses) or any Manager, the Servicing Fee, the Administration Fee, Reimbursable Administrative Expenses, Reimbursable Servicing Expenses, the Independent Manager Fee and any other fees relating to the Consumer Rate Relief Bonds payable by the Issuer to the Independent Managers, administrative expenses, including legal

and accounting fees, Rating Agency fees, any franchise fees, license fees or other taxes owed by the Issuer, including any imposed on CRR Charges or on investment income in the Joint Collection Account (to the extent of the Issuer's rights and interests therein) or on the Payment Account, and any other costs and expenses of the Issuer, APCo and WPCo specified as being Operating Expenses in the Basic Documents.

"Opinion of Counsel" means one or more written opinions of counsel who may, except as otherwise expressly provided in the Basic Documents, be employees of or counsel to the party providing such opinion of counsel, which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party. Any Opinion of Counsel may be based, insofar as it relates to factual matters (including financial and capital markets), upon a certificate or opinion or, or representations by, an officer or officer of the Servicers or the Issuer and other documents necessary and advisable in the judgment of counsel delivering such opinion.

"Outstanding" means, as of the date of determination, all Consumer Rate Relief Bonds theretofore authenticated and delivered under this Indenture except:

(a) Consumer Rate Relief Bonds theretofore canceled by the CRR Bond Registrar or delivered to the CRR Bond Registrar for cancellation;

(b) Consumer Rate Relief Bonds or portions thereof the payment for which money in the necessary amount has been theretofore deposited with the Indenture Trustee or any Paying Agent in trust for the Holders of such Consumer Rate Relief Bonds; and

(c) Consumer Rate Relief Bonds in exchange for or in lieu of other Consumer Rate Relief Bonds which have been issued pursuant to this Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Consumer Rate Relief Bonds are held by a Protected Purchaser;

provided, that, in determining whether the Holders of the requisite Outstanding Amount of the Consumer Rate Relief Bonds or any Tranche thereof have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any Basic Document, Consumer Rate Relief Bonds owned by the Issuer, any other obligor upon the Consumer Rate Relief Bonds, the Member, the Seller, any Servicer or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding (unless one or more such Persons owns 100% of such Consumer Rate Relief Bonds), except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Consumer Rate Relief Bonds that the Indenture Trustee actually knows to be so owned shall be so disregarded. Consumer Rate Relief Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Consumer Rate Relief Bonds and that the pledgee is not the Issuer, any other obligor upon the Consumer Rate Relief Bonds, the Member, the Seller, any Servicer or any Affiliate of any of the foregoing Persons.

"Outstanding Amount" means the aggregate principal amount of all Consumer Rate Relief Bonds or, if the context requires, all Consumer Rate Relief Bonds of a Tranche, Outstanding at the date of determination.

"Paying Agent" means with respect to the Indenture, the Indenture Trustee and any other Person appointed as a paying agent for the Consumer Rate Relief Bonds pursuant to the Indenture.

"Payment Account" means the account established and maintained by the Indenture Trustee in accordance with Section 8.02(a)(2) of the Indenture and any subaccounts contained therein.

"Payment Date" means, with respect to any Tranche of Consumer Rate Relief Bonds, the dates specified in the Series Supplement; provided, that if any such date is not a Business Day, the Payment Date shall be the Business Day immediately succeeding such date.

"Periodic Billing Requirement" means, for any Calculation Period, the aggregate amount of CRR Charges calculated by the Servicers as necessary to be billed during such period in order to collect the Periodic Payment Requirement on a timely basis.

"Periodic Interest" means, with respect to any Payment Date, the periodic interest for such Payment Date as specified in the Series Supplement.

"Periodic Payment Requirement" for any Calculation Period means the total dollar amount of CRR Charge Collections reasonably calculated by the Servicers in accordance with Section 4.01 of the Servicing Agreement as necessary to be received during such period (after giving effect to the allocation and distribution of amounts on deposit in the Excess Funds Subaccount at the time of calculation and which are projected to be available for payments on the Consumer Rate Relief Bonds, at the end of such Calculation Period and including any shortfalls in Periodic Payment Requirements for any prior Calculation Period) in order to ensure that, as of the last Payment Date occurring in such Calculation Period, (1) all accrued and unpaid interest then due on the Consumer Rate Relief Bonds shall have been paid in full on a timely basis, (2) the Outstanding Amount of the Consumer Rate Relief Bonds is equal to the Projected Unpaid Balance on each Payment Date during such Calculation Period, (3) the balance on deposit in the Capital Subaccount equals the aggregate Required Capital Level, and (4) all other fees and expenses due and owing and required or allowed to be paid under Section 8.02 of the Indenture as of such date shall have been paid in full; provided, that, with respect to any Annual True-Up Adjustment or Interim True-Up Adjustment occurring after the last Scheduled Final Payment Date for the Consumer Rate Relief Bonds, the Periodic Payment Requirements shall be calculated to ensure that sufficient CRR Charges will be collected to retire the Consumer Rate Relief Bonds in full as of the next Payment Date.

"Periodic Principal" means, with respect to any Payment Date, the excess, if any, of the Outstanding Amount of Consumer Rate Relief Bonds over the Unrecovered Balance specified for such Payment Date on the Expected Amortization Schedule.

"Permitted Lien" means the Lien created by the Indenture.

"Permitted Return" shall mean, for any Payment Date with respect to any Calculation Period, the sum of (a) a rate of return payable to APCo on the amount of its Capital Contribution, equal to APCo's then authorized pre-tax weighted average cost of capital established in APCo's then most recent base rate case plus (b) any Permitted Return not paid on any prior Payment Date.

"Person" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority.

"Predecessor Consumer Rate Relief Bond" means, with respect to any particular Consumer Rate Relief Bond, every previous Consumer Rate Relief Bond evidencing all or a portion of the same debt as that evidenced by such particular Consumer Rate Relief Bond, and, for the purpose of this definition, any Consumer Rate Relief Bond authenticated and delivered under Section 2.06 of the Indenture in lieu of a mutilated, lost, destroyed or stolen Consumer Rate Relief Bond shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Consumer Rate Relief Bond.

"Premise" is defined in Section 1(g) of the Administration Agreement.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Projected Unpaid Balance" means, as of any Payment Date, the sum of the projected outstanding principal amount of each Tranche of Consumer Rate Relief Bonds for such Payment Date set forth in the Expected Amortization Schedule.

"Prospectus" means the prospectus dated [•], 20[•] relating to the Consumer Rate Relief Bonds.

"Protected Purchaser" has the meaning specified in Section 8-303 of the UCC.

"Purchase Price" is defined in Section 2.01 of the Sale Agreement.

"Rating Agency" means with respect to any Tranche of Consumer Rate Relief Bonds, any of Moody's or Standard & Poor's which provides a rating with respect to the Consumer Rate Relief Bonds. If no such organization or successor is any longer in existence, "Rating Agency" shall be a nationally recognized statistical rating organization or other comparable Person designated by the Issuer, notice of which designation shall be given to the Indenture Trustee and the Servicers.

"Rating Agency Condition" means, with respect to any action, not less than ten (10) Business Days' prior written notification to each Rating Agency of such action, and written confirmation from each Rating Agency to each Servicer, the Indenture Trustee and the Issuer that such action will not result in a suspension, reduction or withdrawal of the then current rating by such Rating Agency of any Tranche of Consumer Rate Relief Bonds and that prior to the taking of the proposed action no other Rating Agency shall have provided written notice to the Issuer that such action has resulted or would result in the suspension, reduction or withdrawal of the then

current rating of any Tranche of Consumer Rate Relief Bonds; provided, that if within such ten (10) Business Day period, any Rating Agency (other than Standard & Poor's) has neither replied to such notification nor responded in a manner that indicates that such Rating Agency is reviewing and considering the notification, then (i) the Issuer shall be required to confirm that such Rating Agency has received the Rating Agency Condition request, and if it has, promptly request the related Rating Agency Condition confirmation and (ii) if the Rating Agency neither replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five (5) Business Days following such second (2nd) request, the applicable Rating Agency Condition requirement shall not be deemed to apply to such Rating Agency. For the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a Rating Agency's right to review or consent).

"Receivables Intercreditor Agreement" means the Intercreditor Agreement, dated as of September 7, 2022, as amended and restated as of December 9, 2024, by and among AEP Credit, Inc., JPMorgan Chase Bank, N.A., as administrative agent and control agent, and the issuers, servicers and indenture trustees from time to time party thereto.

"Receivables Intercreditor Joinder" means the joinder to the Receivables Intercreditor Agreement, dated as of [•], 20[•], by and among APCo, WPCo, the Issuer, the WPCo Issuer, the Indenture Trustee, the WPCo Indenture Trustee, AEP Credit Inc., and JPMorgan Chase Bank, N.A., as the same may be amended, restated, supplemented or otherwise modified form time to time.

"Record Date" means, with respect to a Payment Date, in the case of Definitive Consumer Rate Relief Bonds, the close of business on the last day of the calendar month preceding the calendar month in which such Payment Date occurs, and in the case of Book-Entry Consumer Rate Relief Bonds, one Business Day prior to the applicable Payment Date.

"Registered Holder" means the Person in whose name a Consumer Rate Relief Bond is registered on the CRR Bond Register.

"Registration Statement" means the registration statement, Form SF-1 Registration Nos. [•] and [•], filed with the SEC for registration under the Securities Act relating to the offering and sale of the Consumer Rate Relief Bonds, and including all amendments thereto.

"Regulation AB" means the rules of the SEC promulgated under Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1125, as such may be amended from time to time.

"Remittance Requirement" means, with respect to any Third-Party Collector, any requirement that such Third-Party Collector remit CRR Charges to a Servicer within a prescribed number of days of billing by such Servicer in accordance with, if applicable, the Financing Order, the Tariff, other tariffs and any Commission Regulations.

"Reimbursable Administrative Expenses" is defined in Section 2 of the Administration Agreement.

"Reimbursable Servicing Expenses" is defined in Section 6.06(a) of the Servicing Agreement.

"Released Parties" is defined in Section 6.02(e) of the Servicing Agreement.

"Remittance Shortfall" means the amount, if any, calculated for a particular Collection Period, by which Actual CRR Charge Collections received by the Servicers during such Collection Period exceed all Estimated CRR Charge Collections remitted to the Joint Collection Account during such Collection Period.

"Required Capital Level" means an amount equal to 0.50% of the initial principal amount of the Consumer Rate Relief Bonds.

"Requirement of Law" means any foreign, federal, state or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law.

"Responsible Officer" means with respect to (a) the Issuer, any Manager or any duly authorized officer; (b) the Indenture Trustee, any officer within the Corporate Trust Office of such trustee (including the President, any Vice President, Assistant Vice President, Secretary or Assistant Treasurer, Trust Officer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively), and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject; (c) any corporation (other than the Indenture Trustee), the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Treasurer, the Assistant Treasurer or any other duly authorized officer of such Person who has been authorized to act in the circumstances; (d) any partnership, any general partner thereof; and (e) any other Person (other than an individual or the Indenture Trustee), any duly authorized officer or member of such Person, as the context may require, who is authorized to act in matters relating to such Person.

"Retirement of the APCo CRR Bonds" means any day on which the final distribution is made to the Indenture Trustee in respect of the last Outstanding Consumer Rate Relief Bonds.

"Sale Agreement" means the CRR Property Purchase and Sale Agreement, dated as of [•], 20[•], by and between APCo and the Issuer, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Scheduled Final Payment Date" means with respect to each Tranche of Consumer Rate Relief Bonds, the date when all interest and principal is scheduled to be paid with respect to that Tranche in accordance with the Expected Amortization Schedule, as specified in the Series Supplement. For the avoidance of doubt, the Scheduled Final Payment Date with respect to any Tranche shall be the last Scheduled Payment Date set forth in the Expected Amortization Schedule relating to such Tranche. The "last Scheduled Final Payment Date" means the Scheduled Final Payment Date of the last maturing Tranche of Consumer Rate Relief Bonds.

"Scheduled Payment Date" means, with respect to each Tranche of Consumer Rate Relief Bonds, each Payment Day on which principal for such Tranche is to be paid in accordance with the Expected Amortization Schedule for such Tranche.

"SEC" means the U.S. Securities and Exchange Commission.

"Secretary of State" means the Secretary of State of the State of Delaware, the Virginia State Corporation Commission of the Commonwealth of Virginia or the Secretary of State of the State of West Virginia, as the case may be, or any Governmental Authority succeeding to the duties of such offices.

"Secured Obligations" is defined in the Series Supplement, a form of which is attached as Exhibit B to the Indenture.

"Secured Parties" means the Indenture Trustee, the Holders and any credit enhancer described in the Series Supplement.

"Securities Account" means the Joint Collection Account or the Payment Account, as applicable, to the extent such account constitutes a securities account as defined in the NY UCC and Federal Book-Entry Regulations.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Intermediary" means U.S. Bank National Association, a national banking association, or any other Eligible Institution, solely in the capacity of a "securities intermediary" (as defined in the NY UCC and Federal Book-Entry Regulations) or any successor securities intermediary under the Indenture.

"Securitization Law" means the Code of West Virginia, 1931, as amended, §24-2-4h, as may be amended from time to time.

"Security Entitlement" means "security entitlement" (as defined in Section 8-102(a)(17) of the NY UCC) with respect to Financial Assets now or hereafter credited to the Securities Account and, pursuant to Federal Book-Entry Regulations, with respect to Federal Book-Entry Securities now or hereafter credited to the Securities Account, as applicable.

"Seller" is defined in the preamble to the Sale Agreement.

"Semi-Annual Servicers' Certificate" is defined in Section 4.01(c)(ii) of the Servicing Agreement.

"Series Supplement" means the Series Supplement, dated as of the [•], 20[•], among the Issuer, the Indenture Trustee and the Securities Intermediary, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Servicers" means APCo and WPCo, as Servicers under the Servicing Agreement, or any successor Servicers to the extent permitted under the Servicing Agreement.

"Servicer Business Day" means any day other than a Saturday, Sunday or holiday, on which a Servicer maintains normal office hours and conducts business.

"Servicer Default" is defined in Section 7.01 of the Servicing Agreement.

"Servicing Agreement" means the CRR Property Servicing Agreement, dated as of [•], 20[•], by and between the Issuer and APCo and WPCo, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Servicing Fee" means the fee payable to the APCo Servicer on each Payment Date for services rendered during the period from, but not including, the preceding Payment Date (or from the Closing Date in the case of the first Payment Date) to and including the current Payment Date, determined pursuant to Section 6.06 of the Servicing Agreement.

"Servicing Standard" means the obligation of each Servicer to calculate, apply, remit and reconcile proceeds of the CRR Property, including CRR Charge Payments, and all other CRR Bond Collateral for the benefit of the Issuer and the Holders (i) with the same degree of care and diligence as such Servicer applies with respect to payments owed to it for its own account, (ii) in accordance with all applicable procedures and requirements established by the Commission for collection of electric utility tariffs and (iii) in accordance with the other terms of the Servicing Agreement.

"Special Payment" means with respect to any Tranche of Consumer Rate Relief Bonds, any payment of principal of or interest on (including any interest accruing upon default), or any other amount in respect of, the Consumer Rate Relief Bonds of such Tranche that is not actually paid within five (5) days of the Payment Date applicable thereto.

"Special Payment Date" means the date on which a Special Payment is to be made by the Indenture Trustee to the Holders.

"Special Record Date" means with respect to any Special Payment Date, the close of business on the fifteenth (15^{th}) day (whether or not a Business Day) preceding such Special Payment Date.

"Sponsor" means APCo, in its capacity as "sponsor" of the Consumer Rate Relief Bonds within the meaning of Regulation AB.

"Standard & Poor's" or "S&P" means S&P Global Ratings, a division of S&P Global Inc., or any successor thereto. References to S&P are effective so long as S&P is a Rating Agency.

"State" means any one of the fifty states of the United States of America or the District of Columbia.

"State Pledge" means the pledge of the State of West Virginia as set forth in §24-2-4h(s)(1) of the Securitization Law.

"Subaccounts" is defined in Section 8.02(a) of the Indenture.

"Successor" has the meaning set forth in the Securitization Law and includes, without limitation, any entity resulting from the merger or consolidation of, or similar transaction with respect to, APCo and Wheeling Power Company.

"Successor Servicer" is defined in Section 3.07(e) of the Indenture.

"Tariff" means APCo's P.S.C. W.VA. Tariff No. [•] filed with the Commission or WPCo's P.S.C. W.VA. Tariff No. [•] filed with the Commission, as applicable, in each case as the same may be amended, restated, supplemented or otherwise modified from time to time, including, without limitation, with respect to any Successor.

"Temporary Consumer Rate Relief Bonds" means Consumer Rate Relief Bonds executed, and upon the receipt of an Issuer Order, authenticated and delivered by the Indenture Trustee pending the preparation of Definitive Consumer Rate Relief Bonds pursuant to Section 2.04 of the Indenture.

"Termination Notice" is defined in Section 7.01 of the Servicing Agreement.

"Third-Party Collector" means each electric utility, municipally owned utility and/or cooperative, which, pursuant to a Tariff, any other tariffs filed with the Commission, or any agreement with APCo or WPCo, is obligated to bill, pay or collect CRR Charges.

"Tranche" means any one of the tranches of Consumer Rate Relief Bonds, as specified in the Series Supplement.

"Treasury Regulations" means the regulations, including proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

"True-Up Adjustment" means any Annual True-Up Adjustment, Interim True-Up Adjustment or Nonstandard True-Up Adjustment, as the case may be.

"Trust Indenture Act" or "TIA" means the Trust Indenture Act of 1939, as amended by the Trust Indenture Reform Act of 1990, as in force on the Closing Date, unless otherwise specifically provided.

"UCC" means, unless the context otherwise requires, the Uniform Commercial Code, as in effect in the relevant jurisdiction, as amended from time to time.

"Underwriters" means the underwriters who purchase Consumer Rate Relief Bonds of any Tranche from the Issuer and sell such Consumer Rate Relief Bonds in a public offering.

"Underwriting Agreement" means the Underwriting Agreement, dated as of [•], 20[•], by and among APCo, the representatives of the several Underwriters named therein and the Issuer, as the same may be amended, supplemented or modified from time to time.

"Unrecovered Balance" means, as of any Payment Date, the sum of the outstanding principal amount of the Consumer Rate Relief Bonds less the amount in the Excess Funds Subaccount available to make principal payments on the Consumer Rate Relief Bonds.

"Upfront Financing Costs" means those financing costs incurred in connection with the issuance of the Consumer Rate Relief Bonds allowed under the Financing Order.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable at the option of the issuer thereof.

"Utilities Code" means Chapter 24 of the Code of West Virginia, as may be amended from time to time.

"Weighted Average Days Outstanding" means the weighted average number of days APCo's and WPCo's monthly bills to Customers collectively remain outstanding during the calendar year immediately preceding the calculation thereof pursuant to Section 4.01(b)(i) of the Servicing Agreement. The initial Weighted Average Days Outstanding shall be [•] days until updated pursuant to Section 4.01(b) of the Servicing Agreement.

"West Virginia UCC" means the UCC as in effect on the date hereof in the State of West Virginia.

"WPCo" means Wheeling Power Company, a West Virginia corporation, and any of its successors or permitted assigns.

"WPCo CRR Bonds" means the "Consumer Rate Relief Bonds" issued by the WPCo Issuer under, and as defined in, the WPCo Indenture.

"WPCo Indenture" means the Indenture, dated as of [•], 20[•], by and among the WPCo Issuer, the WPCo Indenture Trustee, and the Securities Intermediary, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"WPCo Indenture Trustee" means U.S. Bank Trust Company, National Association, a national banking association, as indenture trustee for the benefit of the secured parties under the WPCo Indenture, or any successor indenture trustee under the WPCo Indenture.

"WPCo Issuer" means Wheeling Consumer Rate Relief Funding LLC, a Delaware limited liability company.

"WPCo Issuer Share of Joint CRR Charges" is defined in the recitals to the CRR Property Intercreditor Agreement.

"WPCo Issuer Share of Joint CRR Property" is defined in the recitals to the CRR Property Intercreditor Agreement.

"WPCo Proportion" means (a) the initial principal amount of the WPCo CRR Bonds as of the Closing Date divided by (b) the initial aggregate principal amount of both the Consumer Rate Relief Bonds and the WPCo CRR Bonds as of the Closing Date.

"WPCo Transfer Amount" is defined in Appendix A to the WPCo Indenture.

B. Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with United States generally accepted accounting principles. To the extent that the definitions of accounting terms in any Basic Document are inconsistent with the meanings of such terms under generally accepted accounting principles or regulatory accounting principles, the definitions contained in such Basic Document shall control. As used in the Basic Documents, the term "including" means "including without limitation," and other forms of the verb "to include" have correlative meanings. All references to any Person shall include such Person's permitted successors.

C. Computation of Time Periods. Unless otherwise stated in any of the Basic Documents, as the case may be, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

D. Reference; Captions. The words "hereof," "herein" and "hereunder" and words of similar import when used in any Basic Document shall refer to such Basic Document as a whole and not to any particular provision of such Basic Document; and references to "Section," "subsection," "Schedule" and "Exhibit" in any Basic Document are references to Sections, subsections, Schedules and Exhibits in or to such Basic Document unless otherwise specified in such Basic Document. The various captions (including the tables of contents) in each Basic Document are provided solely for convenience of reference and shall not affect the meaning or interpretation of any Basic Document.

E. Terms Generally. The definitions contained in this Appendix A are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter forms of such terms.

Exhibit 10.1

DRAFT FORM

CRR PROPERTY SERVICING AGREEMENT

by and between

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC,

as Issuer

and

APPALACHIAN POWER COMPANY

and

WHEELING POWER COMPANY,

as Servicers

Dated as of [•], 20[•]

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CRR PROPERTY SERVICING AGREEMENT

This CRR PROPERTY SERVICING AGREEMENT (this "Agreement"), dated as of [•], 20[•], is between APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, a Delaware limited liability company, as issuer (the "Issuer"), and each of APPALACHIAN POWER COMPANY, a Virginia corporation ("APCo"), and WHEELING POWER COMPANY, a West Virginia corporation ("WPCo"), each as servicer (APCo in such capacity, the "APCo Servicer", and WPCo in such capacity, the "WPCo Servicer"). The APCo Servicer and WPCo Servicer are collectively referred to herein as the "Servicers" and, individually, as a "Servicer".

RECITALS

WHEREAS, pursuant to the Securitization Law and the Financing Order, APCo, in its capacity as seller (the "Seller"), and the Issuer are concurrently entering into the Sale Agreement pursuant to which the Seller is selling and the Issuer is purchasing certain CRR Property created pursuant to the Securitization Law and the Financing Order described therein;

WHEREAS, in connection with its ownership of the CRR Property and in order to collect the associated CRR Charges, the Issuer desires to engage the Servicers to carry out the functions described herein and each of the Servicers desires to be so engaged;

WHEREAS, the Issuer desires to engage each Servicer to act on its behalf in obtaining True-Up Adjustments from the Commission and each Servicer desires to be so engaged;

WHEREAS, the CRR Charge Collections initially will be commingled with other funds collected by the Servicers;

WHEREAS, certain parties may have an interest in such commingled collections, and such parties have entered the CRR Property Intercreditor Agreement and the Receivables Intercreditor Agreement, each of which allows the applicable Servicer to allocate the collected, commingled funds according to each party's interest; and

WHEREAS, the Financing Order calls for the Servicers to execute a servicing agreement with the Issuer pursuant to which the Servicers will be required, among other things, to impose and collect the CRR Charges for the benefit and account of the Issuer, to obtain True-Up Adjustments from the Commission as required or allowed by the Financing Order, and to account for and remit the CRR Charges to the Joint Collection Account in accordance with the remittance procedures contained hereunder and in the CRR Property Intercreditor Agreement without any charge, deduction or surcharge of any kind (other than the Servicing Fee).

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01. Definitions.

(a) Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in that certain Indenture (including Appendix A thereto) dated as of the date hereof between the Issuer, U.S. Bank Trust Company, National Association, a national banking association, in its capacity as the indenture trustee (the "Indenture Trustee"), and U.S. Bank National Association, a national banking association, not individually but solely in its capacity as securities intermediary (the "Securities Intermediary"), as the same may be amended, restated, supplemented or otherwise modified from time to time (as from time to time supplemented or amended by the Series Supplement or indentures supplemental thereto, the "Indenture").

(b) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(c) The words "hereof," "herein," "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Section, Schedule, Exhibit, Annex and Attachment references contained in this Agreement are references to Sections, Schedules, Exhibits, Annexes and Attachments in or to this Agreement unless otherwise specified; and the terms "includes" and "including" shall mean "includes without limitation" and "including without limitation", respectively.

(d) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms.

(e) Non-capitalized terms used herein which are defined in the Securitization Law shall, as the context requires, have the meanings assigned to such terms in the Securitization Law, but without giving effect to amendments to the Securitization Law after the date hereof which have a material adverse effect on the Issuer or the Holders.

ARTICLE II
APPOINTMENT AND AUTHORIZATION

SECTION 2.01. Appointment of Servicers; Acceptance of Appointment. The Issuer hereby appoints APCo and WPCo, and APCo and WPCo, as independent contractors, hereby accept such appointment, to each perform the obligations of a Servicer pursuant to this Agreement on behalf of and for the benefit of the Issuer or any assignee thereof in accordance with the terms of this Agreement and applicable law. This appointment of, and APCo's and WPCo's acceptance thereof, may not be revoked except in accordance with the express terms of this Agreement.

SECTION 2.02. Authorization. With respect to all or any portion of the CRR Property, each Servicer shall be, and hereby is, authorized and empowered by the Issuer to (a) execute and deliver, on behalf of itself and/or the Issuer, as the case may be, any and all instruments, documents or notices, and (b) on behalf of itself and/or the Issuer, as the case may be, make any filing and participate in proceedings of any kind with any Governmental Authority, including with the Commission. The Issuer shall execute and deliver to each Servicer such documents as have been prepared by such Servicer for execution by the Issuer and shall furnish such Servicer with such other documents as may be in the Issuer's possession, in each case as such Servicer may determine to be necessary or appropriate to enable such Servicer to carry out its servicing and other duties hereunder. Upon a Servicer's written request, the Issuer shall furnish such Servicer with any powers of attorney or other documents necessary or appropriate to enable such Servicer to carry out its duties hereunder.

SECTION 2.03. Dominion and Control Over the CRR Property. Notwithstanding any other provision herein, the Issuer shall have dominion and control over the CRR Property, and each Servicer, in accordance with the terms hereof, is acting solely as a servicing agent and custodian for the Issuer with respect to the CRR Property and the CRR Property Records. No Servicer shall take any action that is not authorized by this Agreement, that would contravene the Securitization Law, the Commission Regulations or the Financing Order, that is not consistent with its customary procedures and practices, or that shall impair the rights of the Issuer or the Indenture Trustee (on behalf of the Secured Parties) in the CRR Property, in each case unless such action is required by applicable law or court or regulatory order.

ARTICLE III
ROLE OF SERVICERS

SECTION 3.01. Duties of Servicers. The Servicers, as agents for the Issuer, shall have the following duties:

(a) Duties of Servicer Generally. The Servicers' duties in general shall include:

(i) management, servicing and administration of the CRR Property;

(ii) obtaining meter reads, calculating usage, billing, collections and posting of all payments in respect of the CRR Property (including the CRR Charges);

(iii) responding to inquiries by Customers, the Commission, or any other Governmental Authority with respect to the CRR Property (including the CRR Charges);

(iv) delivering Bills to Customers;

(v) investigating and handling delinquencies (and furnishing reports with respect to such delinquencies to the Issuer), processing and depositing collections and making periodic remittances;

(vi) furnishing periodic reports to the Issuer, the Indenture Trustee and the Rating Agencies;

(vii) ensuring all required filings are made with the Commission and taking such other action as may be necessary to perfect the Issuer's ownership interests in, and the Indenture Trustee's first priority Lien on and security interest in, the CRR Property; ensuring all filings are made and such other actions are taken as may be necessary to perfect and maintain the perfection and priority of the Indenture Trustee's Lien on and security interest in all CRR Bond Collateral;

(viii) selling, as agents for the Issuer, as their interests may appear, defaulted or written off accounts in accordance with the applicable Servicer's usual and customary practices;

(ix) taking all necessary action in connection with the True-Up Adjustments as set forth herein;

(x) ensuring that any and all tax surcharges or tax adjustments billed by it to Customers on account of the CRR Charges or which are otherwise included in CRR Charges are paid to the appropriate taxing authority; and

(xi) and performing such other duties as may be specified under the Financing Order to be performed by it;

provided that (1) APCo Servicer shall be the primary Servicer responsible for performing, and the Issuer's initial point of contact with respect to, the services in clauses (i) through (v), (viii), (x) and (xi) above with respect to APCo Customers and (2) WPCo Servicer shall be the primary Servicer responsible for performing, and the Issuer's initial point of contact with respect to, the services in clauses (i) through (v), (viii), (x) and (xi) above with respect to WPCo Customers.

Anything to the contrary notwithstanding, the duties of the Servicers set forth in this Agreement shall be qualified in their entirety by any Commission Regulations, the Financing Order, and the U.S. federal securities laws and the rules and regulations promulgated thereunder, including without limitation, Regulation AB, as in effect at the time such duties are to be performed. Without limiting the generality of this Section 3.01(a), in furtherance of the foregoing, each Servicer hereby agrees that it shall also have, and shall comply with, the duties and responsibilities relating to data acquisition, usage and bill calculation, billing, customer service functions, collections, payment processing and remittance set forth in Annex I hereto, as it may be amended from time to time. For the avoidance of doubt, the term "usage" when used herein refers to both kilowatt-hour consumption and kilowatt demand.

(b) Reporting Functions.

(i) Monthly Servicers' Certificate. On or before the twenty-fifth calendar day of each month (or if such day is not a Servicer Business Day, on the immediately succeeding Servicer Business Day), beginning with [*Month*], 20[•], the Servicers shall jointly prepare and deliver to the Issuer, the Indenture Trustee and the Rating Agencies a written report substantially in the form of Exhibit A hereto (a "Monthly Servicers' Certificate") setting forth certain information relating to CRR Charge Payments received by the Servicers during the Collection Period corresponding to the immediately preceding month; provided, however, that for any month in which the Servicers are required to deliver a Semi-Annual Servicers' Certificate pursuant to Section 4.01(c)(ii), the Servicers shall prepare and deliver the Monthly Servicers' Certificate no later than the date of delivery of such Semi-Annual Servicers' Certificate.

(ii) Notification of Laws and Regulations. Either Servicer shall promptly notify the Issuer, the Indenture Trustee and the Rating Agencies in writing, if such Servicer becomes aware of any Requirements of Law or Commission Regulations hereafter promulgated that have a material adverse effect on the Servicer's ability to perform its duties under this Agreement.

(iii) Other Information. Upon the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, each Servicer shall provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of such Servicer, or any material information regarding the CRR Property to the extent it is reasonably available to such Servicer, as may be reasonably necessary and permitted by law to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by such Servicer hereunder; provided, however, that any such request by the Indenture Trustee shall not create any obligation for the Indenture Trustee to monitor the performance of any Servicer. In addition, so long as any of the Consumer Rate Relief Bonds are outstanding, each Servicer shall provide the Issuer and the Indenture Trustee, within a reasonable time after written request therefor, any information available to such Servicer or reasonably obtainable by it without undue cost or burden that is necessary to calculate the CRR Charges applicable to each CRR Rate Class.

(iv) Preparation of Reports. The Servicers shall prepare and deliver such additional reports as required under this Agreement, including a copy of each Semi-Annual Servicers' Certificate described in Section 4.01(c)(ii), the Annual Compliance Certificate and the Certificate of Compliance described in Section 3.03, and the Annual Accountant's Report described in Section 3.04. In addition, the Servicers shall prepare, procure, deliver and/or file, or cause to be prepared, procured, delivered or filed, any reports, attestations, exhibits, certificates or other documents required to be delivered or filed with the SEC (and/or any other Governmental Authority) by the Issuer or the Sponsor under the U.S. federal securities laws or other applicable laws or in accordance with the Basic Documents, including, but without limiting the generality of foregoing, filing with the SEC, if applicable and required by applicable law, a copy or copies of (A) the Monthly Servicers' Certificates described in Section 3.01(b)(i) (under Form 10-D or any other applicable form), (B) the Semi-Annual Servicers' Certificates described in Section 4.01(c)(ii) (under Form 10-D or any other applicable form), (C) the annual statements of compliance, attestation reports and other certificates described in Section 3.03, and (D) the Annual Accountant's Report (and any attestation required under Regulation AB) described in Section 3.04. In addition, the appropriate officer or officers of the Servicers shall (in their separate capacities as Servicers) sign the Sponsor's annual report on Form 10-K (and any other applicable SEC or other reports, attestations, certifications and other documents), to the extent that the Servicers' signatures are required by, and consistent with, the U.S. federal securities laws and/or any other applicable law.

(c) Opinions of Counsel. The Servicers shall obtain on behalf of the Issuer and deliver to the Issuer and to the Indenture Trustee:

(i) promptly after the execution and delivery of this Agreement and of each amendment hereto, an Opinion of Counsel from external counsel of the Issuer either (A) to the effect that, in the opinion of such counsel, all filings, including filings with the Commission, the Virginia State Corporation Commission and the West Virginia Secretary of State and all filings pursuant to the UCC, that are necessary under the UCC and the Securitization Law to preserve, protect and perfect the Liens and security interest of the Indenture Trustee in the CRR Property have been authorized, executed and filed, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B) to the effect that, in the opinion of such counsel, no such action shall be necessary to preserve, protect and perfect such Liens; and

(ii) no later than March 31 of each calendar year (beginning with the calendar year beginning January 1, 202[•]), an Opinion of Counsel from external counsel of the Issuer either (A) to the effect that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and refiling of the Indenture, any indentures supplemental hereto and any other requisite documents and with respect to the execution and filing of any filings with the Commission, the Delaware Secretary of State, the Virginia State Corporation Commission or the West Virginia Secretary of State pursuant to the Securitization Law and the Financing Order and any financing statements and continuation statements as are necessary to maintain the Lien and the first priority perfected security interest created by the Indenture and reciting the details of such action or (B) to the effect that, in the opinion of such counsel, no such action is necessary to maintain such Lien and security interest. Such Opinion of Counsel shall also describe the recording, filing, re-recording and refiling of the Indenture, any indentures supplemental hereto and any other requisite documents and the execution and filing of any filings with the Commission, the Delaware Secretary of State, the Virginia State Corporation Commission or the West Virginia Secretary of State, financing statements and continuation statements that will, in the opinion of such counsel, be required within the twelve-month period following the date of such opinion to maintain the Lien and the first priority perfected security interest created by the Indenture and the Series Supplement.

Each Opinion of Counsel referred to in clause (i) or (ii) above shall specify any action necessary (as of the date of such opinion) to be taken in the following year to preserve, protect and perfect such Liens. The costs of such Opinions of Counsel, are out-of-pocket costs of the Servicers which shall be Reimbursable Servicer Expenses reimbursable under the Indenture as Ongoing Financing Costs.

SECTION 3.02. Servicing and Maintenance Standards. On behalf of the Issuer, each Servicer shall:

(a) manage, service, administer and make collections in respect of the CRR Property with reasonable care and in material compliance with applicable Requirements of Law, including all applicable Commission Regulations, using the same degree of care and diligence that such Servicer exercises with respect to similar assets for its own account and, if applicable, for others;

(b) follow customary standards, policies and procedures for the electric transmission and distribution industry in West Virginia in performing its duties as a Servicer;

(c) use all reasonable efforts, consistent with its customary servicing procedures, to enforce, and maintain rights in respect of, the CRR Property and to bill and collect the CRR Charges;

(d) comply with all Requirements of Law, including all applicable Commission Regulations and guidelines, applicable to and binding on it relating to the CRR Property;

(e) ensure filing of all Commission notices described in the Securitization Law and filing and maintenance of the effectiveness of UCC financing statements with respect to the CRR Property, and

(f) take such other action on behalf of the Issuer to ensure that the Lien of the Indenture Trustee on the CRR Bond Collateral remains perfected and of first priority.

Each Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of all or any portion of the CRR Property, which, in such Servicer's judgment, may include the taking of legal action, at the Issuer's expense but subject to the priority of payments set forth in Section 8.02(e) of the Indenture.

SECTION 3.03. Annual Reports on Compliance with Regulation AB.

(a) The Servicers shall each deliver to the Issuer, the Indenture Trustee and the Rating Agencies, on or before the earlier of (a) March 31 of each year, beginning March 31, 202[•], or (b) with respect to each calendar year during which the Sponsor's annual report on Form 10-K is required to be filed in accordance with the Exchange Act and the rules and regulations thereunder, the date on which the annual report on Form 10-K is required to be filed in accordance with the Exchange Act and the rules and regulations thereunder, certificates from Responsible Officers of the Servicers (i) containing, and certifying as to, the statements of compliance required by Item 1123 (or any successor or similar items or rule) of Regulation AB, as then in effect (the "Annual Compliance Certificate"), which may be in the form attached hereto as Exhibit C-1 (with respect to the APCo Servicer) or Exhibit C-2 (with respect to the WPCo Servicer), and (ii) containing, and certifying as to, the statements and assessment of compliance required by Item 1122(a) (or any successor or similar items or rule) of Regulation AB, as then in effect (the "Certificate of Compliance"), which may be in the form attached hereto as Exhibit D-1 (with respect to the APCo Servicer) or Exhibit D-2 (with respect to the WPCo Servicer), in each case, with such changes as may be required to conform to the applicable securities law.

(b) The Servicers shall use commercially reasonable efforts to obtain from each other party participating in the servicing function any additional certifications as to the statements and assessment required under Item 1122 or Item 1123 of Regulation AB (or any successor item or rule) to the extent required in connection with the filing of the annual report on Form 10-K referred to above; provided, however, that a failure to obtain such certifications shall not be a breach of the Servicers' duties hereunder. The parties acknowledge that the Indenture Trustee's certifications shall be limited to the Item 1122 certifications described in Exhibit C of the Indenture.

(c) The APCo Servicer, in its capacity as Sponsor, shall post on its website and file with or furnish to the SEC, in periodic reports and other reports as are required from time to time under Section 13 or Section 15(d) of the Exchange Act, the information described in Section 3.07(g) of the Indenture to the extent such information is reasonably available to the Sponsor. Except to the extent permitted by applicable law, the APCo Servicer, in its capacity as Sponsor, shall not voluntarily suspend or terminate its filing obligations as Sponsor with the SEC as described in this Section 3.03(c). The covenants of the APCo Servicer, in its capacity as Sponsor, pursuant to this Section 3.03(c) shall survive the resignation, removal or termination of the APCo Servicer as a Servicer hereunder.

SECTION 3.04. Annual Report by Independent Registered Public Accountants.

(a) The Servicers shall cause a firm of Independent registered public accountants (which may provide other services to any Servicer or the Seller) to prepare annually, and the Servicers shall deliver annually to the Issuer, the Indenture Trustee and the Rating Agencies on or before the earlier of (i) March 31 of each year, beginning March 31, 202[•], or (ii) with respect to each calendar year during which the Sponsor's annual report on Form 10-K is required to be filed in accordance with the Exchange Act and the rules and regulations thereunder, the date on which the annual report on Form 10-K is required to be filed in accordance with the Exchange Act and the rules and regulations thereunder, a report addressed to the Servicers (the "Annual Accountant's Report") to the effect that such firm has performed certain procedures, agreed between the Servicers and such accountants, in connection with the Servicer's assessment of compliance with the servicing criteria set forth in Item 1122(d) of Regulation AB during the immediately preceding calendar year (or, in the case of the first Annual Accountant's Report to be delivered on or before March 31, 20[•], the period of time from the date of this Agreement until December 31, 20[•]), in accordance with paragraph (b) of Rule 13a-18 and Rule 15d-18 of the Exchange Act and Item 1122 of Regulation AB, identifying the results of such procedures and including any exceptions noted. In the event that the accounting firm providing such report requires the Indenture Trustee to agree or consent to the procedures performed by such firm, the Issuer shall direct the Indenture Trustee in writing to so agree; it being understood and agreed that the Indenture Trustee will deliver such letter of agreement or consent in conclusive reliance upon the written direction of the Issuer, and the Indenture Trustee will not make any independent inquiry or investigation as to, and shall have no obligation or liability in respect of the sufficiency, validity or correctness of such procedures.

(b) The Annual Accountant's Report delivered pursuant to Section 3.04(a) above shall also indicate that the accounting firm providing such report is independent of the Servicers in accordance with the rules of the Public Company Accounting Oversight Board, and shall include any attestation report required under Item 1122(b) of Regulation AB (or any successor or similar items or rule), as then in effect.

(c) The costs of the Annual Accountant's Report shall be Reimbursable Servicer Expenses reimbursable as an Operating Expense under the Indenture.

SECTION 3.05. Monitoring of Third-Party Collectors. From time to time, until the Retirement of the APCo CRR Bonds, each Servicer shall, in accordance with the Servicing Standard, take all actions with respect to Third-Party Collectors required to be taken by such Servicer as set forth, if applicable, in any agreement with such Servicer, the Financing Order, Tariff, other tariffs and any Commission Regulations in effect from time to time and implement such additional procedures and policies as are necessary to ensure that the obligations of all Third-Party Collectors in connection with CRR Charges are properly enforced in accordance with, if applicable, the terms of any agreement with the Servicer, the Financing Order, Tariff, other tariffs and any Commission Regulations in effect from time to time. Such procedures and policies shall include the following:

(a) Maintenance of Records and Information. In addition to any actions required by the Financing Order, the Tariff, Commission Regulations or other applicable law, each Servicer shall, with respect to APCo Customers (in the case of APCo Servicer) or WPCo Customers (in the case of WPCo Servicer):

(i) maintain adequate records for promptly identifying and contacting each Third-Party Collector;

(ii) maintain records of end-user Customers which are billed by Third-Party Collectors to permit prompt transfer of billing responsibilities in the event of default by such Third-Party Collectors;

(iii) maintain adequate records for enforcing compliance by all Third-Party Collectors with their obligations with respect to CRR Charges, including compliance with all Remittance Requirements; and

(iv) provide to each Third-Party Collector such information necessary for such Third-Party Collector to confirm the Servicer's calculation of CRR Charges and remittances, including, if applicable, charge-off amounts.

If there are any Third-Party Collectors, the Servicer utilizing such Third-Party Collectors shall update the records described above in this Section 3.05(a) no less frequently than quarterly.

(b) Credit and Collection Policies. Each Servicer shall, to the fullest extent permitted under the Financing Order, impose such terms with respect to credit and collection policies applicable to Third-Party Collectors as may be reasonably necessary to prevent the then-current rating of the Consumer Rate Relief Bonds from being downgraded, withdrawn or suspended. Such Servicer shall, in accordance with and to the extent permitted by the Securitization Law, applicable Commission Regulations and the terms of the Financing Order, include and impose the above-described terms in any tariffs filed under the Securitization Law which would allow other utilities to issue single bills which include CRR Charges to APCo Customers (in the case of APCo Servicer) or WPCo Customers (in the case of WPCo Servicer).

(c) Affiliated Third-Party Collectors. In performing its obligations under this Section 3.05, each Servicer shall deal with any Third-Party Collectors which are Affiliates of such Servicer on terms which are no more favorable in the aggregate to such affiliated Third-Party Collector than those used by such Servicer in its dealings with Third-Party Collectors that are not Affiliates of such Servicer.

SECTION 3.06. Joint Responsibility; APCo Servicer Authority to Act. Unless otherwise expressly stated in this Agreement, the Servicers shall act jointly in performing their obligations and exercising their rights under this Agreement, and shall be jointly and severally liable for any Servicer Default. However, if the Servicers fail to agree on joint action, take conflicting actions or issue conflicting instructions performing their obligations under this Agreement, then APCo Servicer shall have the authority and responsibility to act on behalf of both Servicers for such matter. WPCo Servicer hereby consents to and authorizes APCo Servicer to act on WPCo Servicer's behalf, and appoints APCo Servicer as its agent with full authority to make decisions and take actions on its behalf hereunder, for such matter.

ARTICLE IV
SERVICES RELATED TO TRUE-UP ADJUSTMENTS

SECTION 4.01. True-Up Adjustments. From time to time, until the Retirement of the APCo CRR Bonds, the Servicers shall identify the need for Annual True-Up Adjustments, Nonstandard True-up Adjustments, Mandatory Interim True-Up Adjustments and Additional Interim True-Up Adjustments and shall take all reasonable action to obtain and implement such True-Up Adjustments, all in accordance with the following:

(a) Expected Amortization Schedule. The Expected Amortization Schedule for the Consumer Rate Relief Bonds is attached hereto as Schedule 4.01(a).

(b) True-Up Adjustments.

(i) Annual True-Up Adjustments and Filings. Each year no later than fifteen (15) days prior to the first billing cycle of [*insert month of Closing Date*] the Servicers shall jointly (or, in the absence of joint action, APCo Servicer shall): (A) update the data and assumptions underlying the calculation of the APCo Issuer Share of Joint CRR Charges, including projected electricity usage during the next Calculation Period for each CRR Rate Class and including Periodic Principal, interest and estimated expenses and fees of the Issuer to be paid during such period, the Weighted Average Days Outstanding and write-offs; (B) determine the Periodic Payment Requirements and Periodic Billing Requirement for the next Calculation Period based on such updated data and assumptions; (C) determine the APCo Issuer Share of Joint CRR Charges to be allocated to each CRR Rate Class during the next Calculation Period based on such Periodic Billing Requirement and the terms of the Financing Order, the Tariff and any other tariffs filed pursuant thereto and in doing so the Servicers shall use the method of allocating APCo Issuer Share of Joint

CRR Charges then in effect, including as applicable, the result of the implementation of the most recent Nonstandard True-Up Adjustment; (D) determine the adjusted CRR Charge and Joint CRR Charge Rate for each CRR Rate Class in accordance with the CRR Property Intercreditor Agreement; (E) make all required public notices and other filings with the Commission to reflect the revised CRR Charges, including any Amendatory Schedule, and (F) take all reasonable actions and make all reasonable efforts to effect such Annual True-Up Adjustment and to enforce the provisions of the Securitization Law and the Financing Order. The Servicers shall implement the revised CRR Charges, if any, resulting from such Annual True-Up Adjustment as of the Annual True-Up Adjustment Date.

(ii) Nonstandard True-Up Adjustments and Filings.

(A) In the event that a Load Trigger Event occurs or the Servicers otherwise jointly determine that a Nonstandard True-Up Adjustment is required as a result of significant changes from historical conditions of operation, such as the addition or loss of significant electric load or a merger of APCo or WPCo with another utility and a resulting expansion of APCo's or WPCo's customer base, the Servicers shall promptly (A) recalculate the APCo Issuer Share of Joint CRR Charges to reallocate the APCo Issuer Share of Joint CRR Charges among CRR Revenue Groups in accordance with the procedures for Nonstandard True-Up Adjustments set forth in the Financing Order; (B) initiate a proceeding with the Commission to determine new allocation factors and make all required public notices and other filings with the Commission to implement the revised APCo Issuer Share of Joint CRR Charges and the revised CRR Charges in accordance with the CRR Property Intercreditor Agreement in a timely manner, including the filing of any revised Amendatory Schedule necessary to begin the billing of such revised CRR Charges; and (C) take all reasonable actions and make all reasonable efforts to effect such Nonstandard True-Up Adjustment and to enforce the provisions of the Securitization Law and the Financing Order. The Servicers shall implement the revised CRR Charges, if any, resulting from such Nonstandard True-Up Adjustment on the Nonstandard True-Up Adjustment Date. For the avoidance of doubt, no Annual True-Up Adjustment or Interim True-Up Adjustment shall be considered a Nonstandard True-Up Adjustment solely because CRR Charges are allocated under such Annual True-Up Adjustment or Interim True-Up Adjustment in the same manner as in a preceding Nonstandard True-Up Adjustment.

(B) For purposes hereof:

"Load Trigger Event" means if APCo and WPCo collectively experience or project an increase or decrease in the consumption of electricity for one or more CRR Revenue Groups for the upcoming Calculation Period of 10% or more (calculated by comparing the difference between the revised forecasted load and the Threshold Forecasted Load).

"Threshold Forecasted Load" means, with respect to a CRR Revenue Group, (a) prior to the implementation of the first Nonstandard True-Up Adjustment, the "Initial Forecasted Load" for such CRR Revenue Group specified on Annex II and (b) thereafter, the revised forecasted load for such CRR Revenue Group that triggered, and was filed with the Commission as part of, the immediately prior Nonstandard True-Up Adjustment.

(iii) Mandatory Interim True-Up Adjustments and Filings. Within the 30-day period ending on [*insert month*] of each year, commencing [*insert date*] and, beginning 12 months prior to the Scheduled Final Payment Date for the last maturing tranche of Consumer Rate Relief Bonds, within 30 days of the dates which are 12 months, nine months, six months and three months prior to the Scheduled Final Payment Date for the last maturing tranche and each three month period thereafter until the Retirement of the APCo CRR Bonds, the Servicers shall (A) update the data and assumptions underlying the calculation of the APCo Issuer Share of Joint CRR Charges, including projected electricity usage during the next Calculation Period for each CRR Rate Class and including Periodic Principal, interest and estimated expenses and fees of the Issuer to be paid during such period, the rate of delinquencies and write-offs; (B) determine the Periodic Payment Requirement and Periodic Billing Requirement for the next Calculation Period based on such updated data and assumptions; and (C) based upon such updated data and requirements, project whether existing and projected CRR Charge Collections, including as a result of the WPCo Issuer Share of Joint CRR Charges, together with available fund balances in the Excess Funds Subaccount, will be sufficient, (i) to make on a timely basis all scheduled payments of Periodic Principal and interest in respect of each Outstanding Tranche of Consumer Rate Relief Bonds during such Calculation Period and (ii) to pay other Ongoing Financing Costs on a timely basis and to maintain the Capital Subaccount at the Required Capital Level; provided, that in the case of any Mandatory Interim True-up Adjustment following the Scheduled Final Payment Date for the last maturing tranche of any Consumer Rate Relief Bonds, the True-Up Adjustment will be calculated to ensure that the CRR Charges are sufficient to pay the Consumer Rate Relief Bonds in full on the next Scheduled Payment Date. If the Servicers determine that CRR Charges will not be sufficient for such purposes, the Servicers shall, no later than fifteen (15) days prior to the end of each such thirty (30) day period (1) determine the CRR Charges to be allocated to each CRR Rate Class during the next Calculation Period based on such Periodic Billing Requirement and the terms of the Financing Order and the Tariff, and in doing so the Servicers shall use the method of allocating CRR Charges then in effect, including as applicable, the result of the implementation of the most recent Nonstandard True-Up Adjustment; (2) make all required public notices and other filings with the Commission to reflect the revised CRR Charges, including any Amendatory Schedule; and (3) take all reasonable actions and make all reasonable efforts to effect such Interim True-Up Adjustment and to enforce the provisions of the Securitization Law and the Financing Order.

(iv) Additional Interim True-Up Adjustments and Filings. In addition to the True-Up Adjustments described above in Sections 4.01(b)(i), (ii) and (iii), the Servicers may implement an Additional Interim True-Up Adjustment (in the same manner as provided for the Mandatory Interim True-Up Adjustments) at any time if the Servicers forecast that CRR Charge Collections during the current or next succeeding Calculation Period will be insufficient (a) to make all scheduled payments of Periodic Principal and interest due in respect of the Consumer Rate Relief Bonds on a timely basis during such Calculation Period, (b) to pay other Ongoing Financing Costs on a timely basis and (c) to replenish any draws upon the Capital Subaccount.

(v) Further True-Up Adjustment Calculation Considerations. The following will be considered with respect to each type of True-Up Adjustment: (i) with respect to any Standard True-Up Adjustment, in the event that any APCo Issuer Share of Joint CRR Charges cannot be allocated to a given CRR Rate Class, such APCo Issuer Share of Joint CRR Charges shall be re-allocated as part of the Standard True-Up Adjustment to the remaining CRR Rate Classes within the given CRR Revenue Group, using the same ratable allocation to the CRR Rate Classes within such CRR Revenue Group excluding the CRR Rate Class for which allocation is no longer feasible and (ii) once a Nonstandard True-Up Adjustment has become effective, the modified allocation percentages set forth therein shall remain effective for all future Standard True-Up Adjustment filings unless and until a subsequent Nonstandard True-Up Adjustment is initiated.

(c) Reports.

(i) Notification of Amendatory Schedule Filings and True-Up Adjustments. Whenever each Servicer files an Amendatory Schedule with the Commission or implements revised CRR Charges with notice to the Commission without filing an Amendatory Schedule if permitted by the Financing Order, such Servicer shall send a copy of such filing or notice (together with a copy of all notices and documents which, in such Servicer's reasonable judgment, are material to the adjustments effected by such Amendatory Schedule or notice) to the Issuer, the Indenture Trustee and the Rating Agencies concurrently therewith. If, for any reason any revised CRR Charges are not implemented and effective on the applicable date set forth herein, such Servicer shall notify the Issuer, the Indenture Trustee and each Rating Agency by the end of the second Servicer Business Day after such applicable date. On the same day that the Servicers file for a Standard True-Up Adjustment or Nonstandard True-Up Adjustment, but only if the adjustment would result in an increase to the amount of the CRR Charges, each Servicer will give public notice through publication of a Class I legal advertisement in Kanawha County as required under Section 24-2-4h(k)(2) of the Securitization Law. A Servicer's failure to publish such notice, however, shall not affect the validity or collectability of the CRR Charges.

(ii) Semi-Annual Servicers' Certificate. Not later than five (5) Servicer Business Days prior to each Payment Date or Special Payment Date, the Servicers shall jointly (or, in the absence of joint action, APCo Servicer shall) deliver a draft of a written report substantially in the form of Exhibit B hereto (the "Semi-Annual Servicers' Certificate") to the Issuer and the Indenture Trustee which shall include all of the following information (to the extent applicable and including any other information so specified in the Series Supplement) as to the Consumer Rate Relief Bonds with respect to such Payment Date or Special Payment Date or the period since the previous Payment Date, as applicable:

(a) the starting Joint Collection Account balance as of the immediately preceding Payment Date, the transfers into and out of the Joint Collection Account during the applicable period, the projected ending Joint Collection Account balance as of the applicable Payment Date, the General Subaccount balance as of the immediately preceding payment date, the transfers between the Joint Collection Account and the General Subaccount during the applicable period, Investment Earnings on the Payment Account and the projected Payment Account balance as of the applicable Payment Date;

(b) The amount on deposit in the Capital Subaccount and the Excess Funds Subaccount and the amount required to be on deposit in the Capital Subaccount as of the immediately preceding Payment Date;

(c) the amount of the payment to Holders allocable to principal, if any;

(d) the amount of the payment to Holders allocable to interest;

(e) the aggregate Outstanding Amount of the Consumer Rate Relief Bonds, before and after giving effect to any payments allocated to principal reported under clause (c) above;

(f) the difference, if any, between the amount specified in clause (e) above and the Outstanding Amount specified in the Expected Amortization Schedule;

(g) any other transfers and payments to be made on such Payment Date or Special Payment Date, including amounts paid to the Indenture Trustee and to the Servicers; and

(h) the projected amounts on deposit in the Payment Account, the Capital Subaccount and the Excess Funds Subaccount, after giving effect to the foregoing payments.

On or prior to each Payment Date or Special Payment Date, the Servicers shall deliver the final Semi-Annual Service's Certificate to the Issuer, the Indenture Trustee and the Rating Agencies.

(iii) Reports to Customers.

(A) After each revised CRR Charge has gone into effect pursuant to a True-Up Adjustment, the Servicers shall, to the extent and in the manner and time frame required by the Financing Order or any applicable Commission Regulations, cause to be prepared and delivered to Customers any required notices announcing such revised CRR Charges.

(B) Each Servicer shall comply with the requirements of the Financing Order with respect to the filing of the CRR Rate Schedule for such Servicer to ensure that the CRR Charges are separate and apart from such Servicer's other charges and appear as a separate line item on the Bills sent to APCo Customers (in the case of APCo Servicer) or WPCo Customers (in the case of WPCo Servicer). In addition, at least once each year (if such explanation is not already included on prior Bills during the applicable year), in accordance with the Securitization Law each Servicer shall cause to be prepared and delivered to APCo Customers (in the case of APCo Servicer) or WPCo Customers (in the case of WPCo Servicer) a "plain-English" explanation of the CRR Property, the CRR Charges and the CRR Rate Schedule, including that the CRR Property and the APCo Issuer Share of Joint CRR Charges are owned by the Issuer and not the Seller. Such explanation shall be included either as an insert to or in the text of the Bills delivered to such Customers or shall be delivered to Customers by electronic means or such other means as such Servicer may from time to time use to communicate with its applicable Customers.

SECTION 4.02. Limitation of Liability. (a) The Issuer and the Servicers expressly agree and acknowledge that:

(i) In connection with any True-Up Adjustment, each Servicer is acting solely in its capacity as a servicing agent hereunder.

(ii) None of the Servicers, the Issuer or the Indenture Trustee shall be responsible in any manner for, and shall have no liability whatsoever as a result of, any action, decision, ruling or other determination made or not made, or any delay (other than any delay resulting from a Servicer's failure to make any filings required by Section 4.01 in a timely and correct manner or any breach by a Servicer of its duties under this Agreement that materially and adversely affects the CRR Property or the True-Up Adjustments), by the Commission in any way related to the CRR Property or in connection with any True-Up Adjustment, the subject of any filings under Section 4.01, any proposed True-Up Adjustment, or the approval of any revised CRR Charges and the scheduled adjustments thereto.

(iii) Except to the extent that a Servicer is liable under Section 6.02, such Servicer shall have no liability whatsoever relating to the calculation of any revised CRR Charges and the scheduled adjustments thereto, including as a result of any inaccuracy of any of the assumptions made in such calculation regarding expected energy or demand usage volume and the Weighted Average Days Outstanding,

write-offs and estimated expenses and fees of the Issuer, so long as such Servicer has acted in good faith and has not acted in a grossly negligent manner in connection therewith, nor shall such Servicer have any liability whatsoever as a result of any Person, including the Holders, not receiving any payment, amount or return anticipated or expected or in respect of any Consumer Rate Relief Bond generally.

(b) Notwithstanding the foregoing, this Section 4.02 shall not relieve a Servicer of liability under Section 6.02 for any misrepresentation by such Servicer under Section 6.01 or for any breach by such Servicer of its other obligations under this Agreement.

ARTICLE V
THE CRR PROPERTY

SECTION 5.01. Custody of CRR Property Records. To assure uniform quality in servicing the CRR Property and to reduce administrative costs, the Issuer hereby revocably appoints each Servicer, and each Servicer hereby accepts such appointment, to act as an agent of the Issuer, each as a custodian of any and all documents and records relating to the CRR Property, including copies of the Financing Order, Issuance Advice Letter, and Amendatory Schedules relating thereto and all documents filed with the Commission in connection with any True-Up Adjustment and computational records relating thereto (collectively, the "CRR Property Records"), which are hereby constructively delivered to the Indenture Trustee, as pledgee of the Issuer with respect to all CRR Property.

SECTION 5.02. Duties of Servicer as Custodian.

(a) Safekeeping. Each Servicer shall hold the CRR Property Records with respect to APCo Customers (in the case of APCo Servicer) or WPCo Customers (in the case of WPCo Servicer) on behalf of the Issuer and the Indenture Trustee and maintain such accurate and complete accounts, records and computer systems pertaining to the CRR Property Records as shall enable the Issuer and the Indenture Trustee, as applicable, to comply with this Agreement, the Sale Agreement and the Indenture. In performing its duties as a custodian, each Servicer shall act with reasonable care, using that degree of care and diligence that such Servicer exercises with respect to comparable assets that such Servicer services for itself or, if applicable, for others. Such Servicer shall promptly report to the Issuer, the Indenture Trustee and the Rating Agencies any material failure on its part to hold the applicable CRR Property Records and maintain its accounts, records and computer systems as herein provided and promptly take appropriate action to remedy any such failure. Nothing herein shall be deemed to require an initial review or any periodic review by the Issuer or the Indenture Trustee of the CRR Property Records. Each Servicer's duties to hold the applicable CRR Property Records set forth in this Section 5.02, to the extent such CRR Property Records have not been previously transferred to a successor Servicer pursuant to Article VII, shall terminate one year and one day after the earlier of (i) the date on which such Servicer is succeeded by a successor Servicer in accordance with Article VII and (ii) the first date on which no Consumer Rate Relief Bonds are Outstanding.

(b) Maintenance of and Access to Records. The Servicers shall maintain the CRR Property Records at 1 Riverside Plaza, Columbus, Ohio 43215 or 200 Association Drive, 02, Charleston, West Virginia 25311, or at such other office as shall be specified to the Issuer and the Indenture Trustee by written notice at least thirty (30) days prior to any change in location. Each Servicer shall make available, as is reasonably required for the Indenture Trustee to perform its duties and obligations under the Indenture and the other Basic Documents, for inspection, audit and copying to the Issuer and the Indenture Trustee or their respective duly authorized representatives, attorneys or auditors the applicable CRR Property Records at such times during normal business hours as the Issuer or the Indenture Trustee shall reasonably request and which do not unreasonably interfere with such Servicer's normal operations. Nothing in this Section 5.02(b) shall affect the obligation of each Servicer to observe any applicable law (including any Commission Regulation) prohibiting disclosure of information regarding the Customers, and the failure of such Servicer to provide access to such information as a result of such obligation shall not constitute a breach of this Section 5.02(b).

(c) Release of Documents. Upon instruction from the Indenture Trustee in accordance with the Indenture, each Servicer shall release any CRR Property Records it holds to the Indenture Trustee, the Indenture Trustee's agent or the Indenture Trustee's designee, as the case may be, at such place or places as the Indenture Trustee may designate, as soon as practicable. Nothing in this Section 5.02(c) shall affect the obligation of such Servicer to observe any applicable law (including any Commission Regulation) prohibiting disclosure of information regarding the Customers, and the failure of such Servicer to provide access to such information as a result of such obligation shall not constitute a breach of this Section 5.02(c).

(d) Defending CRR Property Against Claims. The Servicers, on behalf of the Issuer and the Holders, shall institute any action or proceeding reasonably necessary to compel performance by the Commission or the State of West Virginia under the Securitization Law or the Financing Order with respect to the CRR Property; provided, however, that in circumstances in which the servicing procedures set out in Annex I apply, the provisions of this undertaking do not require any Servicer to act in a manner different from the manner that the servicing procedures require. The Servicers agree to take such legal or administrative actions, including without limitation defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, as may be reasonably necessary to block or overturn any attempts to cause a repeal of, modification of, judicial invalidation of, or supplement to, the Securitization Law or the Financing Order which would be detrimental to the interests of the Holders or which would cause an impairment of the rights of the Issuer or the Holders. In any proceedings related to the exercise of the power of eminent domain by any municipality to acquire a portion of either Servicer's electric distribution facilities in the State of West Virginia, including upon the expiration of any franchise agreement applicable to a Servicer's operations in the State of West Virginia, such Servicer shall assert that that the court ordering such condemnation must treat such municipality as a successor to such Servicer under the Securitization Law and the Financing Order and that Customers in such municipalities remain responsible for payment of CRR Charges. The costs of any action described in this Section 5.02(d) shall be Reimbursable Servicer Expenses payable from CRR Charge Collections as an Operating Expense (and shall not be deemed to constitute a portion of the Servicing Fee) in accordance with the terms of Section 8.02(e) of the Indenture. The Servicers' obligations pursuant to this Section 5.02(d) shall survive and continue notwithstanding that payment of such Operating Expense may be delayed pursuant to the terms of the Indenture; provided that the Servicers shall only be obligated to institute and maintain such action or proceedings if it is being reimbursed on a current basis for its costs and expenses in taking such actions in accordance with Section 8.02 of the Indenture, and is not required to advance its own funds to satisfy such obligations.

(e) Additional Litigation to Defend CRR Property. In addition to its obligations under Section 5.02(d), the Servicers shall, at their own expense, institute any action or proceeding necessary to compel performance by the Commission or the State of West Virginia of any of their respective obligations or duties under the Securitization Law or the Financing Order with respect to the CRR Property, and to compel performance by applicable parties under the Tariff or any agreement with a Servicer entered into pursuant to the Tariff. In any proceedings related to the exercise of the power of eminent domain by any municipality to acquire a portion of APCo's or WPCo's electric distribution facilities, the Servicers shall assert that the court ordering such condemnation must treat such municipality as a "Successor" to APCo or WPCo, as applicable, under, and as defined in, the Securitization Law and Financing Order and as a "Jurisdictional Successor" as defined herein.

SECTION 5.03. Custodian's Indemnification. Each Servicer as a custodian shall indemnify the Issuer, any Independent Manager and the Indenture Trustee (for itself and for the benefit of the Holders) and each of their respective officers, directors, employees and agents for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "Indemnified Losses") that may be imposed on, incurred by or asserted against each such Person as the result of any grossly negligent act or omission in any way relating to the maintenance and custody by the Servicer, as custodian, of the CRR Property Records; provided, however, that no Servicer shall be liable for any portion of any such amount resulting from the willful misconduct, bad faith or gross negligence of the Issuer, any Independent Manager or the Indenture Trustee, as the case may be.

Indemnification under this Section 5.03 shall survive resignation or removal of the Indenture Trustee or any Independent Manager and shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable attorney's fees and expenses) and reasonable fees, out-of-pocket expenses and costs incurred in connection with any action, claim or suit brought to enforce the Indenture Trustee's right to indemnification).

SECTION 5.04. Effective Period and Termination. Each Servicer's appointment as a custodian shall become effective as of the Closing Date and shall continue in full force and effect until terminated pursuant to this Section 5.04. If such Servicer shall resign as a Servicer in accordance with the provisions of this Agreement or if all of the rights and obligations of such Servicer shall have been terminated under Section 7.01, the appointment of such Servicer as a custodian shall be terminated effective as of the date on which the termination or resignation of such Servicer is effective. Additionally, if not sooner terminated as provided above, such Servicer's obligations as a custodian shall terminate one year and one day after the date on which no Consumer Rate Relief Bonds are Outstanding.

ARTICLE VI
THE SERVICERS

SECTION 6.01. Representations and Warranties of the Servicers. The Servicers make the following representations and warranties, as of the Closing Date, and as of such other dates as expressly provided in this Section 6.01, on which the Issuer and the Indenture Trustee are deemed to have relied in entering into this Agreement relating to the servicing of the CRR Property. The representations and warranties shall survive the execution and delivery of this Agreement, the sale of the CRR Property to the Issuer pursuant to the Sale Agreement and the pledge thereof to the Indenture Trustee pursuant to the Indenture.

(a) Organization and Good Standing.

(i) APCo is duly organized and validly existing and in good standing under the laws of the Commonwealth of Virginia and is in good standing under the laws of the State of West Virginia, with the requisite corporate or other power and authority to own its properties as such properties are owned on the Closing Date and to conduct its business as such business is conducted by it on the Closing Date, and to execute, deliver and carry out the terms of this Agreement and the Intercreditor Agreements, and had at all relevant times, and has, the requisite power, authority and legal right to service the CRR Property and to hold the CRR Property Records as custodian.

(ii) WPCo is duly organized and validly existing and is in good standing under the laws of the State of West Virginia, with the requisite corporate or other power and authority to own its properties as such properties are owned on the Closing Date and to conduct its business as such business is conducted by it on the Closing Date, and to execute, deliver and carry out the terms of this Agreement and the Intercreditor Agreements, and had at all relevant times, and has, the requisite power, authority and legal right to service the CRR Property and to hold the CRR Property Records as custodian.

(b) Due Qualification. Each Servicer is duly qualified to do business and is in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including the servicing of the CRR Property as required by this Agreement and the Intercreditor Agreements) shall require such qualifications, licenses or approvals (except where the failure to so qualify would not be reasonably likely to have a material adverse effect on such Servicer's business, operations, assets, revenues or properties or to its servicing of the CRR Property).

(c) Power and Authority. The execution, delivery and performance of this Agreement and the Intercreditor Agreements have been duly authorized by all necessary action on the part of each Servicer under each such Servicer's respective organizational or governing documents and laws.

(d) Binding Obligation. Each of this Agreement and each Intercreditor Agreement constitutes a legal, valid and binding obligation of each Servicer enforceable against the Servicers in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other laws relating to or affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the Intercreditor Agreements and the fulfillment of the terms of each such transaction will not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the organizational documents of APCo Servicer or WPCo Servicer as the case may be, or any indenture or other agreement or instrument to which APCo Servicer or WPCo Servicer as the case may be, is a party or by which it or any of its property is bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than any Lien or security interest that may be granted under the Basic Documents or any Lien created pursuant to Section 24-2-4h(o) of the Securitization Law); nor violate any existing law or any existing order, rule or regulation applicable to APCo Servicer or WPCo Servicer as the case may be, of any Governmental Authority having jurisdiction over such Servicer or its properties.

(f) No Proceedings. There are no proceedings pending and, to the knowledge of APCo Servicer and WPCo Servicer as the case may be, there are (x) no proceedings threatened, and (y) no investigations pending or threatened, in each case before any Governmental Authority having jurisdiction over APCo Servicer, WPCo Servicer or their respective properties involving or relating to APCo Servicer, WPCo Servicer or the Issuer or, to the knowledge of APCo Servicer or WPCo Servicer as the case may be, any other Person: (i) asserting the invalidity of this Agreement or the Intercreditor Agreements or any of the other Basic Documents, (ii) seeking to prevent the issuance of the Consumer Rate Relief Bonds or the consummation of any of the transactions contemplated by this Agreement or any of the other Basic Documents, (iii) seeking any determination or ruling that could reasonably be expected to materially and adversely affect the performance by APCo Servicer or WPCo Servicer, as the case may be, of its obligations under, or the validity or enforceability of, this Agreement, any of the other Basic Documents or the Consumer Rate Relief Bonds or (iv) seeking to adversely affect the U.S. federal income tax or state income or franchise tax classification of the Consumer Rate Relief Bonds as debt.

(g) Approvals. No governmental approval, authorization, consent, order or other action of, or filing with, any Governmental Authority is required in connection with the execution and delivery by APCo Servicer or WPCo Servicer, as the case may be, of this Agreement or the Intercreditor Agreements, the performance by APCo Servicer or WPCo Servicer, as the case may be, of the transactions contemplated hereby or thereby or the fulfillment by APCo Servicer or WPCo Servicer as the case may be, of the terms of each, except those that have been obtained or made, those that the Servicers are required to make in the future pursuant to this Agreement or the Financing Order and those that the Servicers may need to file in the future to continue the effectiveness of any financing statement filed under the Securitization Law or the UCC.

(h) Reports and Certificates. Each report and certificate delivered in connection with the Issuance Advice Letter or delivered in connection with any filing made to the Commission by a Servicer on behalf of the Issuer with respect to the CRR Charges or True-Up Adjustments will constitute a representation and warranty by such Servicer that each such report or certificate, as the case may be, is true and correct in all material respects; provided, however, that, to the extent any such report or certificate is based in part upon or contains assumptions, forecasts or other predictions of future events, the representation and warranty of such Servicer with respect thereto will be limited to the representation and warranty that such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and facts known to such Servicer on the date such report or certificate is delivered).

SECTION 6.02. Indemnities of the Servicers; Release of Claims.

(a) Each Servicer shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by such Servicer under this Agreement.

(b) Each Servicer shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Holders) and any Independent Manager, and each of their respective trustees, officers, directors, employees and agents (each, an "Indemnified Person") for, and defend and hold harmless each such Person from and against, any and all Indemnified Losses imposed on, incurred by or asserted against any such Person as a result of (i) such Servicer's willful misconduct, bad faith or gross negligence in the performance of its duties or observance of its covenants under this Agreement and the Intercreditor Agreements, (ii) such Servicer's breach in any material respects of any of its representations and warranties contained in this Agreement or the Intercreditor Agreements that results in a Servicer Default, or (iii) any litigation or related expenses relating to such Servicer's status or obligations as a Servicer (other than any proceeding such Servicer is required to institute under this Agreement), in each case, except to the extent of Indemnified Losses either resulting from the willful misconduct, bad faith, recklessness or gross negligence of such Person seeking indemnification hereunder or resulting from a breach of a representation or warranty made by such Person seeking indemnification hereunder in any of the Basic Documents that gives rise to the Servicer's breach.

(c) For purposes of Section 6.02(b), in the event of the termination of the rights and obligations of APCo Servicer or WPCo Servicer (or any successor to either of the foregoing pursuant to Section 6.03) as Servicer pursuant to Section 7.01, or a resignation by such Servicer pursuant to this Agreement, such Servicer shall be deemed to still be a Servicer until the appointment of a successor Servicer pursuant to Section 7.02.

(d) Indemnification under this Section 6.02 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Securitization Law or the Financing Order and shall survive the resignation or removal of the Indenture Trustee or any Independent Manager or the termination of this Agreement and shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable attorney's fees and expenses), and the reasonable fees, out-of-pocket expenses and costs incurred in connection with any action, claim or suit brought to enforce the Indenture Trustee's right to indemnification.

(e) Except to the extent expressly provided in this Agreement or the other Basic Documents (including either Servicer's claims with respect to (i) the Servicing Fee, (ii) reimbursement for Reimbursable Servicer Expenses, (iii) reimbursement for any Excess Remittance, (iv) reimbursement for costs incurred pursuant to Section 5.02(d) and (v) the payment of the purchase price of CRR Property), each Servicer hereby releases and discharges the Issuer, any Independent Manager and the Indenture Trustee, and each of their respective officers, directors and agents (collectively, the "Released Parties") from any and all actions, claims and demands whatsoever, whenever arising, which such Servicer, in its capacity as a Servicer or otherwise, shall or may have against any such Person relating to the CRR Property or such Servicer's activities with respect thereto other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

(f) No Servicer shall be required to indemnify an Indemnified Person for any amount paid or payable by such Indemnified Person in the settlement of any action, proceeding or investigation without the written consent of such Servicer, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Person of notice (or, in the case of the Indenture Trustee, receipt of notice by a Responsible Officer only) of the commencement of any action, proceeding or investigation, for which indemnification by a Servicer under this Agreement shall apply, such Indemnified Person shall, if a claim in respect thereof is to be made against a Servicer under this Section 6.02, notify a Servicer in writing of the commencement thereof. Failure by an Indemnified Person to so notify such Servicer shall relieve such Servicer from the obligation to indemnify and hold harmless such Indemnified Person under this Section 6.02 only to the extent that such Servicer suffers actual prejudice as a result of such failure. With respect to any action, proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.02, each Servicer shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Person, the defense of any such action, proceeding or investigation where it is a party or a subject as the case may be (in which case such Servicer shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Person except as set forth below); provided that the Indemnified Person shall have the right to participate in such action, proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding any Servicer's election to assume the defense of any action, proceeding or investigation, the Indemnified Person shall have the right to employ separate counsel (including local counsel), and such Servicer shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the defendants in any such action include both the Indemnified Person and such Servicer and the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to such Servicer, (ii) such Servicer shall not have employed counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person within a reasonable time after notice of the institution of such action, (iii) each Servicer shall authorize the Indemnified Person to employ one separate counsel (plus one local counsel) at the expense of such Servicer or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the Servicers shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Persons other than one local counsel, if appropriate.

(g) The Servicers shall credit the APCo Customers (in the case of APCo Servicer) or WPCo Customers (in the case of WPCo Servicer) to the extent there is any increase in the Servicing Fee that becomes payable pursuant to Section 6.06 as a result of a Servicer Default resulting from a Servicer's willful misconduct, bad faith or negligence in performance of its duties or obligations and duties under this Agreement or the Servicer's failure to remit any required

payment of CRR Charge Collections; provided, however, that any credit to Customers shall not impact the CRR Charges or the CRR Property. Each Servicer's obligation to credit Customers will survive the termination of this Agreement. The requirement to credit customers set forth in this paragraph may be enforced by the Commission but is not enforceable by any Customer.

SECTION 6.03. Binding Effect of Servicing Obligations. The obligations to continue to provide service and to collect and account for CRR Charges will be binding upon each Servicer, any Jurisdictional Successor of such Servicer, and any other entity that provides transmission and distribution services or direct wire services to a Person that is an APCo Customer (in the case of APCo Servicer) or WPCo Servicer (in the case of WPCo Servicer) so long as the Consumer Rate Relief Bonds are Outstanding. Any Person:

(a) into which a Servicer may be merged, converted or consolidated (by operation of law or otherwise) and which is a Jurisdictional Successor,

(b) that may result from any merger, conversion or consolidation to which a Servicer shall be a party and which is a Jurisdictional Successor,

(c) that may succeed to the properties and assets of a Servicer in the State of West Virginia substantially as a whole and which is a Jurisdictional Successor, or

(d) which is the successor entity resulting from the division of a Servicer into two or more Persons,

(e) which otherwise is a Jurisdictional Successor to a Servicer; and

which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of a Servicer hereunder and of a "Servicer" under, and as defined in, the WPCo Issuer Servicing Agreement, shall be the successor to such Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that:

(i) immediately after giving effect to such transaction, the representations and warranties made by such successor Servicer pursuant to Section 6.01 shall be true and correct in all material respects and no Servicer Default and no event which, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing,

(ii) such successor Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger, division or succession and such agreement of assumption comply with this Section 6.03 and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with,

(iii) such successor Servicer shall have delivered to the Issuer, the Indenture Trustee and the Rating Agencies an Opinion of Counsel from external counsel of such Servicer either (A) stating that, in the opinion of such counsel, all filings to be made by the Servicer, including filings with the Commission pursuant to the Securitization Law and the UCC, have been executed (if applicable) and filed and are in full force and effect that are necessary to preserve, protect and perfect the priority of the interests of the Issuer and the Liens of the Indenture Trustee in the CRR Property and reciting the details of such filings or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interests,

(iv) such Servicer shall have delivered to the Issuer, the Indenture Trustee, the Rating Agencies and the Commission an Opinion of Counsel from independent tax counsel stating that, for U.S. federal income tax purposes, such consolidation, conversion, merger, division or succession and such agreement of assumption will not result in a material U.S. federal income tax consequence to the Issuer or the Holders of Consumer Rate Relief Bonds, and

(v) the Servicers shall have given the Rating Agencies prior written notice of such transaction and, if such Person is not an Affiliate of APCo or WPCo, the Rating Agency Condition shall be satisfied.

When any Person (or more than one Person) (x) acquires the properties and assets of a Servicer in the State of West Virginia substantially as a whole and becomes the Jurisdictional Successor to such Servicer, or (y) otherwise becomes the successor to such Servicer in accordance with the terms of this Section 6.03, then in each case upon satisfaction of all of the other conditions of this Section 6.03, the preceding Servicer shall automatically and without further notice be released from all its obligations hereunder.

For purposes hereof, "Jurisdictional Successor" means, with respect to Servicer, a "Successor" (as defined in the Securitization Law) who succeeds to all or substantially all of the electric transmission and distribution business of such Servicer in the State of West Virginia (or, if the transmission and distribution business is split, any Person which provides wire service directly to APCo Customers (in the case of APCo Servicer) or WPCo Customers (in the case of WPCo Servicer)).

Notwithstanding the foregoing, WPCo will be allowed to merge into APCo without satisfying the conditions specified in this Section 6.03 so long as APCo is the entity surviving the merger.

SECTION 6.04. Limitation on Liability of Servicer and Others.

(a) Except as otherwise provided under this Agreement, no Servicer nor any of the directors, officers, employees or agents of any Servicer shall be liable to the Issuer, its managers, Holders, the Indenture Trustee or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement or for good faith errors in judgment; provided, however, that this provision shall not protect a Servicer or any such person against any liability that would otherwise be imposed by reason of willful misconduct, bad faith or gross negligence in the performance of duties or by reason of reckless disregard of obligations and duties under this Agreement. Each Servicer and any director, officer, employee or agent of such Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Agreement.

(b) Except as provided in this Agreement, including but not limited to Sections 5.02(d) and (e), no Servicer shall be under any obligation to appear in, prosecute or defend any legal action relating to the CRR Property that is not directly related to one of such Servicer's enumerated duties in this Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability; provided, however, that such Servicer may, in respect of any Proceeding, undertake any action that it is not specifically identified in this Agreement as a duty of such Servicer but that such Servicer reasonably determines is necessary or desirable in order to protect the rights and duties of the Issuer or the Indenture Trustee under this Agreement and the interests of the Holders and Customers under this Agreement. Such Servicer's costs and expenses incurred in connection with any such proceeding shall be payable from CRR Charge Collections as an Operating Expense (and shall not be deemed to constitute a portion of the Servicing Fee) in accordance with the Indenture. Such Servicer's obligations pursuant to this Section 6.04 shall survive and continue notwithstanding that payment of such Operating Expense may be delayed pursuant to the terms of the Indenture (it being understood that a Servicer may be required initially to advance its own funds in making expenditures pursuant to this paragraph).

SECTION 6.05. Neither APCo nor WPCo to Resign as a Servicer. Subject to the provisions of Section 6.03, neither APCo nor WPCo shall resign from the obligations and duties hereby imposed on it as a Servicer under this Agreement unless APCo or WPCo, as applicable, delivers to the Indenture Trustee, the Commission and each Rating Agency written notice of such resignation and, concurrently therewith or promptly thereafter, an opinion of external counsel to the effect that APCo's or WPCo's performance, as applicable, of its duties under this Agreement shall no longer be permissible under applicable law. No such resignation shall become effective until a successor Servicer shall have assumed the responsibilities and obligations of APCo or WPCo, as applicable, in accordance with Section 7.02.

SECTION 6.06. Servicing Compensation.

(a) Servicing Fee

(i) In consideration for its services hereunder and under the WPCo Issuer Servicing Agreement, until the Retirement of the APCo CRR Bonds, the APCo Servicer shall receive an annual fee (the "Servicing Fee") in an amount equal to (i) 0.10% of the aggregate initial principal amount of all Consumer Rate Relief Bonds for so long as APCo or an Affiliate of APCo is a Servicer or (ii) if APCo or any of its Affiliates is not a Servicer, an amount agreed upon by the Successor Servicer and the Indenture Trustee, provided that any amount in excess of 0.25% of the aggregate initial principal amount of all Consumer Rate Relief Bonds must be approved by the Commission. The Servicing Fee owing shall be calculated based on the initial principal amount of the Consumer Rate Relief Bonds and shall be paid semi-annually with half of the Servicing Fee being paid on each Payment Date.

(ii) In consideration for its services hereunder and under the WPCo Issuer Servicing Agreement, until the Retirement of the APCo CRR Bonds, the WPCo Servicer shall receive a servicing fee pursuant to the terms of the WPCo Issuer Servicing Agreement.

(iii) Notwithstanding the foregoing, if the "Retirement of the WPCo CRR Bonds" occurs under, and as defined in, the WPCo Indenture, prior to the Retirement of the APCo CRR Bonds, the Servicing Fee shall thereafter be payable to the Servicers as follows:

(A) for so long as APCo or an Affiliate of APCo is a Servicer, to APCo Servicer, an amount equal to (x) 0.10% multiplied by (y) the aggregate initial principal amount of all Consumer Rate Relief Bonds multiplied by (z) the APCo Proportion;

(B) for so long as WPCo or an Affiliate of WPCo is a Servicer, to WPCo Servicer, an amount equal to (x) 0.10% multiplied by (y) the aggregate initial principal amount of all Consumer Rate Relief Bonds multiplied by (z) the WPCo Proportion; and

(C) if APCo, WPCo or any of their respective Affiliates is not a Servicer, an amount agreed upon by the Successor Servicer and the Indenture Trustee, acting at the direction of a majority of the Holders, provided that any amount in excess of 0.25% of the aggregate initial principal amount of all Consumer Rate Relief Bonds must be approved by the Commission.

(iv) Each Servicer also shall be entitled to retain as additional compensation (i) any interest earnings on CRR Charge Payments received by such Servicer and invested by such Servicer during each Collection Period prior to remittance to the Joint Collection Account and (ii) all late payment charges, if any, collected from Customers to the extent consistent with such Servicer's Tariff and, if applicable, allocated to such Servicer pursuant to the terms of the Intercreditor Agreements; provided, however, that if such Servicer has failed to remit its Daily Remittance to the Joint Collection Account on the Servicer Business Day that such payment is to be made pursuant to Section 6.11 on more than three (3) occasions during the period that the Consumer Rate Relief Bonds are outstanding, then thereafter such Servicer will be required to pay to the Joint Collection Account interest on each Daily Remittance of such Servicer accrued at the Federal Funds Rate from the Servicer Business Day on which such Daily Remittance was required to be made to the date that such Daily Remittance is actually made.

(v) Each Servicer shall also be entitled to be reimbursed by the Issuer for filing fees and fees and expenses for printing, attorneys, accountants or other professional services retained by, and other incremental out-of-pocket third-party costs of, the Issuer and paid for by the Servicer (or procured by such Servicer on behalf of the Issuer and paid for by such Servicer) to meet the Issuer's obligations under the Basic Documents (with respect to each Servicer, "Reimbursable Servicing Expense").

(b) The Servicing Fee set forth in Section 6.06(a) shall be paid to the APCo Servicer (or the Servicers, in the case of Section 6.06(a)(iii)) by the Indenture Trustee semi-annually, with half of the Servicing Fee being paid on each Payment Date (which amount will be pro-rated for the first and final Payment Date) in accordance with the priorities set forth in Section 8.02(e) of the Indenture, by wire transfer of immediately available funds from the Payment Account to an account designated by the APCo Servicer (or to the accounts designated by each of the Servicers, in the case of Section 6.06(a)(iii)). Any portion of the Servicing Fee not paid on any such date shall be added to the Servicing Fee payable on the subsequent Payment Date. In no event shall the Indenture Trustee be liable for the payment of any Servicing Fee or other amounts specified in this Section 6.06; provided that this Section 6.06 does not relieve the Indenture Trustee of any duties it has to allocate funds for payment for such fees under Section 8.02 of the Indenture.

(c) Other than Reimbursable Servicing Expenses and except as otherwise expressly provided elsewhere in this Agreement, each Servicer shall be required to pay from its own account expenses incurred by such Servicer in connection with its activities hereunder (including any fees to and disbursements by its accountants, counsel, or any other Person, any taxes imposed on such Servicer and any expenses incurred in connection with reports to Holders, but excluding any costs and expenses incurred by APCo in its capacity as Administrator) out of the compensation retained by or paid to it pursuant to this Section 6.06, and shall not be entitled to any extra payment or reimbursement therefor.

(d) The foregoing Servicing Fee, together with the "Servicing Fee" under, and as defined in, the WPCo Issuer Servicing Agreement, constitutes a fair and reasonable compensation for the obligations to be performed by the Servicers. The Servicing Fee shall be determined without regard to the income of the Issuer, shall not be deemed to constitute distributions to the recipient of any profit, loss or capital of the Issuer and shall be considered a fixed Operating Expense of the Issuer subject to the limitations on such expenses set forth in the Financing Order.

SECTION 6.07. Compliance with Applicable Law. Each Servicer covenants and agrees, in servicing the CRR Property, to comply in all material respects with all laws applicable to, and binding upon, such Servicer and relating to the CRR Property the noncompliance with which would have a material adverse effect on the value of the CRR Property; provided, however, that the foregoing is not intended to, and shall not, impose any liability on such Servicer for noncompliance with any Requirement of Law that such Servicer is contesting in good faith in accordance with its customary standards and procedures. It is expressly acknowledged that the payment of fees to the Rating Agencies shall be at the expense of the Issuer, and that if such Servicer advances such payments to the Rating Agencies, such advancements shall constitute Reimbursable Servicer Expenses and the Issuer shall reimburse such Servicer for any such advances.

SECTION 6.08. Access to Certain Records and Information Regarding CRR Property. Each Servicer shall provide to the Indenture Trustee access to the CRR Property Records as is reasonably required for the Indenture Trustee to perform its duties and obligations under the Indenture and the other Basic Documents, and shall provide access to such records to the Holders as required by applicable law. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the applicable offices of such Servicer. Nothing in this Section 6.08 shall affect the obligation of such Servicer to observe any applicable law (including any Commission Regulation) prohibiting disclosure of information regarding the Customers, and the failure of such Servicer to provide access to such information as a result of such obligation shall not constitute a breach of this Section 6.08.

SECTION 6.09. Appointments. Each Servicer may at any time appoint any Person as a subservicer or agent to perform all or any portion of its obligations as a Servicer hereunder, including a collection agent pursuant to any Intercreditor Agreement; provided, however, that, unless such Person is an Affiliate of APCo or WPCo, the Rating Agency Condition shall have been satisfied in connection therewith; provided further that such Servicer shall remain obligated and be liable under this Agreement for the servicing and administering of the CRR Property in accordance with the provisions hereof without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if such Servicer were servicing and administering the CRR Property without the use of a subservicer or agent. The fees and expenses of any such Person shall be as agreed between such Servicer and such Person from time to time and none of the Issuer, the Indenture Trustee, the Holders or any other Person shall have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a Servicer resignation under Section 6.05.

SECTION 6.10. No Servicer Advances. No Servicer shall make any advances of interest on or principal of the Consumer Rate Relief Bonds.

SECTION 6.11. Remittances.

(a) On each Servicer Business Day, commencing [•][1] days after the Closing Date, each Servicer shall remit to the Joint Collection Account the total CRR Charge Payments estimated to have been received by such Servicer from or on behalf of APCo Customers (in the case of APCo Servicer) or WPCo Customers (in the case of WPCo Servicer) on such Servicer Business Day in respect of all CRR Charges previously billed by such Servicer (the "Daily Remittance"), which Daily Remittance shall be calculated according to the procedures set forth in Annex I hereto and shall be remitted as soon as reasonably practicable to the Joint Collection Account but in no event later than the second Servicer Business Day after such payments are estimated to have been received. Prior to each remittance to the Joint Collection Account pursuant to this Section 6.11, the Servicers shall provide written notice to the Indenture Trustee of each such remittance (including the exact dollar amount to be remitted) [substantially in the form of Exhibit E][2], which notice and the equivalent notice required to be delivered by the Servicers under Section 6.11(a) of the WPCo Servicing Agreement may be given in a single notice. Each Servicer shall also, promptly upon receipt, remit to the Joint Collection Account any other proceeds of the CRR Bond Collateral which it may receive from time to time. On each APCo Transfer Date or,

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1 **Note to Form**: To be updated with initial Weighted Average Days Outstanding.

2 **Note to Form:** To be included if required by the Indenture Trustee.

to the extent funds are available, upon any Ongoing Financing Costs becoming due and payable, the Servicers shall, or shall cause the Control Agent to, in accordance with the CRR Property Intercreditor Agreement, transfer the applicable APCo Transfer Amount as of such APCo Transfer Date from the Joint Collection Account to the General Subaccount of the Payment Account established under the Indenture. Unless otherwise agreed upon between the Servicers and the Indenture Trustee, such transfers from the Joint Collection Account to the General Subaccount of the Payment Account shall occur on a daily basis; provided, however, that the Servicers shall not be permitted to transfer any APCo Transfer Amount to the Payment Account unless a similar WPCo Transfer Amount is transferred to the "Payment Account" (as defined in the WPCo Indenture) for the WPCo CRR Bonds at the same time and using the same calculation methodology outlined herein. Each Servicer shall cooperate with the other Servicer in respect of, and shall take all actions reasonably necessary to implement, the transfers contemplated by Section 2(h) of the Intercreditor Agreement.

(b) Each Servicer agrees and acknowledges that it holds all CRR Charge Payments collected by it and any other proceeds for the CRR Bond Collateral received by it for the benefit of the Indenture Trustee and the Holders and that all such amounts will be remitted by the Servicers in accordance with this Section 6.11 without any surcharge, fee, offset, charge or other deduction except (i) for late fees allocated to a Servicer, in its capacity as a Servicer hereunder, pursuant to the Intercreditor Agreements, (ii) as set forth in clause (c) below and (iii) as permitted by Section 6.06. Each Servicer further agrees not to make any claim to reduce its obligation to remit all CRR Charge Payments collected by such Servicer in accordance with this Agreement except (i) for late fees allocated to such Servicer, in its capacity as a Servicer hereunder, and pursuant to the Intercreditor Agreements, (i) as set forth in clause (c) below and (iii) as permitted by Section 6.06.

(c) On or before the twenty-fifth calendar day of each calendar month (or, if such day is not a Servicer Business Day, on the immediately succeeding Servicer Business Day) commencing with [*month*], 20[•], each Servicer shall, in the Monthly Servicers' Certificate, calculate the amount of any Remittance Shortfall or Excess Remittance with respect to such Servicer for the Collection Period corresponding to the immediately preceding calendar month, and (A) if a Remittance Shortfall exists, the applicable Servicer shall make a supplemental remittance, in the amount of the Remittance Shortfall, to the Joint Collection Account within five (5) Servicer Business Days after the delivery of the applicable Monthly Servicers' Certificate, or (B) if an Excess Remittance exists, the applicable Servicer shall be entitled either (i) to reduce the amount of each Daily Remittance which such Servicer subsequently remits to the Joint Collection Account for application to the amount of such Excess Remittance until the balance of such Excess Remittance has been reduced to zero, with the amount of such reduction becoming the property of such Servicer or (ii) so long as such withdrawal would not cause the amounts on deposit in the Excess Funds Subaccount to be insufficient for the payment of the next installment of interest on the Consumer Rate Relief Bonds or principal due at maturity on the next Payment Date or upon acceleration on or before the next Payment Date, to be paid immediately from the Payment Account's Excess Funds Subaccount the amount of such Excess Remittance, with such payment becoming the property of such Servicer.

If there is a Remittance Shortfall with respect to a Servicer, the amount which such Servicer remits to the Joint Collection Account on the relevant date set forth above shall be increased by the amount of such Remittance Shortfall, such increase coming from such Servicer's own funds.

(d) Unless otherwise directed to do so by the Issuer, the Servicers shall be responsible for selecting Eligible Investments in which the funds in the Joint Collection Account and each Payment Account shall be invested pursuant to the CRR Property Intercreditor Agreement and Section 8.03 of the Indenture, respectively.

SECTION 6.12. Maintenance of Operations. Subject to Section 6.03, each of APCo and WPCo agrees to use commercially reasonable efforts to continue, unless prevented by circumstances beyond its control, to operate its electric transmission and distribution system to provide service to APCo Customers or WPCo Customers, respectively (or, if transmission and distribution are split, to provide wire service directly to APCo Customers or WPCo Customers, as applicable), so long as such Servicer is acting as a Servicer under this Agreement.

ARTICLE VII
DEFAULT

SECTION 7.01. Servicer Default. If any one or more of the following events (a "Servicer Default") shall occur and be continuing:

(a) any failure by either Servicer to remit to the Joint Collection Account or the Payment Account, as applicable, on behalf of the Issuer any required remittance that shall continue unremedied for a period of five (5) Servicer Business Days after the earlier of the date on which (i) written notice of such failure is received by either Servicer from the Issuer or the Indenture Trustee or (ii) such failure is actually known by a Responsible Officer of a Servicer; or

(b) any failure on the part of the Servicers to duly observe or to perform in any material respect any covenants or agreements of the Servicers set forth in this Agreement (other than as provided in clause (a) or (c) of this Section 7.01) or any other Basic Document to which a Servicer is a party, which failure shall (i) materially and adversely affect the rights of the Holders and (ii) continue unremedied for a period of sixty (60) days after the earlier of the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to a Servicer by the Issuer (with a copy to the Indenture Trustee) or to a Servicer by the Indenture Trustee or (B) such failure is actually known by a Responsible Officer of a Servicer; or

(c) any failure in any material respect by either Servicer duly to perform its obligations under Section 4.01(b) of this Agreement in the time and manner set forth therein, which failure continues unremedied for a period of five (5) Servicer Business Days; or

(d) any representation or warranty made by a Servicer in this Agreement or any other Basic Document shall prove to have been incorrect in a material respect when made, which has a material adverse effect on the Holders and which material adverse effect continues unremedied for a period of sixty (60) days after the earlier of the date on which (A) written notice thereof, requiring the same to be remedied, shall have been delivered to a Servicer (with a copy to the Indenture Trustee) by the Issuer or the Indenture Trustee or (B) such failure is actually known by a Responsible Officer of a Servicer; or

(e) an Insolvency Event occurs with respect to a Servicer;

then, and in each and every case, so long as the Servicer Default shall not have been remedied, either the Indenture Trustee, acting under the Indenture, may (if it is actually known by a Responsible Officer of the Indenture Trustee), or shall (upon the written instruction of the Joint Majority Holders), subject to the terms of the Intercreditor Agreements, by notice then given in writing to the Servicers (and to the Indenture Trustee if given by the Holders) (a "Termination Notice"), terminate all the rights and obligations of the Servicers under this Agreement (other than the obligations set forth in Section 6.02 and the obligation under Section 7.02 to continue performing its functions as Servicers until a successor Servicer is appointed). The appointment of any successor Servicer shall be subject to the terms and provisions of the Intercreditor Agreements. In addition, upon a Servicer Default described in Section 7.01(a), the Holders and the Indenture Trustee as financing parties under the Securitization Law (or any of their representatives) shall be entitled to (i) apply to the Commission or a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the CRR Property, (ii) foreclose on or otherwise enforce the lien and security interests in any CRR Property and (iii) apply to the Commission for an order that amounts arising from the CRR Charges be transferred to a separate account for the benefit of the Secured Parties, in accordance with the Securitization Law. On or after the receipt by the Servicers of a Termination Notice, all authority and power of the Servicers under this Agreement, whether with respect to the Consumer Rate Relief Bonds, the CRR Property, the CRR Charges or otherwise, shall, without further action, pass to and be vested in such successor Servicer as may be appointed under Section 7.02; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicers, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of the CRR Property Records and related documents, or otherwise. The predecessor Servicers shall cooperate with the successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicers under this Agreement, including the transfer to the successor Servicer for administration by it of all CRR Property Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the CRR Property or the CRR Charges. As soon as practicable after receipt by the Servicers of such Termination Notice, the Servicers shall deliver the CRR Property Records to the successor Servicer. In case a successor Servicer is appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable attorney's fees and expenses) incurred in connection with transferring the CRR Property Records to the successor Servicer and amending this Agreement and any Intercreditor Agreement to reflect such succession as Servicer pursuant to this Section 7.01 shall be paid by the predecessor Servicers upon presentation of reasonable documentation of such costs and expenses. Termination of APCo as a Servicer shall not terminate APCo's rights or obligations under the Sale Agreement (except rights thereunder deriving from its rights as a Servicer hereunder).

SECTION 7.02. Appointment of Successor.

(a) Upon the Servicers' receipt of a Termination Notice pursuant to Section 7.01 or a Servicer's resignation or removal in accordance with the terms of this Agreement, each predecessor Servicer shall continue to perform its functions as a Servicer under this Agreement, and shall be entitled to receive the requisite portion of the Servicing Fee and Reimbursable Servicer Expenses, until a successor Servicer shall have assumed in writing the obligations of such Servicer hereunder as described below. In the event of such Servicer's removal or resignation hereunder, the Indenture Trustee shall, upon the written direction of the Joint Majority Holders, appoint a successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer and the Indenture Trustee (acting at the written direction of the Joint Majority Holders) and provide prompt written notice of such assumption to the Issuer and the Rating Agencies. If within thirty (30) days after the delivery of the Termination Notice, a new Servicer shall not have been appointed, the Indenture Trustee may, or, upon the written direction of the Joint Majority Holders, shall, in each case petition the Commission or a court of competent jurisdiction to appoint a successor Servicer under this Agreement. Except as permitted by Section 6.03, a Person shall qualify as a successor Servicer only if (i) such Person is permitted under Commission Regulations to perform the duties of a Servicer, (ii) the Rating Agency Condition shall have been satisfied, (iii) such Person enters into a servicing agreement with the Issuer having substantially the same provisions as this Agreement and (iv) such Person is approved as a successor Servicer under each Intercreditor Agreement (if any). In no event shall the Indenture Trustee be liable for its appointment of a successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.02(a) shall be at the sole expense of the Issuer and payable from the Payment Account as provided in Section 8.02 of the Indenture.

(b) Upon appointment, the successor Servicer shall be the successor in all respects to the predecessor Servicer under this Agreement and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to the Servicing Fee and reimbursement of Reimbursable Servicer Expenses and all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

SECTION 7.03. Waiver of Past Defaults. The Indenture Trustee, acting at the written direction of the Joint Majority Holders, may waive in writing any default by a Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Joint Collection Account in accordance with this Agreement. Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Promptly after the execution of any such waiver, the Servicers shall furnish copies of such waiver to each of the Rating Agencies.

SECTION 7.04. Notice of Servicer Default. The Servicers shall deliver to the Issuer, the Indenture Trustee, the Commission and the Rating Agencies, promptly after a Servicer Responsible Officer having obtained actual knowledge thereof, but in no event later than five (5) Servicer Business Days thereafter, written notice of any event which with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.01.

SECTION 7.05. Cooperation with Successor. Each predecessor Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the successor Servicer in performing its obligations hereunder. All reasonable costs and expenses (including reasonable attorney's fees and expenses) incurred by a predecessor Servicer in connection with this Section 7.05 shall be paid by the Issuer or such successor Servicer from CRR Charge Collections available under the Indenture, following presentation of reasonable documentation of such costs and expenses.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

SECTION 8.01. Amendment.

(a) This Agreement may be amended from time to time (without the consent of the Indenture Trustee or any of the Holders) by a written amendment duly executed and delivered by each of the Servicers and the Issuer with ten (10) Business Days' prior written notice given to the Rating Agencies and, if the contemplated amendment may in the judgment of the Servicers increase Ongoing Financing Costs, the consent or deemed consent of the Commission pursuant to Section 8.02, (i) to cure any ambiguity, to correct or supplement any provisions in this Agreement or for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions in this Agreement or of modifying in any manner the rights of the Holders; provided, however, that the Issuer and the Indenture Trustee shall receive an Officer's Certificate from Servicers stating that the execution of such amendment shall not adversely affect in any material respect the interests of any Holder; or (ii) to conform the provisions hereof to the description of this Agreement in the Prospectus. Promptly after the execution of any such amendment or consent, the Issuer shall furnish copies of such amendment or consent to each of the Rating Agencies.

(b) In addition, this Agreement may be amended from time to time by a written amendment duly executed and delivered by each of the Servicers and the Issuer with (i) the satisfaction of the Rating Agency Condition and, (ii) if the contemplated amendment may in the judgment of the Servicers increase Ongoing Financing Costs, the consent of the Commission pursuant to Section 8.02; provided that any such amendment may not adversely affect the interest of any Holder in any material respect, as evidenced by an Officer's Certificate of the Servicers delivered to the Issuer and the Indenture Trustee, without the consent of the Joint Majority Holders. Promptly after the execution of any such amendment or consent, the Issuer shall furnish copies of such amendment or consent to each of the Rating Agencies.

(c) Prior to executing, or consenting to, any amendment to this Agreement, the Issuer and the Indenture Trustee shall be entitled to request and conclusively rely upon an Officer's Certificate or Opinion of Counsel stating that such amendment is authorized or permitted by this Agreement and upon the Opinion of Counsel from external counsel referred to in Section 3.01(c)(i). Any Opinion of Counsel may be based, insofar as it relates to factual matters

(including financial and capital markets), upon a certificate or opinion of, or representations by, an officer or officers of the Servicers or the Issuer and other documents necessary and advisable in the judgment of counsel delivering such opinion. The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into or consent to, as applicable, any such amendment which affects such Person's own rights, duties, liabilities, indemnities or immunities under this Agreement or otherwise.

(d) Notwithstanding Section 8.01(a) through (d), or anything to the contrary in this Agreement, the Servicers and the Issuer may amend Annex I to this Agreement in writing with prior written notice given to the Indenture Trustee and the Rating Agencies, but without the consent of the Indenture Trustee, any Rating Agency or any Holder, solely to address changes to the Servicer's method of calculating Estimated CRR Charge Collections as a result of changes to the Servicer's current computerized customer information system, including changes which would replace the remittances contemplated by the estimation procedures set forth in Annex I with remittances of CRR Charge Collections determined to have been actually received, or to address the manner of presenting CRR Charges on the Bills of Customers; provided that any such amendment shall not, as evidenced by an Officer's Certificate of the Servicers delivered to the Issuer and the Indenture Trustee, have a material adverse effect on the Holders of then Outstanding Consumer Rate Relief Bonds.

SECTION 8.02. Commission Condition. Notwithstanding anything to the contrary in Section 8.01, no amendment or modification of this Agreement that would result in an increase to Ongoing Financing Costs shall be effective unless the process set forth in this Section 8.02 has been followed.

(a) At least thirty-one (31) days prior to the effectiveness of any such amendment or modification and after obtaining the other necessary approvals set forth in Section 8.01 (except that the consent of the Indenture Trustee shall be subject to the written consent of Joint Majority Holders in connection with such amendment or modification), the Servicers shall have delivered to the Commission's executive secretary and general counsel written notification of any proposed amendment or modification, which notification shall contain:

(i) a reference to Case No. [•];

(ii) an Officer's Certificate stating that the proposed amendment or modification has been approved by all parties to this Agreement; and

(iii) a statement identifying the person to whom the Commission or its authorized representative is to address any response to the proposed amendment or modification or to request additional time.

(b) The Commission or its authorized representative shall, within thirty (30) days after receiving the notification complying with Section 8.02(a), either:

(i) provide notice of its determination that the proposed amendment or modification will not under any circumstances have the effect of increasing the Ongoing Financing Costs,

(ii) provide notice of its consent or lack of consent to the person specified in Section 8.02(a)(iii), or

(iii) be conclusively deemed to have consented to the proposed amendment or modification;

unless, within thirty (30) days of receiving the notification complying with Section 8.02(a), the Commission or its authorized representative delivers to the office of the person specified in Section 8.02(a)(iii) a written statement requesting an additional amount of time not to exceed thirty (30) days in which to consider whether to consent to the proposed amendment or modification. If the Commission or its authorized representative requests an extension of time in the manner set forth in the preceding sentence, then the Commission shall either provide notice of its consent or lack of consent or notice of its determination that the proposed amendment or modification will not under any circumstances increase Ongoing Financing Costs to the person specified in Section 8.02(a)(iii) no later than the last day of such extension of time or be conclusively deemed to have consented to the proposed amendment or modification on the last day of such extension of time. Any amendment or modification requiring the consent of the Commission shall become effective on the later of (i) the date proposed by the parties to such amendment or modification and (ii) the first day after the expiration of the thirty (30) day period, provided for in this Section 8.02(b), or, if such period has been extended pursuant hereto, the first day after the expiration of such period as so extended.

(c) Following the delivery of a notice to the Commission by the Servicers under Section 8.02(a), the Servicers and the Issuer shall have the right at any time to withdraw from the Commission further consideration of any notification of a proposed amendment or modification. Such withdrawal shall be evidenced by the prompt written notice thereof by the Servicers to the Commission, the Issuer and the Indenture Trustee.

(d) For the purpose of this Section 8.02, an "authorized representative" of the Commission means any person authorized to act on behalf of the Commission.

(e) In no event shall the Indenture Trustee be responsible or liable for determining if an amendment or modification of this Agreement would result in an Ongoing Financing Cost, nor shall the Indenture Trustee be charged with monitoring or satisfying the requirements of this Section 8.02.

SECTION 8.03. Maintenance of Accounts and Records.

(a) Each Servicer shall maintain accounts and records as to the CRR Property accurately and in accordance with its standard accounting procedures and in sufficient detail to permit reconciliation between CRR Charge Payments received by such Servicer and CRR Charge Collections from time to time deposited in the Joint Collection Account and the Payment Account.

(b) Each Servicer shall permit the Indenture Trustee and its agents at any time during normal business hours, upon reasonable notice to such Servicer and to the extent it does not unreasonably interfere with such Servicer's normal operations, to inspect, audit and make copies of and abstracts from such Servicer's records regarding the CRR Property and the CRR Charges. Nothing in this Section 8.03(b) shall affect the obligation of each Servicer to observe any applicable law (including any Commission Regulation) prohibiting disclosure of information regarding the Customers, and the failure of such Servicer to provide access to such information as a result of such obligation shall not constitute a breach of this Section 8.03(b).

SECTION 8.04. Notices. Unless otherwise specifically provided herein, all demands, notices and communications upon or to each Servicer, the Issuer, the Indenture Trustee, the Commission or the Rating Agencies under this Agreement shall be sufficiently given for all purposes hereunder if in writing and delivered personally, sent by documented delivery service or, to the extent receipt is confirmed, sent by email or other form of electronic transmission:

(a) in the case of the APCo Servicer, to Appalachian Power Company, at 1 Riverside Plaza, Columbus, Ohio 43215, Attention: Treasurer, Telephone: (614) 716-1000, Email: Treasury_Operations_AEP@aep.com;

(b) in the case of the WPCo Servicer, to Wheeling Power Company, at 1 Riverside Plaza, Columbus, Ohio 43215, Attention: Treasurer, Telephone: (614) 716-1000, Email: Treasury_Operations_AEP@aep.com;

(c) in the case of the Issuer, to Appalachian Consumer Rate Relief Funding II LLC at 200 Association Drive, 02, Charleston, West Virginia 25311, Attention: Managers, Telephone: (614) 716-1522, Email: Treasury_Operations_AEP@aep.com;

(d) in the case of the Indenture Trustee or a Responsible Officer of the Indenture Trustee, to the Corporate Trust Office;

(e) in the case of the Commission, to the Public Service Commission of West Virginia, [201 Brooks Street, Charleston, West Virginia, 25301, Attention: Executive Secretary, Telephone: 1-800-344-5113, Facsimile: (304) 340-0325];

(f) in the case of Moody's, to Moody's Investors Service, Inc., ABS/RMBS Monitoring Department, 24th Floor, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Email: ServicerReports@moodys.com (all such notices to be delivered to Moody's in writing by email), and solely for the purposes of Rating Agency Condition communications: abscormonitoring@moodys.com;

(g) in the case of S&P, to Standard & Poor's Ratings Group, Inc., Structured Credit Surveillance, 55 Water Street, New York, New York 10041, Telephone: (212) 438-8991, Email: servicer_reports@spglobal.com (all such notices to be delivered to S&P in writing by email); or

(h) as to each of the foregoing, at such other address as shall be designated by written notice to the other parties.

SECTION 8.05. Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Section 6.03 and as provided in the provisions of this Agreement concerning the resignation of a Servicer, this Agreement may not be assigned by any Servicer.

SECTION 8.06. Limitations on Rights of Others. The provisions of this Agreement are solely for the benefit of the Servicers and the Issuer and, to the extent provided herein or in the other Basic Documents, the Indenture Trustee (on behalf of itself and the Secured Parties), and the other Persons expressly referred to herein as having rights hereunder, and the foregoing beneficiaries shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the CRR Property or CRR Bond Collateral or under or in respect of this Agreement or any covenants, conditions or provisions contained herein. Notwithstanding anything to the contrary contained herein, for the avoidance of doubt, any right, remedy or claim to which any Customer may be entitled pursuant to the Financing Order or pursuant to this Agreement may be asserted or exercised only by the Commission (or by its counsel in the name of the Commission) for the benefit of such Customer.

SECTION 8.07. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such a construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 8.08. Separate Counterparts; Electronic Signatures. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Each party hereto agrees that this Agreement may be electronically signed, that any digital or electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Agreement may be made by facsimile, email or other electronic transmission.

SECTION 8.09. Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 8.10. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WEST VIRGINIA, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 8.11. Assignment to Indenture Trustee. (a) Each Servicer hereby acknowledges and consents to any mortgage, pledge, assignment and grant of a security interest by the Issuer to the Indenture Trustee for the benefit of the Secured Parties pursuant to the Indenture of any or all of the Issuer's rights hereunder and (b) in no event shall the Indenture Trustee have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates delivered pursuant hereto, as to all of which any recourse shall be had solely to the assets of the Issuer subject to the availability of funds therefor under Section 8.02 of the Indenture.

SECTION 8.12. Nonpetition Covenants. Notwithstanding any prior termination of this Agreement or the Indenture, but subject to a court's rights to order the sequestration and payment of CRR Charge Collections pursuant to Section 24-2-4h(m)(1) of the Securitization Law, no Servicer shall, prior to the date that is one year and one day after the termination of the Indenture, acquiesce, petition or otherwise invoke or cause the Issuer to invoke or join with any Person in provoking the process of any Governmental Authority for the purpose of commencing or sustaining an involuntary case against the Issuer under any U.S. federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer for any substantial part of the property of the Issuer or ordering the dissolution, winding up or liquidation of the affairs of the Issuer.

SECTION 8.13. Limitation of Liability. It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee in the exercise of the powers and authority conferred and vested in it, and that the Indenture Trustee, in acting hereunder, is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

SECTION 8.14. Rule 17g-5 Compliance. The Servicers agree that any notice, report, request for satisfaction of the Rating Agency Condition, document or other information provided by the Servicers to any Rating Agency under this Agreement or any other Basic Document to which it is a party for the purpose of determining the initial credit rating of the Consumer Rate Relief Bonds or undertaking credit rating surveillance of the Consumer Rate Relief Bonds with any Rating Agency, or satisfy the Rating Agency Condition, shall be substantially concurrently posted by the Servicers on the 17g-5 Website.

SECTION 8.15. Indenture Trustee Actions. In acting hereunder, the Indenture Trustee shall have the rights, privileges, protections, indemnities and immunities granted to it under the Indenture.

SECTION 8.16. Termination. This Agreement shall terminate when the Retirement of the Consumer Rate Relief Bonds occurs and all related Financing Costs have been paid in full, unless terminated earlier pursuant to the terms of this Agreement.

(*SIGNATURE PAGE FOLLOWS*)

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

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, as Issuer

By: _____
Name:
Title:

APPALACHIAN POWER COMPANY,
as a Servicer

By: _____
Name:
Title:

WHEELING POWER COMPANY,
as a Servicer

By: _____
Name:
Title:

ACKNOWLEDGED AND ACCEPTED:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Indenture Trustee

By: Name: _____
Title:

EXHIBIT A

MONTHLY SERVICERS' CERTIFICATE

(*See Attached.*)

Monthly Servicers' Certificate
(to be delivered each month pursuant to **Section 3.01(b)(i)** of the Servicing Agreement)

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC

Appalachian Power Company and Wheeling Power Company, as Servicers

Pursuant to the CRR Property Servicing Agreement dated as of [•] (the "Servicing Agreement") between Appalachian Power Company ("APCo") and Wheeling Power Company ("WPCo"), as servicers (the "Servicers"), and Appalachian Consumer Rate Relief Funding II LLC, as issuer thereunder, each Servicer does hereby certify as follows:

I. APCo as Servicer:[3]

Collection Period:
Remittance Dates:

CRR Rate Class Total	a. CRR Charges in Effect	b. Billed CRR Charges	c. Estimated CRR Charge Collections Received

Collection Period:

CRR Rate Class Total	d. Estimated CRR Charge Collections Received Total	e. Actual CRR Charge Collections Received	f. Remittance Shortfall for immediately prior Collection Period	g. Excess Remittance for immediately prior Collection Period

h Daily remittances previously made by APCo as Servicer to the Joint Collection Account in respect of this Collection Period (c): $

i. The amount to be remitted by APCo as Servicer to the Joint Collection Account for this Collection Period is (c + f - g): $

j. If (i > h), (i - h) equals net amount due from APCo as Servicer to the Joint Collection Account: $

k. If (h > i), (h - i) equals net amount due to APCo as Servicer from the Joint Collection Account: $

[3] **Note to Form:** To only cover amounts for bonds issued by Appalachian Consumer Rate Relief Funding II LLC.

II. WPCo as Servicer:[4]

Collection Period:
Remittance Dates:

CRR Rate Class Total	a. CRR Charges in Effect	b. Billed CRR Charges	c. Estimated CRR Charge Collections Received

Collection Period:

CRR Rate Class Total	d. Estimated CRR Charge Collections Received Total	e. Actual CRR Charge Collections Received	f. Remittance Shortfall for immediately prior Collection Period	g. Excess Remittance for immediately prior Collection Period

h. Daily remittances previously made by WPCo as Servicer to the Joint Collection Account in respect of this Collection Period (c): $

i. The amount to be remitted by WPCo as Servicer to the Joint Collection Account for this Collection Period is (c + f - g): $

j. If (i > h), (i - h) equals net amount due from WPCo as Servicer to the Joint Collection Account: $

k. If (h > i), (h - i) equals net amount due to WPCo as Servicer from the Joint Collection Account: $

Capitalized terms used herein have their respective meanings set forth in the Servicing Agreement (including by incorporation by reference therein).

In WITNESS HEREOF, the undersigned have duly executed and delivered this Monthly Servicers' Certificate on the ____ day of _____, 20___.

APPALACHIAN POWER COMPANY,
as a Servicer

_____
Name:
Title:

WHEELING POWER COMPANY,
as a Servicer

_____
Name:
Title:

4 **Note to Form:** To only cover amounts for bonds issued by Appalachian Consumer Rate Relief Funding II LLC.

EXHIBIT B

FORM OF SEMI-ANNUAL SERVICERS' CERTIFICATE

Pursuant to Section 4.01(c)(ii) of the CRR Property Servicing Agreement dated as of [•] (the "Servicing Agreement") between Appalachian Power Company ("APCo") and Wheeling Power Company ("WPCo"), as servicers (the "Servicers"), and Appalachian Consumer Rate Relief Funding II LLC, as issuer thereunder ("Issuer"), the Servicers do hereby certify for the _____, 20__ Payment Date (the "Current Payment Date"), as follows:

Capitalized terms used herein have their respective meanings as set forth in the Servicing Agreement (including by incorporation by reference therein). As used herein, "APCo Bonds" means the Series 2026-A Senior Secured Consumer Rate Relief Bonds issued by the Issuer on [•]. References herein to certain sections and subsections are references to the respective sections of the Servicing Agreement or the Indenture, as the context indicates.

Collection Periods: ____ to _____

Payment Date: _____

1. Collections Allocable and Aggregate Amounts Available for the Current Payment Date:

		Total / Joint[5]	APCo Bonds[6]
i.	**Starting Joint Collection Account Balance**	**$ 0**	
ii.	Remittances from APCo for the ___ Collection Period	$_____	$_____
iii.	Remittances from APCo for the ___ Collection Period	$_____	$_____
iv.	Remittances from APCo for the ___ Collection Period	$_____	$_____
v.	Remittances from APCo for the ___ Collection Period	$_____	$_____
vi.	Remittances from APCo for the ___ Collection Period	$_____	$_____
vii.	Remittances from APCo for the ___ Collection Period	$_____	$_____
viii.	**Total Remittances from APCo for the Collection Periods**	**$_____**	**$_____**
ix.	Remittances from WPCo for the ___ Collection Period	$_____	$_____
x.	Remittances from WPCo for the ___ Collection Period	$_____	$_____
xi.	Remittances from WPCo for the ___ Collection Period	$_____	$_____
xii.	Remittances from WPCo for the ___ Collection Period	$_____	$_____
xiii.	Remittances from WPCo for the ___ Collection Period	$_____	$_____
xiv.	Remittances from WPCo for the ___ Collection Period	$_____	$_____
xv.	**Total Remittances from WPCo for the Collection Periods**	**$_____**	**$_____**
xvi.	Investment Earnings on Joint Collection Account	$_____	$_____

[5] Includes amounts in respect APCo Bonds as well as the Series 2026-A Senior Secured Consumer Rate Relief Bonds issued by Wheeling Consumer Rate Relief LLC on [•].

[6] Only includes the portion allocated to the APCo Bonds.

		Total / Joint[5]	APCo Bonds[6]
xvii.	Total amounts (if any) transferred from Payment Accounts to Joint Collection Account during the Collection Periods	$ _____	$ _____
xviii.	Total amounts transferred from Joint Collection Account to Payment Accounts during the Collection Periods (*expressed as negative amount*)	($_____)	($_____)
xix.	Payments made directly from Joint Collection Account during the Collection Periods (*expressed as negative amount*)	($_____)	($_____)
xx.	**Joint Collection Account Balance after all payments and after all transfers to Payment Accounts (i plus xvii plus xviii plus xix)**	**$ 0**	**$ 0**
xxi.	General Subaccount Balance as of Prior Payment Date		$ _____
xxii.	Net transfers to General Subaccount from Joint Collection Account ((xvii plus xviii) multiplied by -1)		$ _____
xxiii.	Investment Earnings on Payment Account for the APCo Bonds		
	xxiv. Investment Earnings on Capital Subaccount		$ _____
	xxv. Investment Earnings on Excess Funds Subaccount		$ _____
	xxvi. Investment Earnings on General Subaccount		$ _____
xxvii.	Excess Funds Subaccount Balance as of Prior Payment Date		$ _____
xxviii.	Capital Subaccount Balance as of Prior Payment Date		$ _____
xxix.	**Payment Account Balance as of current Payment Date (sum of xxi through xxviii above)**		**$** _____

2. Outstanding Amounts of as of Prior Payment Date:

		APCo Bonds
i.	Tranche A-1 Outstanding Amount	$ _____
ii.	Tranche A-2 Outstanding Amount	$ _____
iii.	Tranche A-3 Outstanding Amount	$ _____
iv.	Tranche A-4 Outstanding Amount	
v.	**Aggregate Outstanding Amount of all Tranches:**	**$** _____

3. Required Funding/Payments as of Current Payment Date:

		APCo Bonds
Principal		*Principal Due*
i.	Tranche A-1	$ _____
ii.	Tranche A-2	$ _____
iii.	Tranche A-3	$ _____
iv.	Tranche A-4	$ _____
	v. For all Tranches:	$ _____

Interest

	APCo Bonds	*Interest Rate*	*Days in Interest Period[7]*	*Principal Balance*	*Interest Due*
i.	Tranche A-1				$ _____
ii.	Tranche A-2				$ _____
iii.	Tranche A-3				$ _____
iv.	Tranche A-4				
				v. For all Tranches of APCo Bonds:	$ _____

Required Capital Level	*Required Capital Level*	*Funding Required*
i.Capital Subaccount	$ _____	$ _____

[7] *On 30/360 day basis for initial payment date; otherwise use one-half of annual rate.*

4. Allocation of Remittances as of Current Payment Date pursuant to 8.02(e) of Indenture

	APCo Bonds
i. Indenture Trustee and Control Agent Fees, Expenses and Indemnity Amounts[8]	$_____
ii. Servicing Fee (*including any past-due for prior periods*)	$_____
iii. Administrative (*including any past-due for prior periods*)	
a. Administration Fee	$_____
b. Independent Manager Fee	$_____
iv. Operating Expenses	$_____
v. Periodic Interest (*including any past-due for prior periods*)	***$***_____

Breakdown for item v.

Tranche	***Aggregate***	***Per $1,000 of Original Principal Amount***
1. Tranche A-1 Interest Payment	$_____	$_____
2. Tranche A-2 Interest Payment	$_____	$_____
3. Tranche A-3 Interest Payment	$_____	$_____
3. Tranche A-4 Interest Payment	$_____	$_____
	$_____	

vi. Principal due to be paid on Final Maturity Date or as a result of an acceleration upon an Event of Default **$**_____

Breakdown for item vi.

Tranche	***Aggregate***	***Per $1,000 of Original Principal Amount***
1. Tranche A-1 Principal Payment	$_____	$_____
2. Tranche A-2 Principal Payment	$_____	$_____
3. Tranche A-3 Principal Payment	$_____	$_____
3. Tranche A-4 Principal Payment	$_____	$_____
	$_____	

[8] *Subject to $200,000 cap per annum*.

	APCo Bonds
vii. Periodic Principal (*including any past-due for prior periods*)	***$*** _____

Breakdown for item vii.

Tranche	***Aggregate***	***Per $1,000 of Original Principal Amount***
1. Tranche A-1 Principal Payment	$ _____	$ _____
2. Tranche A-2 Principal Payment	$ _____	$ _____
3. Tranche A-3 Principal Payment	$ _____	$ _____
3. Tranche A-4 Principal Payment	$ _____	$ _____
	$ _____	

viii. Other unpaid amounts owed to the Indenture Trustee and Control Agent but unpaid due to cap	$ _____
ix. Other unpaid Operating Expenses	$ _____
x. Funding of Capital Subaccount (*to Required Capital Level*)	$ _____
xi. Permitted Return to APCo	$ _____
xii. Deposit to Excess Funds Subaccount	$ _____
xiii. Released to Issuer upon Retirement of all Consumer Rate Relief Bonds	$ _____
xiv. Aggregate Remittances as of Current Payment Date	**$** _____

5. Subaccount Withdrawals as of Current Payment Date (if applicable) pursuant to Section 8.02(f) of Indenture:

i. Excess Funds Subaccount Withdrawals	$ _____
ii. Capital Subaccount Withdrawals	$ _____
iii. **Total Subaccount Withdrawals**	**$** _____

6. Outstanding Amount and Payment Account Balances as of Current Payment Date (after giving effect to payments to be made on such Payment Date):

i. Tranche A-1	$ _____
ii. Tranche A-2	$ _____
iii. Tranche A-3	$ _____
iv. Tranche A-4	$ _____
v. **Aggregate Outstanding Amount of all Tranches**	**$** _____
vi. Excess Funds Subaccount Balance	$ _____
vii. Capital Subaccount Balance	$ _____
viii. **Aggregate Payment Account Balance**	**$** _____

7. Shortfalls in Interest and Principal Payments as of Current Payment Date

	APCo Bonds
i. Periodic Interest	
Tranche A-1 Interest Payment	$ _____
Tranche A-2 Interest Payment	$ _____
Tranche A-3 Interest Payment	$ _____
Tranche A-4 Interest Payment	$ _____
Total Periodic Interest Shortfall	**$** _____
ii. Periodic Principal	
Tranche A-1 Principal Payment	$ _____
Tranche A-2 Principal Payment	$ _____
Tranche A-3 Principal Payment	$ _____
Tranche A-4 Principal Payment	$ _____
Total Principal Payment Shortfall	**$** _____

8. Shortfalls in Payment of Permitted Return as of Current Payment Date

i. Permitted Return Shortfall	$ _____

9. Shortfalls in Required Capital Levels as of Current Payment Date

i. Required Capital Level Shortfall	$ _____

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Semi-Annual Servicers' Certificate this __ day of _____.

APPALACHIAN POWER COMPANY,
as a Servicer

_____
Name:
Title:

WHEELING POWER COMPANY,
as a Servicer

_____
Name:
Title:

EXHIBIT C-1

REGULATION AB SERVICER'S CERTIFICATE

(APCO SERVICER)[9]

The undersigned hereby certifies that he or she is the duly elected and acting [_____] of APPALACHIAN POWER COMPANY, as a servicer (the "APCo Servicer"), under (A) the CRR Property Servicing Agreement dated as of [•], 20[•] between the APCo Servicer and Wheeling Power Company (the "WPCo Servicer" and together with the APCo Servicer, the "Servicers"), as servicers, and Appalachian Consumer Rate Relief Funding II LLC, as issuer, and (B) the CRR Property Servicing Agreement dated as of [•], 20[•] between the Servicers and Wheeling Consumer Rate Relief Funding LLC, as issuer.

The undersigned hereby further certify that:

1. For each bond issuance, the undersigned is responsible for assessing the APCo Servicer's compliance with the servicing criteria set forth in Item 1122(d) of Regulation AB (the "Servicing Criteria").

2. With respect to each of the Servicing Criteria, the undersigned has made the following assessment of the Servicing Criteria in accordance with Item 1122(d) of Regulation AB, with such discussion regarding the performance of such Servicing Criteria during the fiscal year covered by the corresponding Sponsor's annual report on Form 10-K Report (such fiscal year, the "Assessment Period"):

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
	General Servicing Considerations	
1122(d)(1)(i)	Policies and procedures are instituted to monitor any performance or other triggers and events of default in accordance with the transaction agreements.	Applicable; assessment below.
1122(d)(1)(ii)	If any material servicing activities are outsourced to third parties, policies and procedures are instituted to monitor the third party's performance and compliance with such servicing activities.	Not applicable; no servicing activities were outsourced.

[9] **Note to Form:** Reported on a platform level for the same asset type per Instruction 1 to Item 1122 of Regulation AB and thus covers both the issuance of bonds by Appalachian Consumer Rate Relief Funding II LLC and the issuance of bonds by Wheeling Consumer Rate Relief Funding LLC.

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
1122(d)(1)(iii)	Any requirements in the transaction agreements to maintain a back-up servicer for pool assets are maintained.	Not applicable; documents do not provide for a back-up servicer.
1122(d)(1)(iv)	A fidelity bond and errors and omissions policy is in effect on the party participating in the servicing function throughout the reporting period in the amount of coverage required by and otherwise in accordance with the terms of the transaction agreements.	Not applicable; documents do not require a fidelity bond or errors and omissions policy.
1122(d)(1)(v)	Aggregation of information, as applicable, is mathematically accurate and the information conveyed accurately reflects the information.	Applicable
	Cash Collection and Administration	
1122(d)(2)(i)	Payments on pool assets are deposited into the appropriate custodial bank accounts and related bank clearing accounts no more than two business days following receipt, or such other number of days specified in the transaction agreements.	Applicable
1122(d)(2)(ii)	Disbursements made via wire transfer on behalf of an obligor or to an investor are made only by authorized personnel.	Applicable
1122(d)(2)(iii)	Advances of funds or guarantees regarding collections, cash flows or distributions, and any interest or other fees charged for such advances, are made, reviewed and approved as specified in the transaction agreements.	Applicable, but no current assessment required; no advances by such Servicer are permitted under the transaction agreements, except for payments of certain indemnities.
1122(d)(2)(iv)	The related accounts for the transaction, such as cash reserve accounts or accounts established as a form of overcollateralization, are separately maintained (e.g., with respect to commingling of cash) as set forth in the transaction agreements.	Applicable, but no current assessment is required since transaction accounts are maintained by the Securities Intermediary and in the name of the Indenture Trustee.
1122(d)(2)(v)	Each custodial account is maintained at a federally insured depository institution as set forth in the transaction agreements. For purposes of this criterion, “federally insured depository institution” with respect to a foreign financial institution means a foreign financial institution that meets the requirements of Rule 13k-1(b)(1) of the Securities Exchange Act.	Applicable, but no current assessment required; all “custodial accounts” are maintained by the Securities Intermediary.

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
1122(d)(2)(vi)	Unissued checks are safeguarded so as to prevent unauthorized access.	Not applicable; all transfers made by wire transfer.
1122(d)(2)(vii)	Reconciliations are prepared on a monthly basis for all asset-backed securities related bank accounts, including custodial accounts and related bank clearing accounts. These reconciliations are (A) mathematically accurate; (B) prepared within 30 calendar days after the bank statement cutoff date, or such other number of days specified in the transaction agreements; (C) reviewed and approved by someone other than the person who prepared the reconciliation; and (D) contain explanations for reconciling items. These reconciling items are resolved within 90 calendar days of their original identification, or such other number of days specified in the transaction agreements.	Applicable; assessment below.
	Investor Remittances and Reporting	
1122(d)(3)(i)	Reports to investors, including those to be filed with the SEC, are maintained in accordance with the transaction agreements and applicable SEC requirements. Specifically, such reports (A) are prepared in accordance with timeframes and other terms set forth in the transaction agreements; (B) provide information calculated in accordance with the terms specified in the transaction agreements; (C) are filed with the SEC as required by its rules and regulations; and (D) agree with investors' or the trustee's records as to the total unpaid principal balance and number of pool assets serviced by such Servicer.	Applicable; assessment below.
1122(d)(3)(ii)	Amounts due to investors are allocated and remitted in accordance with timeframes, distribution priority and other terms set forth in the transaction agreements.	Not applicable; investor records maintained by Indenture Trustee.
1122(d)(3)(iii)	Disbursements made to an investor are posted within two business days to such Servicer's investor records, or such other number of days specified in the transaction agreements.	Applicable

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
1122(d)(3)(iv)	Amounts remitted to investors per the investor reports agree with cancelled checks, or other form of payment, or custodial bank statements.	Applicable; assessment below.
	Pool Asset Administration	
1122(d)(4)(i)	Collateral or security on pool assets is maintained as required by the transaction agreements or related pool asset documents.	Applicable; assessment below.
1122(d)(4)(ii)	Pool assets and related documents are safeguarded as required by the transaction agreements.	Applicable; assessment below.
1122(d)(4)(iii)	Any additions, removals or substitutions to the asset pool are made, reviewed and approved in accordance with any conditions or requirements in the transaction agreements.	Not applicable; no removals or substitutions of CRR Property are contemplated or allowed under the transaction documents.
1122(d)(4)(iv)	Payments on pool assets, including any payoffs, made in accordance with the related pool asset documents are posted to such Servicer's obligor records maintained no more than two business days after receipt, or such other number of days specified in the transaction agreements, and allocated to principal, interest or other items (e.g., escrow) in accordance with the related pool asset documents.	Applicable; assessment below.
1122(d)(4)(v)	Such Servicer's records regarding the pool assets agree with such Servicer's records with respect to an obligor's unpaid principal balance.	Not applicable; because underlying obligation (CRR Charge) is not an interest bearing instrument.
1122(d)(4)(vi)	Changes with respect to the terms or status of an obligor's pool assets (e.g., loan modifications or re-agings) are made, reviewed and approved by authorized personnel in accordance with the transaction agreements and related pool asset documents.	Applicable; assessment below
1122(d)(4)(vii)	Loss mitigation or recovery actions (e.g., forbearance plans, modifications and deeds in lieu of foreclosure, foreclosures and repossessions, as applicable) are initiated, conducted and concluded in accordance with the timeframes or other requirements established by the transaction agreements.	Applicable; limited assessment below. Servicer actions governed by the Financing Order and Commission regulations.

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
1122(d)(4)(viii)	Records documenting collection efforts are maintained during the period any pool asset is delinquent in accordance with the transaction agreements. Such records are maintained on at least a monthly basis, or such other period specified in the transaction agreements, and describe the entity's activities in monitoring delinquent pool assets including, for example, phone calls, letters and payment rescheduling plans in cases where delinquency is deemed temporary (e.g., illness or unemployment).	Applicable, but does not require assessment since no explicit documentation requirement with respect to delinquent accounts are imposed under the transactional documents due to availability of "true-up" mechanism.
1122(d)(4)(ix)	Adjustments to interest rates or rates of return for pool assets with variable rates are computed based on the related pool asset documents.	Not applicable; CRR Charges are not interest bearing instruments.
1122(d)(4)(x)	Regarding any funds held in trust for an obligor (such as escrow accounts): (A) such funds are analyzed, in accordance with the obligor's pool asset documents, on at least an annual basis, or such other period specified in the transaction agreements; (B) interest on such funds is paid, or credited, to obligors in accordance with applicable pool asset documents and state laws; and (C) such funds are returned to the obligor within 30 calendar days of full repayment of the related pool assets, or such other number of days specified in the transaction agreements.	Not applicable.
1122(d)(4)(xi)	Payments made on behalf of an obligor (such as tax or insurance payments) are made on or before the related penalty or expiration dates, as indicated on the appropriate bills or notices for such payments, provided that such support has been received by the servicer at least 30 calendar days prior to these dates, or such other number of days specified in the transaction agreements.	Not applicable; such Servicer does not make payments on behalf of obligors.
1122(d)(4)(xii)	Any late payment penalties in connection with any payment to be made on behalf of an obligor are paid from the servicer's funds and not charged to the obligor, unless the late payment was due to the obligor's error or omission.	Not applicable; such Servicer cannot make advances of its own funds on behalf of customers under the transaction documents.

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
1122(d)(4)(xiii)	Disbursements made on behalf of an obligor are posted within two business days to the obligor's records maintained by the servicer, or such other number of days specified in the transaction agreements.	Not applicable; such Servicer cannot make advances of its own funds on behalf of customers to pay principal or interest on the bonds.
1122(d)(4)(xiv)	Delinquencies, charge-offs and uncollectible accounts are recognized and recorded in accordance with the transaction agreements.	Applicable; assessment below.
1122(d)(4)(xv)	Any external enhancement or other support, identified in Item 1114(a)(1) through (3) or Item 1115 of Regulation AB, is maintained as set forth in the transaction agreements.	Not applicable; no external enhancement is required under the transaction documents.

3. To the best of the undersigned's knowledge, based on such review, the APCo Servicer is in compliance in all material respects with the applicable servicing criteria set forth above as of and for the period ending the end of the fiscal year covered by the corresponding Sponsor's annual report on Form 10-K. ǂIf not true, include description of any material instance of noncompliance.ǂ

4. A registered public accounting firm has issued an attestation report on the undersigned's assessment of compliance with the applicable servicing criteria set forth above as of and for the period ending the end of the fiscal year covered by the corresponding Sponsor's annual report on Form 10-K.

Executed as of this _____ day of _____, ____.

APPALACHIAN POWER COMPANY

By: _____
Name:
Title:

EXHIBIT C-2

REGULATION AB SERVICER'S CERTIFICATE
(WPCO SERVICER)[10]

The undersigned hereby certifies that he or she is the duly elected and acting ┼_____┼ of WHEELING POWER COMPANY, as a servicer (the "WPCo Servicer"), under (A) the CRR Property Servicing Agreement dated as of [•], 20[•] between the WPCo Servicer and Appalachian Power Company (the "APCo Servicer" and together with the WPCo Servicer, the "Servicers"), as servicers, and Appalachian Consumer Rate Relief Funding II LLC, as issuer, and (B) the CRR Property Servicing Agreement dated as of [•], 20[•] between the Servicers and Wheeling Consumer Rate Relief Funding LLC, as issuer.

The undersigned hereby further certify that:

1. For each bond issuance, the undersigned is responsible for assessing the WPCo Servicer's compliance with the servicing criteria set forth in Item 1122(d) of Regulation AB (the "Servicing Criteria").

2. With respect to each of the Servicing Criteria, the undersigned has made the following assessment of the Servicing Criteria in accordance with Item 1122(d) of Regulation AB, with such discussion regarding the performance of such Servicing Criteria during the fiscal year covered by the corresponding Sponsor's annual report on Form 10-K Report (such fiscal year, the "Assessment Period"):

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
	General Servicing Considerations	
1122(d)(1)(i)	Policies and procedures are instituted to monitor any performance or other triggers and events of default in accordance with the transaction agreements.	Applicable; assessment below.
1122(d)(1)(ii)	If any material servicing activities are outsourced to third parties, policies and procedures are instituted to monitor the third party's performance and compliance with such servicing activities.	Not applicable; no servicing activities were outsourced.

10 **Note to Form:** Reported on a platform level for the same asset type per Instruction 1 to Item 1122 of Regulation AB and thus covers both the issuance of bonds by Appalachian Consumer Rate Relief Funding II LLC and the issuance of bonds by Wheeling Consumer Rate Relief Funding LLC.

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
1122(d)(1)(iii)	Any requirements in the transaction agreements to maintain a back-up servicer for pool assets are maintained.	Not applicable; documents do not provide for a back-up servicer.
1122(d)(1)(iv)	A fidelity bond and errors and omissions policy is in effect on the party participating in the servicing function throughout the reporting period in the amount of coverage required by and otherwise in accordance with the terms of the transaction agreements.	Not applicable; documents do not require a fidelity bond or errors and omissions policy.
1122(d)(1)(v)	Aggregation of information, as applicable, is mathematically accurate and the information conveyed accurately reflects the information.	Applicable
	Cash Collection and Administration	
1122(d)(2)(i)	Payments on pool assets are deposited into the appropriate custodial bank accounts and related bank clearing accounts no more than two business days following receipt, or such other number of days specified in the transaction agreements.	Applicable
1122(d)(2)(ii)	Disbursements made via wire transfer on behalf of an obligor or to an investor are made only by authorized personnel.	Applicable
1122(d)(2)(iii)	Advances of funds or guarantees regarding collections, cash flows or distributions, and any interest or other fees charged for such advances, are made, reviewed and approved as specified in the transaction agreements.	Applicable, but no current assessment required; no advances by such Servicer are permitted under the transaction agreements, except for payments of certain indemnities.
1122(d)(2)(iv)	The related accounts for the transaction, such as cash reserve accounts or accounts established as a form of overcollateralization, are separately maintained (e.g., with respect to commingling of cash) as set forth in the transaction agreements.	Applicable, but no current assessment is required since transaction accounts are maintained by the Securities Intermediary and in the name of the Indenture Trustee.
1122(d)(2)(v)	Each custodial account is maintained at a federally insured depository institution as set forth in the transaction agreements. For purposes of this criterion, “federally insured depository institution” with respect to a foreign financial institution means a foreign financial institution that meets the requirements of Rule 13k-1(b)(1) of the Securities Exchange Act.	Applicable, but no current assessment required; all “custodial accounts” are maintained by the Securities Intermediary.

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
1122(d)(2)(vi)	Unissued checks are safeguarded so as to prevent unauthorized access.	Not applicable; all transfers made by wire transfer.
1122(d)(2)(vii)	Reconciliations are prepared on a monthly basis for all asset-backed securities related bank accounts, including custodial accounts and related bank clearing accounts. These reconciliations are (A) mathematically accurate; (B) prepared within 30 calendar days after the bank statement cutoff date, or such other number of days specified in the transaction agreements; (C) reviewed and approved by someone other than the person who prepared the reconciliation; and (D) contain explanations for reconciling items. These reconciling items are resolved within 90 calendar days of their original identification, or such other number of days specified in the transaction agreements.	Applicable; assessment below.
	Investor Remittances and Reporting	
1122(d)(3)(i)	Reports to investors, including those to be filed with the SEC, are maintained in accordance with the transaction agreements and applicable SEC requirements. Specifically, such reports (A) are prepared in accordance with timeframes and other terms set forth in the transaction agreements; (B) provide information calculated in accordance with the terms specified in the transaction agreements; (C) are filed with the SEC as required by its rules and regulations; and (D) agree with investors' or the trustee's records as to the total unpaid principal balance and number of pool assets serviced by such Servicer.	Applicable; assessment below.
1122(d)(3)(ii)	Amounts due to investors are allocated and remitted in accordance with timeframes, distribution priority and other terms set forth in the transaction agreements.	Not applicable; investor records maintained by Indenture Trustee.
1122(d)(3)(iii)	Disbursements made to an investor are posted within two business days to such Servicer's investor records, or such other number of days specified in the transaction agreements.	Applicable

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
1122(d)(3)(iv)	Amounts remitted to investors per the investor reports agree with cancelled checks, or other form of payment, or custodial bank statements.	Applicable; assessment below.
	Pool Asset Administration	
1122(d)(4)(i)	Collateral or security on pool assets is maintained as required by the transaction agreements or related pool asset documents.	Applicable; assessment below.
1122(d)(4)(ii)	Pool assets and related documents are safeguarded as required by the transaction agreements.	Applicable; assessment below.
1122(d)(4)(iii)	Any additions, removals or substitutions to the asset pool are made, reviewed and approved in accordance with any conditions or requirements in the transaction agreements.	Not applicable; no removals or substitutions of CRR Property are contemplated or allowed under the transaction documents.
1122(d)(4)(iv)	Payments on pool assets, including any payoffs, made in accordance with the related pool asset documents are posted to such Servicer's obligor records maintained no more than two business days after receipt, or such other number of days specified in the transaction agreements, and allocated to principal, interest or other items (e.g., escrow) in accordance with the related pool asset documents.	Applicable; assessment below.
1122(d)(4)(v)	Such Servicer's records regarding the pool assets agree with such Servicer's records with respect to an obligor's unpaid principal balance.	Not applicable; because underlying obligation (CRR Charge) is not an interest bearing instrument.
1122(d)(4)(vi)	Changes with respect to the terms or status of an obligor's pool assets (e.g., loan modifications or re-agings) are made, reviewed and approved by authorized personnel in accordance with the transaction agreements and related pool asset documents.	Applicable; assessment below
1122(d)(4)(vii)	Loss mitigation or recovery actions (e.g., forbearance plans, modifications and deeds in lieu of foreclosure, foreclosures and repossessions, as applicable) are initiated, conducted and concluded in accordance with the timeframes or other requirements established by the transaction agreements.	Applicable; limited assessment below. Servicer actions governed by the Financing Order and Commission regulations.

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
1122(d)(4)(viii)	Records documenting collection efforts are maintained during the period any pool asset is delinquent in accordance with the transaction agreements. Such records are maintained on at least a monthly basis, or such other period specified in the transaction agreements, and describe the entity's activities in monitoring delinquent pool assets including, for example, phone calls, letters and payment rescheduling plans in cases where delinquency is deemed temporary (e.g., illness or unemployment).	Applicable, but does not require assessment since no explicit documentation requirement with respect to delinquent accounts are imposed under the transactional documents due to availability of "true-up" mechanism.
1122(d)(4)(ix)	Adjustments to interest rates or rates of return for pool assets with variable rates are computed based on the related pool asset documents.	Not applicable; CRR Charges are not interest bearing instruments.
1122(d)(4)(x)	Regarding any funds held in trust for an obligor (such as escrow accounts): (A) such funds are analyzed, in accordance with the obligor's pool asset documents, on at least an annual basis, or such other period specified in the transaction agreements; (B) interest on such funds is paid, or credited, to obligors in accordance with applicable pool asset documents and state laws; and (C) such funds are returned to the obligor within 30 calendar days of full repayment of the related pool assets, or such other number of days specified in the transaction agreements.	Not applicable.
1122(d)(4)(xi)	Payments made on behalf of an obligor (such as tax or insurance payments) are made on or before the related penalty or expiration dates, as indicated on the appropriate bills or notices for such payments, provided that such support has been received by the servicer at least 30 calendar days prior to these dates, or such other number of days specified in the transaction agreements.	Not applicable; such Servicer does not make payments on behalf of obligors.
1122(d)(4)(xii)	Any late payment penalties in connection with any payment to be made on behalf of an obligor are paid from the servicer's funds and not charged to the obligor, unless the late payment was due to the obligor's error or omission.	Not applicable; such Servicer cannot make advances of its own funds on behalf of customers under the transaction documents.

Reference	Servicing Criteria Criteria	Applicable Servicing Criteria
1122(d)(4)(xiii)	Disbursements made on behalf of an obligor are posted within two business days to the obligor's records maintained by the servicer, or such other number of days specified in the transaction agreements.	Not applicable; such Servicer cannot make advances of its own funds on behalf of customers to pay principal or interest on the bonds.
1122(d)(4)(xiv)	Delinquencies, charge-offs and uncollectible accounts are recognized and recorded in accordance with the transaction agreements.	Applicable; assessment below.
1122(d)(4)(xv)	Any external enhancement or other support, identified in Item 1114(a)(1) through (3) or Item 1115 of Regulation AB, is maintained as set forth in the transaction agreements.	Not applicable; no external enhancement is required under the transaction documents.

3. To the best of the undersigned's knowledge, based on such review, the WPCo Servicer is in compliance in all material respects with the applicable servicing criteria set forth above as of and for the period ending the end of the fiscal year covered by the corresponding Sponsor's annual report on Form 10-K. †If not true, include description of any material instance of noncompliance.†

4. A registered public accounting firm has issued an attestation report on the undersigned's assessment of compliance with the applicable servicing criteria set forth above as of and for the period ending the end of the fiscal year covered by the corresponding Sponsor's annual report on Form 10-K.

Executed as of this _____ day of _____, ____.

WHEELING POWER COMPANY

By: _____
Name:
Title:

EXHIBIT D-1

FORM OF
CERTIFICATE OF COMPLIANCE
OF APCO SERVICER

The undersigned hereby certifies that he or she is the duly elected and acting ŧ_____ŧ of APPALACHIAN POWER COMPANY, as a servicer (the "APCo Servicer"), under the CRR Property Servicing Agreement dated as of [•], 20[•] (the "Servicing Agreement") between the APCo Servicer and Wheeling Power Company, as servicers, and Appalachian Consumer Rate Relief Funding II LLC, as issuer, and that.

1. A review of the activities of the APCo Servicer and of its performance under the Servicing Agreement during the twelve months ended ŧ_____ŧ, ŧ____ŧ has been made under the supervision of the undersigned pursuant to Section 3.03 of the Servicing Agreement; and

2. To the best of the undersigned's knowledge, based on such review, the APCo Servicer has fulfilled all of its obligations in all material respects under the Servicing Agreement throughout the twelve months ended ŧ_____ŧ,ŧ _____ŧ, except as set forth on Annex A hereto.

Executed as of this _____ day of _____, ____.

APPALACHIAN POWER COMPANY

By: _____
Name:
Title:

ANNEX A
TO CERTIFICATE OF COMPLIANCE
OF APCO SERVICER

LIST OF SERVICER DEFAULTS

The following Servicer Defaults, or events which with the giving of notice, the lapse of time, or both, would become Servicer Defaults known to the undersigned occurred during the year ended ǂ_____ǂ:

Nature of Default	Status

EXHIBIT D-2

FORM OF
CERTIFICATE OF COMPLIANCE
OF WPCO SERVICER

The undersigned hereby certifies that he or she is the duly elected and acting ┼_____┼ of WHEELING POWER COMPANY, as a servicer (the "WPCo Servicer"), under the CRR Property Servicing Agreement dated as of [•], 20[•] (the "Servicing Agreement") between the WPCo Servicer and Appalachian Power Company, as servicers, and Appalachian Consumer Rate Relief Funding II LLC, as issuer, and that.

1. A review of the activities of the WPCo Servicer and of its performance under the Servicing Agreement during the twelve months ended ┼_____┼, ┼____┼ has been made under the supervision of the undersigned pursuant to Section 3.03 of the Servicing Agreement; and

2. To the best of the undersigned's knowledge, based on such review, the WPCo Servicer has fulfilled all of its obligations in all material respects under the Servicing Agreement throughout the twelve months ended ┼_____┼,┼ _____┼, except as set forth on Annex A hereto.

Executed as of this _____ day of _____, ____.

WHEELING POWER COMPANY

By: _____
Name:
Title:

ANNEX A
TO CERTIFICATE OF COMPLIANCE
OF WPCO SERVICER

LIST OF SERVICER DEFAULTS

The following Servicer Defaults, or events which with the giving of notice, the lapse of time, or both, would become Servicer Defaults known to the undersigned occurred during the year ended ┼_____┼:

Nature of Default	Status

EXHIBIT E

FORM OF
NOTICE OF REMITTANCE

[*To be attached if required by Indenture Trustee.*]

SCHEDULE 4.01(a)

EXPECTED AMORTIZATION SCHEDULE

(*See Attached.*)

ANNEX I

SERVICING PROCEDURES

The Servicers agree to comply with the following servicing procedures:

SECTION 1. DEFINITIONS.

(a) Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the CRR Property Servicing Agreement (the "Agreement").

(b) Whenever used in this Annex I, the following words and phrases shall have the following meanings:

"Applicable MDMA" means with respect to each Customer, the meter data management agent providing meter reading services for that Customer's account.

"Billed CRR Charges" means, with respect to a Servicer, the amounts of CRR Charges billed by such Servicer.

"Servicer Policies and Practices" means, with respect to the applicable Servicer's duties under this Annex I, the policies and practices of such Servicer applicable to such duties that such Servicer follows with respect to comparable assets that it services for itself and, if applicable, others.

SECTION 2. DATA ACQUISITION.

(a) Installation and Maintenance of Meters. The APCo Servicer shall cause to be installed, replaced and maintained meters in such places and in such condition as will enable the APCo Servicer to obtain usage measurements for each APCo Customer at least once every Billing Period, absent extraordinary circumstances. The WPCo Servicer shall cause to be installed, replaced and maintained meters in such places and in such condition as will enable the WPCo Servicer to obtain usage measurements for each WPCo Customer at least once every Billing Period, absent extraordinary circumstances.

(b) Meter Reading. At least once each Billing Period, the applicable Servicer shall obtain usage measurements from the Applicable MDMA for each of such Servicer's Customers; provided, however, that such Servicer may estimate any such Customer's usage determined in accordance with applicable Commission Regulations, Tariff terms and conditions of service, and customary practices and procedures.

(c) Cost of Metering. The Issuer shall not be obligated to pay any costs associated with the routine metering duties set forth in this Section 2, including the costs of installing, replacing and maintaining meters, nor shall the Issuer be entitled to any credit against the Servicing Fees for any cost savings realized by the Servicers as a result of new metering and/or billing technologies.

SECTION 3. USAGE AND BILL CALCULATION.

Each Servicer shall (a) obtain a calculation of each APCo Customer's usage (in the case of APCo Servicer) or WPCo Customers' usage (in the case of WPCo Servicer) (which in each case may be based on data obtained from such Customer's meter read or on usage estimates) at least once each Billing Period; and (b) shall determine therefrom each such Customer's individual CRR Charges to be included on Bills issued by it to such Customer for billing such Customer.

SECTION 4. BILLING.

Each Servicer shall implement the CRR Charges as of the Closing Date and shall thereafter bill each APCo Customer (in the case of the APCo Servicer) or WPCo Customer (in the case of the WPCo Servicer) or, with respect to such Servicer's Customers billed by a Third-Party Collector, the Third-Party Collector, for the respective Customer's outstanding current and past due CRR Charges accruing through the date on which the CRR Charges may no longer be billed under the Tariff, all in accordance with the following:

(a) Frequency of Bills; Billing Practices. In accordance with such Servicer's then-existing Servicer Policies and Practices for its own charges, as such Servicer Policies and Practices may be modified from time to time, APCo Servicer shall generate and issue a Bill to each APCo Customer, and WPCo Servicer shall generate and issue a bill to each WPCo Customer, or, where a Third-Party Collector is responsible for billing a Servicer's Customers, to the Third-Party Collector, for such Customers' CRR Charges once every applicable Billing Period, at the same time, with the same frequency and on the same Bill as that containing the applicable Servicer's own charges to such Customers or Third-Party Collectors, as the case may be. In the event that a Servicer makes any material modification to these practices, it shall notify the Issuer, the Indenture Trustee, and the Rating Agencies prior to the effectiveness of any such modification; provided, however, that such Servicer may not make any modification that will materially adversely affect the Holders.

(b) Format.

(i) Each Bill issued by a Servicer shall contain the charge corresponding to the respective CRR Charges as set forth in the CRR Rate Schedule owed by such Customer for the applicable Billing Period. Additionally each Servicer shall provide its Customers with the annual notice required by Section 4.01(c)(iii)(B) of the Agreement.

(ii) Each Servicer shall conform to such requirements in respect of the format, structure and text of Bills delivered to its Customers in accordance with the Financing Order, the Tariff, any other tariffs, if applicable, and any Commission Regulations. To the extent that Bill format, structure and text are not prescribed by the Financing Order, the Securitization Law or by applicable Commission Regulations or the Tariff, such Servicer shall, subject to clause (i) above, determine the format, structure and text of all Bills in accordance with its reasonable business judgment, its Servicer Policies and Practices with respect to its own charges and prevailing industry standards.

(c) Delivery. Each Servicer shall deliver all Bills issued by it (i) by United States mail in such class or classes as are consistent with the Servicer Policies and Practices followed by such Servicer with respect to its own charges to its customers or (ii) by any other means, whether electronic or otherwise, that such Servicer may from time to time use to present its own charges to its customers.

SECTION 5. CUSTOMER SERVICE FUNCTIONS.

Each Servicer shall handle all Customer inquiries and other Customer service matters according to the same procedures it uses to service its Customers with respect to its own charges.

SECTION 6. COLLECTIONS; PAYMENT PROCESSING; REMITTANCE.

(a) Collection Efforts, Policies, Procedures.

(i) Each Servicer shall use reasonable efforts to collect all Billed CRR Charges from its Customers and Third-Party Collectors as and when the same become due and shall follow such collection procedures as it follows with respect to comparable assets that it services for itself or others, including with respect to the following:

(A) Such Servicer shall prepare and deliver overdue notices to its Customers in accordance with applicable Commission Regulations, Tariff provisions and Servicer Policies and Practices.

(B) Such Servicer shall apply late payment charges to outstanding Customer balances in accordance with the Servicer's Tariff and as required by the Financing Order.

(C) In circumstances where such Servicer is billing its Customers directly, such Servicer shall deliver notices of delinquency and possible disconnection in accordance with applicable Commission Regulations and Servicer Policies and Practices.

(D) Such Servicer shall adhere to and carry out disconnection policies in accordance with the Securitization Law, the Financing Order, applicable Commission Regulations, Tariff provisions and the Servicer Policies and Practices.

(E) Such Servicer may employ the assistance of collection agents to collect any past-due CRR Charges in accordance with applicable Commission Regulations, Tariff provisions and Servicer Policies and Practices.

(F) Such Servicer shall apply deposits from its Customers to the payment of delinquent accounts in accordance with applicable Commission Regulations, Tariff provisions and Servicer Policies and Practices and according to the priorities set forth in Section 6(b)(ii), (iii), (iv) and (v) of this Annex I.

(ii) No Servicer shall waive any late payment charge or any other fee or charge relating to delinquent payments, if any, or waive, vary or modify any terms of payment of any amounts payable by a Customer, in each case unless such waiver or action: (A) would be in accordance with such Servicer's customary practices or those of any successor Servicer with respect to comparable assets that it services for itself and for others; (B) would not materially adversely affect the rights of the Holders; and (C) would comply with applicable law; provided, however, that notwithstanding anything in the Agreement or this Annex I to the contrary, such Servicer is authorized to write off any Billed CRR Charges, in accordance with its Servicer Policies and Practices, that have remained outstanding for one hundred eighty (180) days or more.

(iii) Each Servicer shall accept payment from its Customers in respect of Billed CRR Charges in such forms and methods and at such times and places as it accepts payment of its own charges.

(b) Payment Processing; Allocation; Priority of Payments.

(i) Each Servicer shall post all payments received by such Servicer in respect of the Billed Charges to the applicable Customer accounts as promptly as practicable, and, in any event, substantially all such payments shall be posted no later than three (3) Business Days after such payments are actually received by such Servicer.

(ii) Subject to clause (iii) below, each Servicer shall apply payments received from a Customer to such Customer's account in proportion to the total amounts owed by such Customer on the corresponding outstanding Bills.

(iii) So long as any Intercreditor Agreement is in effect, the Servicers shall allocate, or cause to the allocated, amounts owed to the Issuer and to the other recipients of remittances described therein in accordance with the terms of such Intercreditor Agreement. Any amounts collected by a Servicer that represent partial payments of, (A) if any Intercreditor Agreement remains in effect, the portion of the Bill allocable to CRR Charges pursuant to the terms of such Intercreditor Agreement, or (B) otherwise, the total amounts owed by a Customer shall be allocated as follows:

(1) first to amounts owed to the Issuer, APCo, WPCo and any of their respective Affiliates which is owed "consumer rate relief charges" as defined in Section 24-2-4h(b)(7) of the Securitization Law (excluding any late fees and interest charges), regardless of age, pro rata based on the amount of such charges as a percentage of the total amounts owed by such Customer; and

(2) second, all late charges shall be allocated to the applicable Servicer; provided that penalty payments owed on late payments of CRR Charges shall be allocated to the applicable Servicer to the extent consistent with the Terms and Conditions of Service included in such Servicer's Tariff.

If, after the date hereof, the Issuer or any Affiliate issues bonds that are backed by property consisting of charges payable by Customers under West Virginia law to be collected by a Servicer, such Servicer shall allocate, or cause to the allocated, amounts owed to the Issuer and to each other issuer of bonds ratably based upon the total amount of charges on such bill which were billed in respect to each such issue of bonds, all subject to any Intercreditor Agreements then in effect.

(iv) Each Servicer shall hold all over-payments received by such Servicer for the benefit of the (A) Issuer and (B) APCo (in the case of APCo Servicer) or WPCo (in the case of WPCo Servicer). Each Servicer shall apply such over-payments to future Bill charges in accordance with clauses (ii) and (iii) (as applicable) as such charges become due.

(v) For Customers on a Budget Billing Plan, the applicable Servicer shall treat CRR Charge Payments received from such Customers as if such Customers had been billed for their respective CRR Charges in the absence of the applicable Budget Billing Plan; partial payment of a Budget Billing Plan payment shall be allocated according to clauses (ii) and (iii) (as applicable) and overpayment of a Budget Billing Plan payment shall be allocated according to clause (iv).

(c) Accounts; Records.

Each Servicer shall maintain accounts and records as to the CRR Property accurately and in accordance with its standard accounting procedures and in sufficient detail (i) to permit reconciliation between payments or recoveries with respect to the CRR Property and the amounts from time to time remitted to the Joint Collection Account in respect of the CRR Property and (ii) to permit the CRR Charge Collections held by such Servicer to be accounted for separately from the funds with which they may be commingled, so that the dollar amounts of CRR Charge Collections commingled with such Servicer's funds may be properly identified and traced.

(d) Investment of CRR Charge Payments Received.

Prior to each Daily Remittance, each Servicer may invest CRR Charge Payments received at its own risk and (except as required by applicable Commission Regulations) for its own benefit. So long as such Servicer complies with its obligations under Section 6(c) of this Annex I, neither such investments nor such funds shall be required to be segregated from the other investment and funds of such Servicer.

(e) Calculation of Daily Remittance.

(i) For purposes of calculating the Daily Remittance, (i) all Billed CRR Charges shall be estimated to be collected the same number of days after billing as is equal to the Weighted Average Days Outstanding then in effect (or, if such resulting day is not a Servicer Business Day, on the next Servicer Business Day) and (ii) each Servicer will, on each Servicer Business Day, remit to the Joint Collection Account an amount equal to the product of the Billed CRR Charges applicable to such Servicer multiplied by one hundred percent less the collective system wide charge-off percentage used by the Servicers to calculate the most recent Periodic Billing Requirement. Such product shall constitute the amount of Estimated CRR Charge Collections of such Servicer for such Servicer Business Day. Pursuant to Section 6.11(c) of the Agreement, the Servicers shall calculate in each Monthly Servicers' Certificate the amount of Actual CRR Charge Collections for the immediately preceding calendar month as compared to the Estimated CRR Charge Collections forwarded to the Joint Collection Account in respect of such calendar month. The Servicers and the Issuer further acknowledge and agree that the amount of the variances between Actual CRR Charge Collections and Estimated CRR Charge Collections are expected to be small and are not expected to be biased in favor of over-remittances or under-remittances. Consequently, so long as the Servicers faithfully make all daily remittances based on Weighted Average Days Outstanding, as provided for herein, the Servicers and the Issuer agree that no actual or deemed investment earnings shall be payable in respect of such over-remittances or under-remittances.

(ii) In accordance with Section 4.01(b) of the Agreement, the Servicers shall, in a timely manner so as to perform all required calculations under such Section 4.01(b) of the Agreement, update the Weighted Average Days Outstanding and the collective system-wide charge-off percentage in order to be able to calculate the Periodic Billing Requirement for the next True-Up Adjustment and to calculate any change in the Daily Remittances for the next Calculation Period.

(iii) The Servicers and the Issuer acknowledge that, as contemplated in Section 8.01(d) of the Agreement, each Servicer may make certain changes to its current computerized customer information system, which changes, when functional, would affect the such Servicer's method of calculating its Estimated CRR Charge Collections estimated to have been received by such Servicer during each Collection Period as set forth in this Annex I. Should these changes to such computerized customer information system become functional during the term of the Agreement, the Servicers and the Issuer agree that they shall review the procedures used to calculate the Estimated CRR Charge Collections so estimated to have been received in light of the capabilities of such new system and shall amend this Annex I in writing to make such modifications and/or substitutions to such procedures as may be appropriate in the interests of efficiency, accuracy, cost and/or system capabilities; provided, however, that no Servicer may make any modification or substitution that will materially adversely affect the Holders. As soon as practicable, and in no event later than 60 Servicer Business Days after the date on which all applicable Customer accounts are being billed under such new system, the applicable Servicer shall notify the Issuer, the Indenture Trustee and the Rating Agencies of the same.

(iv) All calculations of collections, each update of the Weighted Average Days Outstanding or the collective system-wide charge off percentage and any changes in procedures used to calculate the Estimated CRR Charge Collections pursuant to this Section 6(e) shall be made in good faith, and in the case of any update pursuant to clause (ii) above or any change in procedures pursuant to clause (iii) above, in a manner reasonably intended to provide estimates and calculations that are at least as accurate as those that would be provided on the Closing Date utilizing the initial procedures.

(f) Remittances.

(i) The Issuer shall cause to be established (A) the Joint Collection Account in the name of the Issuer and the WPCo Issuer, jointly, in accordance with the CRR Property Intercreditor Agreement and (B) the Payment Account in the name of the Indenture Trustee in accordance with the Indenture.

(ii) Each Servicer shall make remittances to the Joint Collection Account in accordance with Section 6.11 of the Agreement.

(iii) In the event of any change of account or change of institution affecting the Joint Collection Account or Payment Account, the Issuer shall provide written notice thereof to the Servicers and the Rating Agencies not later than five (5) Business Days from the effective date of such change.

ANNEX II

INITIAL FORECASTED LOAD

CRR Revenue Group	Initial Forecasted Load*
Residential	[•] kWh
Commercial	[•] kWh
Industrial	[•] kWh

For the period from [•] through [•].

* Such initial forecasted load is calculated collectively across both APCo Customers and WPCo Customers. Both the APCo Customers and the WPCo Customers are categorized using the same CRR Revenue Groups.

Exhibit 10.2

CONSUMER RATE RELIEF PROPERTY PURCHASE AND SALE AGREEMENT

by and between

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC,

Issuer

and

APPALACHIAN POWER COMPANY,

Seller

Dated as of [•]

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EXHIBITS

Exhibit A	Form of Bill of Sale

CONSUMER RATE RELIEF PROPERTY PURCHASE AND SALE AGREEMENT

This CONSUMER RATE RELIEF PROPERTY PURCHASE AND SALE AGREEMENT (this "Agreement"), dated as of [•], is between Appalachian Consumer Rate Relief Funding II LLC, a Delaware limited liability company (the "Issuer"), and Appalachian Power Company, a Virginia corporation (together with its successors in interest to the extent permitted hereunder, the "Seller").

RECITALS

WHEREAS, the Issuer desires to purchase the CRR Property created by the Financing Order pursuant to the Securitization Law;

WHEREAS, the Seller is willing to sell its rights and interests under the Financing Order to the Issuer, whereupon, subject to the pledge thereto to secure the Consumer Rate Relief Bonds, such rights and interests will become the CRR Property;

WHEREAS, the Issuer, in order to finance the purchase of the CRR Property, will issue the Consumer Rate Relief Bonds under the Indenture; and

WHEREAS, the Issuer, to secure its obligations under the Consumer Rate Relief Bonds and the Indenture, will pledge, among other things, all right, title and interest of the Issuer in and to the CRR Property and this Agreement to the Indenture Trustee for the benefit of the Secured Parties.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01. Definitions.

(a) Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in that certain Indenture (including Appendix A thereto) dated as of the date hereof among the Issuer, U.S. Bank Trust Company, National Association, a national banking association, in its capacity as indenture trustee (the "Indenture Trustee"), and U.S. Bank National Association, a national banking association, in its capacity as securities intermediary (the "Securities Intermediary"), as the same may be amended, restated, supplemented or otherwise modified from time to time.

(b) Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Bill of Sale" means a bill of sale substantially in the form of Exhibit A hereto delivered pursuant to Section 2.02(i).

"Losses" means (i) any and all amounts of principal and interest on the Consumer Rate Relief Bonds not paid when due or when scheduled to be paid in accordance with their terms and the amounts of any deposits by or to the Issuer required to have been made in accordance with the terms of the Basic Documents or the Financing Order which are not made when so required and (ii) any and all other liabilities, obligations, losses, claims, damages, payments, costs or expenses of any kind whatsoever.

SECTION 1.02. Other Definitional Provisions.

(a) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) The words "hereof," "herein," "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Section, Schedule and Exhibit references contained in this Agreement are references to Sections, Schedules and Exhibits in or to this Agreement unless otherwise specified; and the terms "includes" and "including" shall mean "includes without limitation" and "including without limitation", respectively.

(c) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms.

(d) Non-capitalized terms used herein which are defined in the Securitization Law, as the context requires, have the meanings assigned to such terms in the Securitization Law, but without giving effect to amendments to the Securitization Law after the date hereof which could have a material adverse effect on the Issuer or the CRR Property Bondholders.

ARTICLE II
CONVEYANCE OF CRR PROPERTY

SECTION 2.01. Conveyance of CRR Property.

(a) In consideration of the Issuer's delivery to or upon the order of the Seller of $[•] (the "Purchase Price"), subject to the conditions specified in Section 2.02, the Seller does hereby irrevocably sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse or warranty, except as set forth herein, all right, title and interest of the Seller in and to the CRR Property (such sale, transfer, assignment, setting over and conveyance of the CRR Property includes, to the fullest extent permitted by the Securitization Law, the property, rights and interests of APCo under the Financing Order, including the right of APCo and any Successor to impose, charge and collect CRR Charges from Customers, and including the right to obtain True-Up Adjustments, and all revenues, receipts, collections, rights to payment, payments, moneys, claims or other proceeds arising from the rights and interests of the Seller created under the Financing Order). Such sale, transfer, assignment, setting over and conveyance is hereby expressly stated to be a sale and, pursuant to Section 24-2-4h(p)(1) of the Securitization Law, shall be treated as an absolute transfer and true sale of, and not as a pledge of or secured transaction relating to, the Seller's right, title and interest in, to and under, the CRR Property. The Seller and the Issuer agree that after giving effect to the sale, transfer, assignment, setting over and conveyance contemplated hereby the Seller has no right, title or interest in or to the CRR Property to which a security interest could attach because (i) it has sold, transferred, assigned, set over and conveyed all right, title and interest in and to the CRR

Property to the Issuer, (ii) as provided in Section 24-2-4h(e)(7) of the Securitization Law, such rights will become CRR Property when sold hereunder and pledged to secure the Consumer Rate Relief Bonds and (iii) as provided in Section 24-2-4h(o)(4) of the Securitization Law, appropriate financing statements have been filed and such transfer of Seller's interest in the CRR Property is perfected against all parties having claims of any kind in tort, contract or otherwise against the Seller, including against judicial lien or other lien creditors and against Seller and creditors of Seller, other than creditors holding a prior security interest, ownership interest or assignment in the CRR Property. If such sale, transfer, assignment, setting over and conveyance is held by any court of competent jurisdiction not to be an absolute transfer and true sale as provided in Section 24-2-4h(p)(1) of the Securitization Law, then such sale, transfer, assignment, setting over and conveyance shall be treated as a pledge of the CRR Property and as the creation of a security interest (within the meaning of the Securitization Law and the UCC) in the CRR Property and, without prejudice to its position that it has absolutely transferred all of its rights in the CRR Property to the Issuer, the Seller hereby grants a security interest in the CRR Property to the Issuer (and to the Indenture Trustee for the benefit of the Secured Parties) to secure their respective rights under the Basic Documents to receive the CRR Charges and all other CRR Property.

(b) Subject to Section 2.02, the Issuer does hereby purchase the CRR Property from the Seller for the consideration set forth in Section 2.01(a).

SECTION 2.02. Conditions to Conveyance of CRR Property . The obligation of the Issuer to purchase CRR Property on the Closing Date shall be subject to the satisfaction of each of the following conditions:

(i) on or prior to the Closing Date, the Seller shall have delivered to the Issuer a duly executed Bill of Sale identifying the CRR Property to be conveyed on the Closing Date;

(ii) on or prior to the Closing Date, the Seller shall have received the Financing Order creating the CRR Property;

(iii) as of the Closing Date, the Seller is not insolvent and will not have been made insolvent by the sale of the CRR property and the Seller is not aware of any pending insolvency with respect to itself;

(iv) as of the Closing Date, the representations and warranties of the Seller set forth in this Agreement shall be true and correct with the same force and effect as if made on the Closing Date (except to the extent that they relate to an earlier date); on and as of the Closing Date no breach of any covenant or agreement of the Seller contained in this Agreement has occurred and is continuing; and no Servicer Default shall have occurred and be continuing;

(v) as of the Closing Date, (A) the Issuer shall have sufficient funds available to pay the purchase price for the CRR Property to be conveyed on such date and (B) all conditions to the issuance of the Consumer Rate Relief Bonds intended to provide such funds set forth in the Indenture shall have been satisfied or waived;

(vi) on or prior to the Closing Date, the Seller shall have taken all action required to transfer to the Issuer ownership of the CRR Property to be conveyed on such date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Basic Documents and to perfect such transfer, including, without limitation, filing any statements or making any filings pursuant to the Securitization Law or the UCC; and the Issuer or the Servicers, on behalf of the Issuer, shall have taken any action required for the Issuer to grant the Indenture Trustee a first priority perfected security interest in the CRR Bond Collateral and to maintain such security interest as of such date;

(vii) the Seller shall have delivered to the Rating Agencies and the Issuer any Opinions of Counsel required by the Rating Agencies;

(viii) on and as of the Closing Date, each of the LLC Agreement, the Servicing Agreement, the Administration Agreement, the Intercreditor Agreements, this Agreement, the Indenture, the Financing Order, and the Securitization Law shall be in full force and effect;

(ix) the Consumer Rate Relief Bonds shall have received the rating or ratings required by the Financing Order;

(x) on the Closing Date the Seller shall have received the Purchase Price in immediately available funds;

(xi) the Issuance Advice Letter shall have been provided to the Commission in accordance with the Issuance Advice Letter Procedure (as defined in the Financing Order), and the Commission shall not have issued a disapproval letter directing that the Consumer Rate Relief Bonds not be issued; and

(xii) the Seller shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in this Section 2.02.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Subject to Section 3.09, the Seller makes the following representations and warranties, as of the Closing Date, and the Seller acknowledges that the Issuer has relied thereon in acquiring the CRR Property. The representations and warranties shall survive the sale and transfer of CRR Property to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture. The Seller agrees that (i) the Issuer may assign the right to enforce the following representations and warranties to the Indenture Trustee and (ii) the representations and warranties inure to the benefit of the Issuer and the Indenture Trustee.

SECTION 3.01. Organization and Good Standing. The Seller is a corporation duly organized and validly existing and is in good standing under the laws of the state of its organization, with the requisite corporate or other power and authority to own its properties as such properties are owned on the Closing Date and to conduct its business as such business is conducted by it on the Closing Date, and has the requisite corporate or other power and authority to obtain the Financing Order and own the rights and interests under the Financing Order and to sell and assign those rights and interests to the Issuer.

SECTION 3.02. Due Qualification. The Seller is duly qualified to do business as a foreign corporation in West Virginia and is in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business require such qualifications, licenses or approvals (except where the failure to so qualify or obtain such licenses and approvals would not be reasonably likely to have a material adverse effect on the Seller's business, operations, assets, revenues or properties).

SECTION 3.03. Power and Authority. The Seller has the requisite corporate or other power and authority to execute and deliver this Agreement and to carry out its terms; and the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Seller under its organizational or governing documents and laws.

SECTION 3.04. Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Seller enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other laws relating to or affecting creditors' or secured parties' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law.

SECTION 3.05. No Violation. The consummation by the Seller of the transactions contemplated by this Agreement and the fulfillment by the Seller of the terms hereof do not: (i) conflict with or result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the Seller's organizational documents, or any indenture or other agreement or instrument to which the Seller is a party or by which it or any of its property is bound; (ii) result in the creation or imposition of any Lien upon any of the Seller's properties pursuant to the terms of any such indenture, agreement or other instrument (other than any Lien that may be granted in the Issuer's favor or any Lien created in favor of the Indenture Trustee for the benefit of the Secured Parties pursuant to the Securitization Law or any Lien that may be granted under the Basic Documents); or (iii) violate in any material respect any existing law or any existing order, rule or regulation applicable to the Seller of any Governmental Authority having jurisdiction over the Seller or its properties.

SECTION 3.06. No Proceedings.[1] There are no proceedings pending and, to the Seller's knowledge, there are no proceedings threatened and, to the Seller's knowledge, there are no investigations pending or threatened, before any Governmental Authority having jurisdiction over the Seller or its properties involving or relating to the Seller or the Issuer or, to the Seller's knowledge, any other Person: (i) asserting the invalidity of the Securitization Law, the Financing Order, this Agreement, any of the other Basic Documents or the Consumer Rate Relief Bonds, (ii) seeking to prevent the issuance of the Consumer Rate Relief Bonds or the consummation of any of the transactions contemplated by this Agreement or any of the other Basic Documents, (iii) seeking any determination or ruling that could reasonably be expected to materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of the Securitization Law, the Financing Order, this Agreement, any of the other Basic Documents or the Consumer Rate Relief Bonds or (iv) seeking to adversely affect the federal income tax or state income or franchise tax classification of the Consumer Rate Relief Bonds as debt.

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[1] **Note to Form**: Subject to confirmation pending Financing Order approval process.

SECTION 3.07. Approvals. No approval, authorization, consent, order or other action of, or filing with, any Governmental Authority is required in connection with the execution and delivery by the Seller of this Agreement, the performance by the Seller of the transactions contemplated hereby or the fulfillment by the Seller of the terms hereof, except (i) those that have been obtained or made, (ii) those that the Seller, in its capacity as a Servicer under the Servicing Agreement, is required to make in the future pursuant to the Servicing Agreement, and (iii) UCC financing statement filings under the UCC and the Securitization Law.

SECTION 3.08. The CRR Property.

(a) Information. Subject to subsection (f) below, at the Closing Date, all written information, as amended or supplemented from time to time, provided by the Seller to the Issuer with respect to the CRR Property (including the Expected Amortization Schedule, the Financing Order and the Issuance Advice Letter relating thereto) is true and correct in all material respects.

(b) Title. It is the intention of the parties hereto that (other than for U.S. federal income tax purposes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes) the transfer and assignment herein contemplated constitutes a sale and absolute transfer of the CRR Property from the Seller to the Issuer and that no interest in, or right or title to, the CRR Property shall be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. No portion of the CRR Property has been sold, transferred, assigned or pledged or otherwise conveyed by the Seller to any Person other than the Issuer, and no security agreement, financing statement or equivalent security or lien instrument listing the Seller as debtor covering all or any part of the CRR Property is on file or of record in any jurisdiction, except such as may have been filed, recorded or made in favor of the Issuer or the Indenture Trustee in connection with the Basic Documents. The Seller has not authorized the filing of and is not aware (after due inquiry) of any UCC financing statement against it that includes a description of collateral including the CRR Property other than (i) any financing statement filed, recorded or made in favor of the Issuer or the Indenture Trustee in connection with the Basic Documents and (ii) any financing statement being amended in connection with the Intercreditor Agreement to expressly exclude the CRR Property from the description of collateral. The Seller is not aware (after due inquiry) of any judgment or tax lien filings against either the Seller or the Issuer. At the Closing Date, immediately prior to the sale of the CRR Property hereunder, the Seller is the original and the sole owner of the CRR Property free and clear of all Liens and rights of any other Person, and no offsets, defenses or counterclaims exist or have been asserted with respect thereto.

(c) Transfer Filings. On the Closing Date, immediately upon the sale hereunder, the CRR Property shall be validly sold, transferred, assigned, set over and otherwise conveyed to the Issuer, the Issuer shall own all the CRR Property free and clear of all Liens (except for any Lien created in favor of the Indenture Trustee, for the benefit of the Secured Parties, granted under the Indenture and perfected pursuant to Section 24-2-4h(o)(4) of the Securitization Law, or any Lien that may be granted under the Basic Documents) and all filings and actions to be made or taken by the Seller (including, without limitation, filings with the Secretary of State of

the State of West Virginia under the Securitization Law) necessary in any jurisdiction to give the Issuer a perfected ownership interest (subject to any Lien created in favor of the Indenture Trustee for the benefit of the Secured Parties pursuant to the Indenture and perfected pursuant to Section 24-2-4h(o)(4) of the Securitization Law and any Lien that may be granted under the Basic Documents) in the CRR Property have been made or taken. No further action is required to maintain such ownership interest (subject to any Lien created in favor of the Indenture Trustee for the benefit of the Secured Parties pursuant to the Indenture and perfected pursuant to Section 24-2-4h(o)(4) of the Securitization Law and any Lien that may be granted under the Basic Documents) and to give the Indenture Trustee a first priority perfected security interest in the CRR Property. All filings and action have also been made or taken to perfect the security interest in the CRR Property granted by the Seller to the Issuer (subject to any Lien created in favor of the Indenture Trustee for the benefit of the Secured Parties pursuant to the Indenture and perfected pursuant to Section 24-2-4h(o)(4) of the Securitization Law and any Lien that may be granted under the Basic Documents) and, to the extent necessary, the Indenture Trustee pursuant to Section 2.01.

(d) Financing Order, Issuance Advice Letter; Other Approvals. On the Closing Date, under the laws of the State of West Virginia and the United States in effect on the Closing Date, (i) the Financing Order pursuant to which the rights and interests of the Seller, including the right of APCo and any Successor to impose, charge and collect the CRR Charges and, in and to the CRR Property transferred on such date have been created, is final and non-appealable and is in full force and effect; (ii) as of the issuance of the Consumer Rate Relief Bonds, the Consumer Rate Relief Bonds are entitled to the protection of the Securitization Law and, accordingly, the Financing Order, the CRR Charges and the Issuance Advice Letter are not revocable by the Commission; (iii) as of the issuance of the Consumer Rate Relief Bonds, the CRR Rate Schedule has been filed and is in full force and effect and is not subject to modification by the Commission except as provided under Section 24-2-4h(k) of the Securitization Law; (iv) the process by which the Financing Order creating the CRR Property transferred on such date was adopted and approved, and the Financing Order, CRR Rate Schedule and Issuance Advice Letter comply with all applicable laws, rules and regulations; (v) the Issuance Advice Letter has been provided to the Commission in accordance with the Issuance Advice Letter Procedure outlined in the Financing Order creating the CRR Property transferred on such date and an officer of the Seller has provided the certification to the Commission required by the Issuance Advice Letter; and (vi) no other approval, authorization, consent, order or other action of, or filing with any Governmental Authority is required in connection with the creation of the CRR Property transferred on such date, except those that have been obtained or made.

(e) State Action. Under the laws of the State of West Virginia in effect on the Closing Date, pursuant to Section 24-2-4h(s)(1) of the Securitization Law, the State of West Virginia has pledged to and agrees with the Bondholders, assignees and financing parties under the Financing Order that the State will not take or permit any action that impairs the value of CRR Property under the Financing Order or revises the CRR Costs for which recovery is authorized under the Financing Order or, except as allowed under Section 24-2-4h(k) of the Securitization Law, reduce, alter or impair CRR Charges that are imposed, charged, collected or remitted for the benefit of the Bondholders, assignees and financing parties under the Financing Order, until any principal, interest and redemption premium in respect of Consumer

Rate Relief Bonds, all financing costs and all amounts to be paid to any assignee or financing party under an ancillary agreement are paid or performed in full. Under the contract clauses of the United States and West Virginia Constitutions, the State of West Virginia could not, absent a demonstration that such action was necessary to serve a significant and legitimate public purpose, repeal or amend the Securitization Law nor could the State of West Virginia (or the Commission in exercising its legislative powers) take any action in contravention of the State Pledge if the repeal or amendment, or the action, substantially impairs or would substantially impair the value of the CRR Property. Under the takings clauses of the United States and West Virginia Constitutions, the State of West Virginia could not repeal or amend the Securitization Law or take any other action in contravention of the State Pledge without paying just compensation to the Holders, as determined by a court of competent jurisdiction if doing so would constitute a permanent appropriation of a substantial property interest of the Holders in the CRR Property , destroyed the CRR Property other than in response to emergency conditions or substantially impaired the value of the CRR Property (other than as contemplated by the True-Up Adjustments) as to unduly interfere with the reasonable expectations of the Holders arising from their investments in the Consumer Rate Relief Bonds. There is no assurance, however, that, even if a court were to award just compensation it would be sufficient to pay the full amount of principal and interest on the Consumer Rate Relief Bonds.

(f) Assumptions. On the Closing Date, based upon the information available to the Seller on such date, the assumptions used in calculating the CRR Charges are reasonable and are made in good faith. Notwithstanding the foregoing, the Seller makes no representation or warranty, express or implied, that amounts actually collected arising from those CRR Charges will in fact be sufficient to meet the payment obligations on the related Consumer Rate Relief Bonds or that the assumptions used in calculating such CRR Charges will in fact be realized.

(g) Creation of CRR Property. Upon the effectiveness of the Financing Order, the completion of the Issuance Advice Letter Procedure, the transfer of the CRR Property pursuant to this Agreement and the pledge of the CRR Property to the Indenture Trustee pursuant to the Indenture: (i) the rights and interests of the Seller under the Financing Order, including the right of APCo and any Successor to impose, charge and collect the CRR Charges authorized in the Financing Order, become “consumer rate relief property” as defined in Section 24-2-4h(b)(9) of the Securitization Law; (ii) the CRR Property constitutes an existing, present property right vested in the Issuer; (iii) the CRR Property includes (A) the property, rights and interests of the Seller or an assignee in the Financing Order, including the right of APCo or an assignee and any Successor to impose, charge and collect CRR Charges from Customers, and including the right to obtain True-Up Adjustments, and all revenues, receipts, collections, rights to payment, payments, moneys, claims or other proceeds arising from rights and interests created under the Financing Order, and (B) the right of APCo and any Successor to impose, charge and collect periodic adjustments (with respect to adjustments, in the manner and with the effect provided in Section 4.01(b) of the Servicing Agreement) of such CRR Charges, and the rates and other charges authorized by the Financing Order and all revenues, collections, claims, payments, moneys or proceeds of or arising from the CRR Charges; (iv) the owner of the CRR Property is legally entitled to bill CRR Charges and collect payments in respect of the CRR Charges in the aggregate sufficient to pay the interest on and principal of the Consumer Rate Relief Bonds in accordance with the Indenture, to pay Upfront Financing Costs, the fees and expenses of servicing the Consumer Rate Relief Bonds and other Ongoing Financing

Costs, to replenish the Capital Subaccount to the Required Capital Level until the Consumer Rate Relief Bonds are paid in full; and (v) the CRR Property is not subject to any Lien other than any Lien created in favor of the Indenture Trustee for the benefit of the Secured Parties pursuant to the Indenture and perfected pursuant to Section 24-2-4h(o)(4) of the Securitization Law or any Lien that may be granted under the Basic Documents.

(h) Nature of Representations and Warranties. The representations and warranties set forth in this Section 3.08, insofar as they involve conclusions of law, are made not on the basis that the Seller purports to be a legal expert or to be rendering legal advice, but rather to reflect the parties' good faith understanding of the legal basis on which the parties are entering into this Agreement and the other Basic Documents and the basis on which the Holders are purchasing the Consumer Rate Relief Bonds, and to reflect the parties' agreement that, if such understanding turns out to be incorrect or inaccurate, the Seller will be obligated to indemnify the Issuer and its permitted assigns (to the extent required by and in accordance with Section 5.01), and that the Issuer and its permitted assigns will be entitled to enforce any rights and remedies under the Basic Documents, on account of such inaccuracy to the same extent as if the Seller had breached any other representations or warranties hereunder.

(i) Prospectus. As of the date hereof, the information describing the Seller under the caption "The Depositor, Seller, Initial Servicers and Sponsor" in the prospectus dated [•] relating to the Consumer Rate Relief Bonds is true and correct in all material respects.

(j) Solvency. After giving effect to the sale of the CRR Property hereunder, the Seller:

(i) is solvent and expects to remain solvent;

(ii) is adequately capitalized to conduct its business and affairs considering its size and the nature of its business and intended purpose;

(iii) is not engaged in nor does it expect to engage in a business for which its remaining property represents an unreasonably small portion of its capital;

(iv) reasonably believes that it will be able to pay its debts as they come due; and

(v) is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(k) No Court Order. There is no order by any court providing for the revocation, alteration, limitation or other impairment of the Securitization Law, the Financing Order, the Issuance Advice Letter, the CRR Property or the CRR Charges or any rights arising under any of them or that seeks to enjoin the performance of any obligations under the Financing Order.

(l) Survival of Representations and Warranties. The representations and warranties set forth in this Section 3.08 shall survive the execution and delivery of this Agreement and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Article VI and as to which the Rating Agency Condition has been satisfied.

SECTION 3.09. Limitations on Representations and Warranties. Without prejudice to any of the other rights of the parties, the Seller will not be in breach of any representation or warranty, as a result of a change in law by means of any legislative enactment, constitutional amendment or voter initiative. THE SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, THAT BILLED CRR CHARGES WILL BE ACTUALLY COLLECTED FROM CUSTOMERS.

ARTICLE IV
COVENANTS OF THE SELLER

SECTION 4.01. Existence. Subject to Section 5.02, so long as any of the Consumer Rate Relief Bonds are Outstanding, the Seller (a) will keep in full force and effect its existence and remain in good standing under the laws of the jurisdiction of its organization, (b) will obtain and preserve its qualification to do business in each jurisdiction in which it operates, in each case to the extent that in each such jurisdiction such existence or qualification is or shall be necessary to protect the validity and enforceability of this Agreement, the other Basic Documents to which the Seller is a party and each other instrument or agreement necessary or appropriate to the proper administration of this Agreement and the transactions contemplated hereby or to the extent necessary for the Seller to perform its obligations hereunder or thereunder and (c) will continue to operate its electric transmission and distribution system to provide service to the APCo Customers (or, if transmission and distribution are split, to provide wire service directly to the APCo Customers).

SECTION 4.02. No Liens. Except for the conveyance hereunder or any Lien pursuant to the Indenture, or otherwise under the Securitization Law, in favor of the Indenture Trustee for the benefit of the Secured Parties and any Lien that may be granted under the Basic Documents, the Seller will not sell, pledge, assign or transfer, or grant, create, incur, assume or suffer to exist any Lien on, any of the CRR Property, or any interest therein, and the Seller shall defend the right, title and interest of the Issuer and the Indenture Trustee, on behalf of the Secured Parties, in, to and under the CRR Property against all claims of third parties claiming through or under the Seller. APCo, in its capacity as Seller, will not at any time assert any Lien against, or with respect to, any of the CRR Property.

SECTION 4.03. Delivery of Collections. In the event that the Seller receives any CRR Charge Collections or other payments in respect of the CRR Charges or the proceeds thereof other than in its capacity as a Servicer, the Seller agrees to pay to the Servicers, on behalf of the Issuer, all payments received by it in respect thereof as soon as practicable after receipt thereof. Prior to such remittance to the Servicers by the Seller, the Seller agrees that such amounts are held by it in trust for the Issuer and the Indenture Trustee.

SECTION 4.04. Notice of Liens. The Seller shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any of the CRR Property, other than the conveyance hereunder and any Lien pursuant to the Basic Documents, including the Lien in favor of the Indenture Trustee for the benefit of the Secured Parties.

SECTION 4.05. Compliance with Law. The Seller hereby agrees to comply with its organizational or governing documents and all laws, treaties, rules, regulations and determinations of any Governmental Authority applicable to the Seller, except to the extent that failure to so comply would not materially adversely affect the Issuer's or the Indenture Trustee's interests in the CRR Property or under any of the other Basic Documents to which the Seller is a party or the Seller's performance of its obligations hereunder or under any of the other Basic Documents to which it is party.

SECTION 4.06. Covenants Related to Consumer Rate Relief Bonds and CRR Property .

(a) So long as any of the Consumer Rate Relief Bonds are outstanding, the Seller shall treat the CRR Property as the Issuer's property for all purposes other than financial reporting, state or federal regulatory or tax purposes, and treat the Consumer Rate Relief Bonds as debt for all purposes and specifically as debt of the Issuer, other than for financial reporting, state or federal regulatory or tax purposes.

(b) Solely for the purposes of U.S. federal taxes and, to the extent consistent with applicable state, local and other tax law, for purposes of state, local and other taxes, so long as any of the Consumer Rate Relief Bonds are outstanding, the Seller agrees to treat the Consumer Rate Relief Bonds as indebtedness of the Seller (as the sole owner of the Issuer) secured by the CRR Bond Collateral unless otherwise required by appropriate taxing authorities.

(c) So long as any of the Consumer Rate Relief Bonds are outstanding, the Seller shall disclose in its financial statements that the Issuer and not the Seller is the owner of the CRR Property and that the assets of the Issuer are not available to pay creditors of the Seller or its Affiliates (other than the Issuer).

(d) So long as any of the Consumer Rate Relief Bonds are outstanding, the Seller shall not own or purchase any Consumer Rate Relief Bonds.

(e) So long as the Consumer Rate Relief Bonds are outstanding, the Seller shall disclose the effects of all transactions between the Seller and the Issuer in accordance with generally accepted accounting principles.

(f) The Seller agrees that, upon the sale by the Seller of the CRR Property to the Issuer pursuant to this Agreement, (i) to the fullest extent permitted by law, including applicable Commission Regulations and the Securitization Law, the Issuer shall have all of the rights originally held by the Seller with respect to the CRR Property, including the right (subject to the terms of the Servicing Agreement) to exercise any and all rights and remedies to collect any amounts payable by any Customer in respect of the CRR Property, notwithstanding any objection or direction to the contrary by the Seller (and the Seller agrees not to make any such objection or to take any such contrary action) and (ii) any payment by any Customer directly to the Issuer shall discharge such Customer's obligations, if any, in respect of the CRR Property to the extent of such payment, notwithstanding any objection or direction to the contrary by the Seller.

(g) So long as any of the Consumer Rate Relief Bonds are outstanding, (i) in all proceedings relating directly or indirectly to the CRR Property, the Seller shall affirmatively certify and confirm that it has sold all of its rights and interests in and to such property (other than for financial reporting or tax purposes), (ii) the Seller shall not make any statement or reference in respect of the CRR Property that is inconsistent with the ownership interest of the Issuer (other than for financial accounting or tax purposes or as required by state or federal

regulatory purposes), (iii) the Seller shall not take any action in respect of the CRR Property except solely in its capacity as a Servicer thereof pursuant to the Servicing Agreement or as otherwise contemplated by the Basic Documents, (iv) the Seller shall not sell "consumer rate relief property" or other property similar to the CRR Property under a separate financing order in connection with the issuance of additional bonds under the Securitization Law or a similar law of West Virginia unless the Rating Agency Condition shall have been satisfied, and (v) neither the Seller nor the Issuer shall take any action, file any tax return, or make any election inconsistent with the treatment of the Issuer, for purposes of federal taxes and, to the extent consistent with applicable state, local and other tax law, for purposes of state, local and other taxes, as a disregarded entity that is not separate from the Seller (or, if relevant, from another sole owner of the Issuer).

SECTION 4.07. Protection of Title. The Seller shall execute (if applicable) and file such filings, including, without limitation, filings with the Secretary of State of the State of West Virginia pursuant to the Securitization Law, and cause to be executed (if applicable) and filed such filings, all in such manner and in such places as may be required by law to fully preserve, maintain, protect and perfect the ownership interest of the Issuer and the backup precautionary security interest of the Issuer pursuant to Section 2.01 hereof, and the first priority security interest of the Indenture Trustee in the CRR Property, including, without limitation, all filings required under the Securitization Law and the UCC relating to the transfer of the ownership of the rights and interest in the CRR Property by the Seller to the Issuer or the pledge of the Issuer's interest in the CRR Property to the Indenture Trustee. The Seller shall deliver or cause to be delivered to the Issuer and the Indenture Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing. The Seller shall institute any action or proceeding necessary to compel performance by the Commission, the State of West Virginia or any of their respective agents, of any of their obligations or duties under the Securitization Law, the Financing Order or the Issuance Advice Letter, and the Seller agrees to take such legal or administrative actions, including defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, in each case as may be reasonably necessary (i) to protect the Issuer and the Secured Parties from claims, state actions or other actions or proceedings of third parties which, if successfully pursued, would result in a breach of any representation set forth in Article III or any covenant set forth in Article IV and (ii) to block or overturn any attempts to cause a repeal of, modification of or supplement to the Securitization Law, the Financing Order, the Issuance Advice Letter or the rights of Holders by legislative enactment or constitutional amendment that would be materially adverse to the Issuer or the Secured Parties or which would otherwise cause an impairment of the rights of the Issuer or the Secured Parties. The costs of any such actions or proceedings will be payable by the Seller.

SECTION 4.08. Nonpetition Covenants. Notwithstanding any prior termination of this Agreement or the Indenture, the Seller shall not, prior to the date which is one year and one day after the termination of the Indenture and payment in full of the Consumer Rate Relief Bonds or any other amounts owed under the Indenture, petition or otherwise invoke or cause the Issuer to invoke the process of any Government Authority for the purpose of commencing or sustaining an involuntary case against the Issuer under any federal or state bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of the property of the Issuer, or ordering the winding up or liquidation of the affairs of the Issuer.

SECTION 4.09. Taxes. So long as any of the Consumer Rate Relief Bonds are outstanding, the Seller shall, and shall cause each of its subsidiaries to, pay all material taxes, assessments and governmental charges imposed upon it or any of its properties or assets or with respect to any of its franchises, business, income or property before any penalty accrues thereon if the failure to pay any such taxes, assessments and governmental charges would, after any applicable grace periods, notices or other similar requirements, result in a Lien on the CRR Property; provided that no such tax need be paid if the Seller or one of its Affiliates is contesting the same in good faith by appropriate proceedings promptly instituted and diligently conducted and if the Seller or such Affiliate has established appropriate reserves as shall be required in conformity with generally accepted accounting principles.

SECTION 4.10. Issuance Advice Letter. The Seller hereby agrees not to withdraw any Issuance Advice Letter provided to the Commission.

SECTION 4.11. Notice of Breach to Rating Agencies, Etc. Promptly after a Responsible Officer of the Seller obtains actual knowledge thereof, in the event of a breach in any material respect (without regard to any materiality qualifier contained in such representation, warranty or covenant) of any of the Seller's representations, warranties or covenants contained herein, the Seller shall promptly notify the Issuer, the Indenture Trustee, the Commission and the Rating Agencies of such breach. For the avoidance of doubt, any breach which would adversely affect scheduled payments on the Consumer Rate Relief Bonds will be deemed to be a material breach for purposes of this Section 4.11.

SECTION 4.12. Use of Proceeds. The Seller shall use the proceeds of the sale of the CRR Property in accordance with the Financing Order and the Securitization Law.

SECTION 4.13. Further Assurances. Upon the request of the Issuer, the Seller shall execute and deliver such further instruments and do such further acts as may be reasonably necessary to carry out the provisions and purposes of this Agreement.

SECTION 4.14. Intercreditor Agreement. If the Seller becomes a party to (x) any future trade receivables purchase and sale arrangement or similar arrangement under which it sells all or any portion of its accounts receivables owing from APCo Customers (a "Future Receivables Arrangement") or (y) any future sale agreement where Seller (1) sells additional consumer rate relief property or similar property to be created under a separate financing order and (2) acts as servicer for such consumer rate relief property, or similar property, consisting of non-bypassable charges payable by the APCo Customers comparable to those sold by the Seller pursuant to this Agreement, in connection with a separate issuance of bonds (a "Future Sale Arrangement"), then in each case:

(a) the terms of the documentation evidencing any such Future Receivables Arrangement or Future Sale Arrangement shall expressly exclude the CRR Property from any receivables or other assets pledged or sold under such Future Receivables Arrangement or Future Sale Arrangement; and

(b) the Seller and the other parties to such Future Receivables Arrangement or Future Sale Arrangement, as applicable, shall enter into an amendment or joinder to the Receivables Intercreditor Agreement or CRR Property Intercreditor Agreement, as applicable, or enter into a separate intercreditor agreement, in connection therewith.

ARTICLE V
THE SELLER

SECTION 5.01. Liability of Seller; Indemnities.

(a) The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement.

(b) The Seller shall indemnify the Issuer and the Indenture Trustee (for the benefit of the Secured Parties) and each of their respective officers, directors, employees, trustees, managers, and agents for, and defend and hold harmless each such Person from and against, any and all taxes (other than taxes imposed on Holders as a result of their ownership of a Consumer Rate Relief Bond) that may at any time be imposed on or asserted against any such Person under existing law as of the Closing Date as a result of the sale of the CRR Property by the Seller to the Issuer, the Issuer's acquisition or holding of the CRR Property, or the issuance and sale by the Issuer of the Consumer Rate Relief Bonds, including any franchise, sales, gross receipts, general corporation, tangible personal property, privilege or license taxes but excluding any taxes imposed as a result of a failure of such Person to withhold or remit taxes with respect to payments on any Consumer Rate Relief Bond, in the event and to the extent such taxes are not recoverable as Ongoing Financing Costs; it being understood that the Holders shall be entitled to enforce their rights against the Seller under this Section 5.01(b) solely through a cause of action brought for their benefit by the Indenture Trustee in accordance with the terms of the Indenture.

(c) The Seller shall indemnify the Issuer and the Indenture Trustee (for the benefit of the Secured Parties) and each of their respective officers, directors, employees, trustees, managers, and agents for, and defend and hold harmless each such Person from and against, any and all taxes (other than taxes imposed on Holders as a result of their ownership of a Consumer Rate Relief Bond) that may at any time be imposed on or asserted against any such Person as a result of the Issuer's ownership and assignment of the CRR Property, the issuance and sale by the Issuer of the Consumer Rate Relief Bonds or the other transactions contemplated in the Basic Documents, including any franchise, sales, gross receipts, general corporation, tangible personal property, privilege or license taxes but excluding any taxes imposed as a result of a failure of such Person to withhold or remit taxes with respect to payments on any Consumer Rate Relief Bond; it being understood that the Holders shall be entitled to enforce their rights against the Seller under this Section 5.01(c) solely through a cause of action brought for their benefit by the Indenture Trustee in accordance with the Indenture.

(d) The Seller shall indemnify the Issuer, the Indenture Trustee (for the benefit of the Secured Parties) and each of their respective officers, directors, employees and agents for, and defend and hold harmless each such Person from and against all Losses that may be imposed on, incurred by or asserted against each such Person, in each such case, as a result of the Seller's breach of any of its representations, warranties or covenants contained in this Agreement.

(e) Indemnification under Sections 5.01(b), 5.01(c), 5.01(d) and 5.01(f) shall include reasonable and documented out-of-pocket fees and expenses of investigation and litigation (including reasonable attorney's fees and expenses), except as otherwise expressly provided in this Agreement.

(f) The Seller shall indemnify the Indenture Trustee (for itself) and each Independent Manager, and any of their respective officers, directors, employees and agents (each, an "Indemnified Person") for, and defend and hold harmless each such Person from and against, any and all Losses incurred by any of such Indemnified Persons as a result of the Seller's breach in any material respect of any of its representations and warranties or covenants contained in this Agreement, except to the extent of Losses either resulting from the willful misconduct, bad faith or gross negligence of such Indemnified Person or resulting from a breach of a representation or warranty made by such Indemnified Person in any of the Basic Documents that gives rise to the Seller's breach. The Seller shall not be required to indemnify an Indemnified Person for any amount paid or payable by such Indemnified Person in the settlement of any action, proceeding or investigation without the prior written consent of the Seller which such consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Person of notice of the commencement of any action, proceeding or investigation, such Indemnified Person shall, if a claim in respect thereof is to be made against the Seller under this Section 5.01(f), notify the Seller in writing of the commencement thereof. Failure by an Indemnified Person to so notify the Seller shall relieve the Seller from the obligation to indemnify and hold harmless such Indemnified Person under this Section 5.01(f) only to the extent that the Seller suffers actual prejudice as a result of such failure. With respect to any action, proceeding or investigation brought by a third party for which indemnification may be sought under this Section 5.01(f), the Seller shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Person, the defense of any such action, proceeding or investigation (in which case the Seller shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Person except as set forth below); provided that the Indemnified Person shall have the right to participate in such action, proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the Seller's election to assume the defense of any action, proceeding or investigation, the Indemnified Person shall have the right to employ separate counsel (including local counsel), and the Seller shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the defendants in any such action include both the Indemnified Person and the Seller and the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to the Seller, (ii) the Seller shall not have employed counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person within a reasonable time after notice of the institution of such action, (iii) the Seller shall authorize the Indemnified Person in writing to employ separate counsel at the expense of the Seller or (iv) in the case of the

Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the Seller shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Persons other than one local counsel, if appropriate.

(g) The Seller shall indemnify each Servicer (if such Servicer is not the Seller) for the costs of any action instituted by such Servicer pursuant to Section 5.02(d) of the Servicing Agreement which are not paid as Operating Expenses in accordance with the priorities set forth in Section 8.02(e) of the Indenture.

(h) The remedies provided in this Agreement are the sole and exclusive remedies against the Seller for breach of its representations and warranties in this Agreement.

(i) Indemnification under this Section 5.01 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Securitization Law or the Financing Order and shall survive the resignation or removal of the Indenture Trustee or the termination of this Agreement and will rank in priority with other general, unsecured obligations of the Seller. The Seller shall not indemnify any party under this Section 5.01 for any changes in law after the Closing Date, whether such changes in law are effected by means of any legislative enactment, constitutional amendment or any final and non-appealable judicial decision.

SECTION 5.02. Merger, Conversion or Consolidation of, or Assumption of the Obligations of, Seller.

Any Person:

(a) into which the Seller may be merged, converted or consolidated (by operation of law or otherwise) and which is a Jurisdictional Successor,

(b) that may result from any merger, conversion or consolidation to which the Seller shall be a party and which is a Jurisdictional Successor,

(c) that may succeed to the properties and assets of the Seller in the State of West Virginia substantially as a whole and which is a Jurisdictional Successor,

(d) which is a successor entity resulting from the division of the Seller into two or more Persons and which is a Jurisdictional Successor, or

(e) which otherwise is a Jurisdictional Successor; and

which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Seller hereunder (including the Seller's obligations under Section 5.01 incurred at any time prior to or after the date of such assumption) shall be the successor to the Seller under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that

(i) immediately after giving effect to such transaction, no representation, warranty or covenant made pursuant to Article III or Article IV shall be breached in any material respect and, to the extent the Seller is a Servicer, no Servicer Default, and no event which, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing,

(ii) the Seller shall have delivered to the Issuer, the Indenture Trustee and each Rating Agency an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, merger, division or succession and such agreement of assumption comply with this Section 5.02 and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with,

(iii) the Seller shall have delivered to the Issuer, the Indenture Trustee and each Rating Agency an Opinion of Counsel from external counsel of the Seller either (A) stating that, in the opinion of such counsel, all filings to be made by the Seller and the Issuer, including filings with the Commission pursuant to the Securitization Law, have been executed (if applicable) and filed that are necessary to fully preserve and protect the respective interest of the Issuer and the Indenture Trustee in all of the CRR Property and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interests,

(iv) the Seller shall have delivered to the Issuer, the Indenture Trustee, the Rating Agencies and the Commission an Opinion of Counsel from independent tax counsel stating that, for U.S. federal income tax purposes, such consolidation, conversion, merger, division or succession and such agreement of assumption will not result in a material U.S. federal income tax consequence to the Issuer or the Holders of Consumer Rate Relief Bonds, and

(v) the Seller shall have given the Rating Agencies prior written notice of such transaction.

When any Person (or more than one Person) (x) acquires the properties and assets of the Seller in the State of West Virginia substantially as a whole and becomes the Jurisdictional Successor, or (y) otherwise becomes the successor to the Seller in accordance with the terms of this Section 5.02, then in each case upon satisfaction of all of the other conditions of this Section 5.02, the preceding Seller shall automatically and without further notice be released from all of its obligations hereunder.

For purposes hereof, "Jurisdictional Successor" means, with respect to Seller, a "Successor" (as defined in the Securitization Law) who succeeds to all or substantially all of the electric transmission and distribution business of the Seller in the State of West Virginia (or, if the transmission and distribution business is split, any Person which provides wire service directly to APCo Customers).

Notwithstanding the foregoing, WPCo will be allowed to merge into APCo without satisfying the conditions specified in this Section 5.02 so long as APCo is the entity surviving the merger.

SECTION 5.03. Limitation on Liability of Seller and Others . The Seller and any director, officer, employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising hereunder. Subject to Section 4.07, the Seller shall not be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its obligations under this Agreement, and that in its opinion may involve it in any expense or liability.

ARTICLE VI
MISCELLANEOUS PROVISIONS

SECTION 6.01. Amendment.

(a) This Agreement may be amended from time to time (without the consent of the Indenture Trustee or any of the Holders) by a written amendment duly executed and delivered by each of the Seller and the Issuer with ten (10) Business Days' prior written notice given to the Rating Agencies and, if the contemplated amendment may in the judgment of the Servicers increase Ongoing Financing Costs, the consent or deemed consent of the Commission pursuant to Section 6.02, (i) to cure any ambiguity, to correct or supplement any provisions in this Agreement or for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions in this Agreement or of modifying in any manner the rights of the Holders; provided, however, that the Issuer and the Indenture Trustee shall receive an Officer's Certificate from the Seller stating that the execution of such amendment shall not adversely affect in any material respect the interests of any Holder or (ii) to conform the provisions hereof to the description of this Agreement in the Prospectus. Promptly after the execution of any such amendment or consent, the Issuer shall furnish copies of such amendment or consent to each of the Rating Agencies.

(b) In addition, this Agreement may be amended in writing by the Seller and the Issuer with (i) the satisfaction of the Rating Agency Condition, and (ii) if such amendment may in the judgment of the Servicers increase Ongoing Financing Costs, the consent of the Commission pursuant to Section 6.02; provided that any such amendment may not adversely affect the interest of any Holder in any material respect, as evidenced by an Officer's Certificate of the Seller delivered to the Issuer and the Indenture Trustee, without the consent of the Joint Majority Holders. Promptly after the execution of any such amendment or consent, the Issuer shall furnish copies of such amendment or consent to each of the Rating Agencies.

(c) It shall not be necessary for the consent of Holders pursuant to this Section 6.01 to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof.

(d) Prior to executing, or consenting to, any amendment to this Agreement, the Issuer and the Indenture Trustee shall be entitled to request and rely upon an Officer's Certificate or Opinion of Counsel stating that such amendment is authorized or permitted by this Agreement and that all conditions precedent provided for in this Agreement relating to such amendment have been satisfied. Any Opinion of Counsel may be based, insofar as it relates to factual matters (including financial and capital markets), upon a certificate or opinion of, or representations by, an officer or officers of the Seller or the Issuer and other documents necessary and advisable in the judgment of counsel delivering such opinion. The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into or consent to, as applicable, any such amendment which affects such Person's own rights, duties, liabilities or immunities under this Agreement or otherwise.

SECTION 6.02. Commission Condition. Notwithstanding anything to the contrary in Section 6.01, no amendment or modification of this Agreement that would result in an increase to Ongoing Financing Costs shall be effective unless the process set forth in this Section 6.02 has been followed.

(a) At least thirty-one (31) days prior to the effectiveness of any such amendment or modification and after obtaining the other necessary approvals set forth in Section 6.01 (except that the consent of the Indenture Trustee shall be subject to the written consent of the Joint Majority Holders in connection with such amendment or modification), the Seller shall have delivered to the Commission's executive secretary and general counsel written notification of any proposed amendment or modification, which notification shall contain:

(i) a reference to Case No. 25-0310-E-PC;

(ii) an Officer's Certificate stating that the proposed amendment or modification has been approved by all parties to this Agreement; and

(iii) a statement identifying the person to whom the Commission or its authorized representative is to address any response to the proposed amendment or modification or to request additional time.

(b) The Commission or its authorized representative shall, within thirty (30) days after receiving the notification complying with Section 6.02(a) above, either:

(i) provide notice of its determination that the proposed amendment or modification will not under any circumstances have the effect of increasing the Ongoing Financing Costs;

(ii) provide notice of its consent or lack of consent to the person specified in Section 6.02(a)(iii) above; or

(iii) be conclusively deemed to have consented to the proposed amendment or modification;

unless, within thirty (30) days of receiving the notification complying with Section 6.02(a) above, the Commission or its authorized representative delivers to the office of the person specified in Section 6.02(a)(iii) above a written statement requesting an additional amount of time not to exceed thirty (30) days in which to consider whether to consent to the proposed amendment or modification. If the Commission or its authorized representative requests an extension of time in the manner set forth in the preceding sentence, then the Commission shall either provide notice of its consent or lack of consent or notice of its determination that the proposed amendment or modification will not under any circumstances increase Ongoing Financing Costs to the person specified in Section 6.02(a)(iii) no later than the last day of such extension of time or be conclusively deemed to have consented to the proposed amendment or modification on the last day of such extension of time. Any amendment or modification requiring the consent of the Commission shall become effective on the later of (i) the date proposed by the parties to such amendment or modification and (ii) the first day after the expiration of the thirty (30) day period provided for in this Section 6.02(b), or, if such period has been extended pursuant hereto, the first day after the expiration of such period as so extended.

(c) Following the delivery of a notice to the Commission by the Seller under Section 6.02(a), the Seller and the Issuer shall have the right at any time to withdraw from the Commission further consideration of any notification of a proposed amendment or modification. Such withdrawal shall be evidenced by the prompt written notice thereof by the Seller to the Commission, the Indenture Trustee, the Issuer and the Servicers.

(d) For the purpose of this Section 6.02, an "authorized representative" of the Commission means any person authorized to act on behalf of the Commission.

(e) In no event shall the Indenture Trustee be responsible or liable for determining if an amendment or modification of this Agreement would result in an Ongoing Financing Cost, nor shall the Indenture Trustee be charged with monitoring or satisfying the requirements of this Section 6.02.

SECTION 6.03. Notices. All demands, notices and communications upon or to the Seller, the Issuer, the Indenture Trustee, the Commission or the Rating Agencies under this Agreement shall be sufficiently given for all purposes hereunder if in writing, and delivered personally, mailed by certified mail, postage prepaid, sent by documented delivery service or, to the extent receipt is confirmed, sent by email or other form of electronic transmission:

(a) in the case of the Seller, to Appalachian Power Company, at 1 Riverside Plaza, Columbus, Ohio 43215, Attention: Treasurer, Telephone: (614) 716-1000, Email: Treasury_Operations_AEP@aep.com;

(b) in the case of the Issuer, to Appalachian Consumer Rate Relief Funding II LLC at 200 Association Drive, 02, Charleston, West Virginia, 25311, Attention: Managers, Telephone: (614) 716-1523, Email: Treasury_Operations_AEP@aep.com;

(c) in the case of the Indenture Trustee, to the Corporate Trust Office;

(d) in the case of the Commission, to the Public Service Commission of West Virginia, [201 Brooks Street, Charleston, West Virginia, 25301, Attention: Executive Secretary, Telephone: 1-800-344-5113, Facsimile: (304) 340-0325];

(e) in the case of Moody's, to Moody's Investors Service, Inc., ABS/RMBS Monitoring Department, 24th Floor, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Email: ServicerReports@moodys.com (all such notices to be delivered to Moody's in writing by email), and solely for purposes of Rating Agency Condition communications: abscormonitoring@moodys.com;

(f) in the case of S&P, to Standard & Poor's Ratings Group, Inc., Structured Credit Surveillance, 55 Water Street, New York, New York 10041, Telephone: (212) 438-8991, Email: servicer_reports@spglobal.com (all such notices to be delivered to S&P in writing by email); or

(g) as to each of the foregoing, at such other address as shall be designated by written notice to the other parties.

SECTION 6.04. Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Section 5.02, this Agreement may not be assigned by the Seller.

SECTION 6.05. Limitations on Rights of Third Parties. The provisions of this Agreement are solely for the benefit of the Seller, the Issuer, the Indenture Trustee (for the benefit of the Secured Parties) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the CRR Property or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

SECTION 6.06. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 6.07. Separate Counterparts; Electronic Signatures. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Each party hereto agrees that this Agreement may be electronically signed, that any digital or electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Agreement may be made by facsimile, email or other electronic transmission.

SECTION 6.08. Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 6.09. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WEST VIRGINIA, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 6.10. Assignment to Indenture Trustee. The Seller hereby acknowledges and consents to any mortgage, pledge, assignment and grant of a security interest by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Secured Parties of all right, title and interest of the Issuer in, to and under this Agreement, the CRR Property and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Secured Parties. The Indenture Trustee is a third-party beneficiary of this Agreement and is entitled to the rights and benefits hereunder and may enforce the provisions hereof as if it were a party hereto.

SECTION 6.11. Limitation of Liability. It is expressly understood and agreed by the parties hereto that this Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Secured Parties, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

SECTION 6.12. Waivers. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee (acting at the written direction of the Joint Majority Holders) has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

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

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, as Issuer

By: _____
Name:
Title:

APPALACHIAN POWER COMPANY,
as Seller

By: _____
Name:
Title:

ACKNOWLEDGED AND ACCEPTED:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Indenture Trustee

By: _____
Name:
Title:

EXHIBIT A

FORM OF BILL OF SALE

This Bill of Sale is being delivered pursuant to the Consumer Rate Relief Property Purchase and Sale Agreement, dated as of [•] (the "Sale Agreement"), by and between Appalachian Power Company (the "Seller") and Appalachian Consumer Rate Relief Funding II LLC (the "Issuer"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Sale Agreement.

In consideration of the Issuer's delivery to or upon the order of the Seller of $[•], the Seller does hereby irrevocably sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse or warranty, except as set forth in the Sale Agreement, all right, title and interest of the Seller in and to the CRR Property identified on Schedule 1 hereto (such sale, transfer, assignment, setting over and conveyance of the CRR Property includes, to the fullest extent permitted by the Securitization Law, the property, rights and interests of APCo under the Financing Order, including the right of APCo and any Successor to impose, charge and collect CRR Charges from Customers, and including the right to obtain True-Up Adjustments, and all revenues, receipts, collections, rights to payment, payments, moneys, claims or other proceeds arising from the rights and interests of the Seller created under the Financing Order). Such sale, transfer, assignment, setting over and conveyance is hereby expressly stated to be a sale and, pursuant to Section 24-2-4h(p)(1) of the Securitization Law, shall be treated as an absolute transfer and true sale of, and not as a pledge of or secured transaction relating to, the Seller's right, title and interest in, to and under, the CRR Property. The Seller and the Issuer agree that after giving effect to the sale, transfer, assignment, setting over and conveyance contemplated hereby the Seller has no right, title or interest in or to the CRR Property to which a security interest could attach because (i) it has sold, transferred, assigned, set over and conveyed all right, title and interest in and to the CRR Property to the Issuer, (ii) as provided in Section 24-2-4h(p)(1) of the Securitization Law, such rights become CRR Property when sold hereunder and pledged to secure the Consumer Rate Relief Bonds and (iii) as provided in Section 24-2-4h(o)(4) of the Securitization Law, appropriate financing statements have been filed and such transfer of Seller's interest in the CRR Property is perfected against all parties having claims of any kind in tort, contract or otherwise against the Seller, including against judicial lien or other lien creditors and against Seller and creditors of Seller, other than creditors holding a prior security interest, ownership interest or assignment in the CRR Property. If such sale, transfer, assignment, setting over and conveyance is held by any court of competent jurisdiction not to be an absolute transfer and true sale as provided in Section 24-2-4h(p)(1) of the Securitization Law, then such sale, transfer, assignment, setting over and conveyance shall be treated as a pledge of the CRR Property and as the creation of a security interest (within the meaning of the Securitization Law and the UCC) in the CRR Property and, without prejudice to its position that it has absolutely transferred all of its rights in the CRR Property to the Issuer, the Seller hereby grants a security interest in the CRR Property to the Issuer (and to the Indenture Trustee for the benefit of the Secured Parties) to secure their respective rights under the Basic Documents to receive the CRR Charges and all other CRR Property.

The Issuer does hereby purchase the CRR Property from the Seller for the consideration set forth in the preceding paragraph.

The Seller and the Issuer each acknowledge and agree that the purchase price for the CRR Property sold pursuant to this Bill of Sale and the Sale Agreement is equal to its fair market value at the time of sale.

The Seller confirms that (i) each of the representations and warranties on the part of the Seller contained in the Sale Agreement are true and correct in all respects on the date hereof as if made on the date hereof and (ii) each condition precedent that must be satisfied under Section 2.02 of the Sale Agreement has been satisfied upon or prior to the execution and delivery of this Bill of Sale by the Seller.

This Bill of Sale may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

THIS BILL OF SALE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WEST VIRGINIA, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAW.

IN WITNESS WHEREOF, the Seller and the Issuer have duly executed this Bill of Sale as of the ___ day of _____, _____.

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC

By: _____
Name:
Title:

APPALACHIAN POWER COMPANY

By: _____
Name:
Title:

EXHIBIT A

SCHEDULE 1
to
BILL OF SALE

CRR PROPERTY

All CRR Property created or arising under the Financing Order, dated as of March 31, 2026, issued by the Public Service Commission of West Virginia in Case No. 25-0310-E-PC pursuant to the Securitization Law.

Exhibit 10.3

ADMINISTRATION AGREEMENT

This ADMINISTRATION AGREEMENT, dated as of [•] (this "Administration Agreement"), is entered into by and between APPALACHIAN POWER COMPANY ("APCo"), as administrator (in such capacity, the "Administrator"), and APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, a Delaware limited liability company (the "Issuer"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in Appendix A to the Indenture (as defined below). Not all terms defined in Appendix A are used in this Administration Agreement. The rules of construction set forth in Appendix A shall apply to this Administration Agreement and are hereby incorporated by reference into this Administration Agreement as if set forth in this Administration Agreement.

W I T N E S S E T H:

WHEREAS, the Issuer is issuing Consumer Rate Relief Bonds pursuant to that certain Indenture (including Appendix A thereto) dated as of [•] (as amended and supplemented by the Series Supplement dated as of [•], the "Indenture"), by and between the Issuer and U.S. Bank Trust Company, National Association, a national banking association, not in its individual capacity but solely in its capacity as indenture trustee (the "Indenture Trustee"), and U.S. Bank National Association, a national banking association, not in its individual capacity but solely in its capacity as a securities intermediary (the "Securities Intermediary"), as the same may be amended, restated, supplemented or otherwise modified from time to time;

WHEREAS, the Issuer has entered into certain agreements in connection with the issuance of the Consumer Rate Relief Bonds, including (i) the Indenture, (ii) the CRR Property Servicing Agreement, dated as of [•] (the "Servicing Agreement"), by and between the Issuer and APCo and WPCo, as Servicers, (iii) the CRR Property Purchase and Sale Agreement, dated as of [•] (the "Sale Agreement"), by and between the Issuer and APCo, as Seller, and (iv) the other Basic Documents to which the Issuer is a party, relating to the Consumer Rate Relief Bonds (the Indenture, the Servicing Agreement, the Sale Agreement and the other Basic Documents to which the Issuer is a party, as such agreements may be amended and supplemented from time to time, being referred to hereinafter collectively as the "Initial Related Agreements");

WHEREAS, pursuant to the Initial Related Agreements, the Issuer is required to perform certain duties in connection with the Initial Related Agreements, the Consumer Rate Relief Bonds and the CRR Bond Collateral pledged to the Indenture Trustee pursuant to the Indenture;

WHEREAS, the Issuer may from time to time enter into and be required to perform certain duties under additional agreements similar to the Initial Related Agreements (together with the Initial Related Agreements, the "Related Agreements");

WHEREAS, the Issuer has no employees, other than its officers and Managers (as defined below), and does not intend to hire any employees, and consequently desires to have the Administrator perform certain of the duties of the Issuer referred to in the preceding clauses and to provide such additional services consistent with the terms of this Administration Agreement and the Related Agreements as the Issuer may from time to time request; and

WHEREAS, the Administrator has the capacity to provide the services and the facilities required thereby and is willing to perform such services and provide such facilities for the Issuer on the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Duties of the Administrator – Management Services. The Administrator hereby agrees to provide the following corporate management services to the Issuer and to cause third parties to provide professional services required for or contemplated by such services in accordance with the provisions of this Administration Agreement:

(a) furnish the Issuer with ordinary clerical, bookkeeping and other corporate administrative services necessary and appropriate for the Issuer, including, without limitation, the following services:

(i) without duplication of the Servicers' obligations under the Servicing Agreement, maintain at the Premises (as defined below) general accounting records of the Issuer (the "Account Records"), subject to year-end audit, in accordance with generally accepted accounting principles, separate and apart from its own accounting records, prepare or cause to be prepared such quarterly and annual financial statements as may be necessary or appropriate and arrange for year-end audits of the Issuer's financial statements by the Issuer's independent accountants;

(ii) prepare and, after execution by the Issuer, file with the Securities and Exchange Commission (the "SEC") and any applicable state agencies documents required to be filed by the Issuer with the SEC and any applicable state agencies, including, without limitation, periodic reports required to be filed under the Securities Exchange Act of 1934, as amended;

(iii) prepare for execution by the Issuer and cause to be filed such income, franchise or other tax returns of the Issuer as shall be required to be filed by applicable law (the "Tax Returns") and cause to be paid on behalf of the Issuer from the Issuer's funds any taxes required to be paid by the Issuer under applicable law;

(iv) prepare or cause to be prepared for execution by the Issuer's managers (the "Managers") minutes of the meetings of the Managers and such other documents deemed appropriate by the Issuer to maintain the separate limited liability company existence and good standing of the Issuer (the "Company Minutes") or otherwise required under the Related Agreements (together with the Account Records, the Tax Returns, the Company Minutes, the LLC Agreement, and the Certificate of Formation, the "Issuer Documents"); and any other documents deliverable by the Issuer thereunder or in connection therewith; and

(v) hold, maintain and preserve at the Premises (hereinafter defined) (or such other place as shall be required by any of the Related Agreements) executed copies (to the extent applicable) of the Issuer Documents and other documents executed by the Issuer thereunder or in connection therewith;

(b) take such actions on behalf of the Issuer, as are necessary or desirable for the Issuer to keep in full effect its existence, rights and franchises as a limited liability company under the laws of the State of Delaware and obtain and preserve its qualification to do business in each jurisdiction in which it becomes necessary to be so qualified;

(c) take such actions on behalf of the Issuer as are necessary for the issuance and delivery of the Consumer Rate Relief Bonds;

(d) provide for the performance by the Issuer of its obligations under each of the Related Agreements, and prepare, or cause to be prepared, all documents, reports, filings, instruments, notices, certificates and opinions that it shall be the duty of the Issuer to prepare, file or deliver pursuant to the Related Agreements;

(e) to the full extent allowable under applicable law, enforce each of the rights of the Issuer under the Related Agreements, at the direction of the Indenture Trustee (acting at the written direction of the Holders representing at least a majority of the Outstanding Amount of the Consumer Rate Relief Bonds);

(f) provide for the defense, at the direction of the Managers, of any action, suit or proceeding brought against the Issuer or affecting the Issuer or any of its assets;

(g) provide office space (the "Premises") for the Issuer and such reasonable ancillary services as are necessary to carry out the obligations of the Administrator hereunder, including telecopying, duplicating and word processing services;

(h) undertake such other administrative services as may be appropriate, necessary or requested by the Issuer; and

(i) provide such other services as are incidental to the foregoing or as the Issuer and the Administrator may agree.

In providing the services under this Section 1 and as otherwise provided under this Administration Agreement, the Administrator will not knowingly take any actions on behalf of the Issuer which (i) the Issuer is prohibited from taking under the Related Agreements, or (ii) would cause the Issuer to be in violation of any U.S. federal, state or local law or the LLC Agreement.

In performing its duties hereunder, the Administrator shall use the same degree of care and diligence that the Administrator exercises with respect to performing such duties for its own account and, if applicable, for others.

2. Compensation. As compensation for the performance of the Administrator's obligations under this Administration Agreement (including the compensation of Persons serving as Manager(s), other than the Independent Manager(s), and officers of the Issuer, but, for the avoidance of doubt, excluding the performance by APCo of its obligations in its capacity as a Servicer), the Administrator shall be entitled to $50,000 annually (the "Administration Fee"), payable by the Issuer in semi-annual installments of $25,000 on each Payment Date, which amount will be pro-rated for the first and final Payment Dates. In addition, the Administrator shall be entitled to be reimbursed by the Issuer for all costs and expenses of services performed by unaffiliated third parties and actually incurred by the Administrator in connection with the performance of its obligations under this Administration Agreement in accordance with Section 3 (but, for the avoidance of doubt, excluding any such costs and expenses incurred by APCo in its capacity as a Servicer), to the extent that such costs and expenses are supported by invoices or other customary documentation and are reasonably allocated to the Issuer ("Reimbursable Administrative Expenses").

3. Third Party Services. Any services required for or contemplated by the performance of the above-referenced services by the Administrator to be provided by unaffiliated third parties (including independent accountants' fees and legal counsel fees) may, if provided for or otherwise contemplated by the Financing Order and if the Issuer deems it necessary or desirable, be arranged by the Issuer or by the Administrator at the direction (which may be general or specific) of the Issuer. Costs and expenses associated with the contracting for such third-party professional services may be paid directly by the Issuer or paid by the Administrator and reimbursed by the Issuer in accordance with Section 2, or otherwise as the Administrator and the Issuer may mutually arrange.

4. Additional Information to be Furnished to the Issuer. The Administrator shall furnish to the Issuer from time to time such additional information regarding the CRR Bond Collateral as the Issuer shall reasonably request.

5. Independence of the Administrator. For all purposes of this Administration Agreement, the Administrator shall be an independent contractor and shall not be subject to the supervision of the Issuer with respect to the manner in which it accomplishes the performance of its obligations hereunder. Unless expressly authorized by the Issuer or in this Administration Agreement, the Administrator shall have no authority, and shall not hold itself out as having the authority, to act for or represent the Issuer in any way and shall not otherwise be deemed an agent of the Issuer.

6. No Joint Venture. Nothing contained in this Administration Agreement (a) shall constitute the Administrator and the Issuer as partners or co-members of any partnership, joint venture, association, syndicate, unincorporated business or other separate entity, (b) shall be construed to impose any liability as such on either of them or (c) shall be deemed to confer on either of them any express, implied or apparent authority to incur any obligation or liability on behalf of the other.

7. Other Activities of Administrator. Nothing herein shall prevent the Administrator or any of its directors, members, managers, officers, employees, subsidiaries or affiliates from engaging in other businesses or, in its sole discretion, from acting in a similar capacity as an Administrator for any other person or entity even though such person or entity may engage in business activities similar to those of the Issuer.

8. Term of Agreement; Resignation and Removal of Administrator.

(a) This Administration Agreement shall continue in force until the payment in full of the Consumer Rate Relief Bonds and any other amount which may become due and payable under the Indenture, upon which event this Administration Agreement shall automatically terminate.

(b) Subject to Sections 8(e) and 8(f), the Administrator may resign its duties hereunder by providing the Issuer, the Indenture Trustee and the Rating Agencies with at least sixty (60) days' prior written notice.

(c) Subject to Sections 8(e) and 8(f), the Issuer may remove the Administrator without cause by providing the Administrator, the Indenture Trustee and the Rating Agencies with at least sixty (60) days' prior written notice.

(d) Subject to Sections 8(e) and 8(f), at the sole option of the Issuer, the Administrator may be removed immediately upon written notice of termination from the Issuer to the Administrator and the Rating Agencies if any of the following events shall occur:

(i) the Administrator shall default in the performance of any of its duties under this Administration Agreement and, after notice of such default, shall fail to cure such default within ten (10) days (or, if such default cannot be cured in such time, shall (A) fail to give within ten (10) days such assurance of cure as shall be reasonably satisfactory to the Issuer and (B) fail to cure such default within thirty (30) days thereafter);

(ii) a court of competent jurisdiction shall enter a decree or order for relief, and such decree or order shall not have been vacated within sixty (60) days, in respect of the Administrator in any involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or such court shall appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Administrator or any substantial part of its property or order the winding-up or liquidation of its affairs; or

(iii) the Administrator shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, shall consent to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Administrator or any substantial part of its property, shall consent to the taking of possession by any such official of any substantial part of its property, shall make any general assignment for the benefit of creditors or shall fail generally to pay its debts as they become due.

The Administrator agrees that if any of the events specified in clauses (ii) or (iii) of this Section 8(d) shall occur, it shall give written notice thereof to the Issuer and the Indenture Trustee as soon as practicable but in any event within seven (7) days after the happening of such event.

(e) No resignation or removal of the Administrator pursuant to this Section 8 shall be effective until a successor Administrator has been appointed by the Issuer, and such successor Administrator has agreed in writing to be bound by the terms of this Administration Agreement in the same manner as the Administrator is bound hereunder.

(f) The appointment of any successor Administrator shall be effective only after satisfaction of the Rating Agency Condition with respect to the proposed appointment.

9. Action upon Termination, Resignation or Removal. Promptly upon the effective date of termination of this Administration Agreement pursuant to Section 8(a), the resignation of the Administrator pursuant to Section 8(b) or the removal of the Administrator pursuant to Sections 8(c) or 8(d), the Administrator shall be entitled to be paid a pro-rated portion of the annual fee described in Section 2 hereof through the date of termination and all Reimbursable Administrative Expenses incurred by it through the date of such termination, resignation or removal. The Administrator shall forthwith upon such termination pursuant to Section 8(a) deliver to the Issuer all property and documents of or relating to the CRR Bond Collateral then in the custody of the Administrator. In the event of the resignation of the Administrator pursuant to Section 8(b) or the removal of the Administrator pursuant to Sections 8(c) or 8(d), the Administrator shall cooperate with the Issuer and take all reasonable steps requested to assist the Issuer in making an orderly transfer of the duties of the Administrator.

10. Administrator's Liability. Except as otherwise provided herein, the Administrator assumes no liability other than to render or stand ready to render the services called for herein, and neither the Administrator nor any of its directors, members, managers, officers, employees, subsidiaries or affiliates shall be responsible for any action of the Issuer or any of the members, managers, officers, employees, subsidiaries or affiliates of the Issuer (other than the Administrator itself). The Administrator shall not be liable for, nor shall it have any obligation with regard to, any of the liabilities, whether direct or indirect, absolute or contingent of the Issuer or any of the members, managers, officers, employees, subsidiaries or affiliates of the Issuer (other than the Administrator itself).

11. INDEMNITY.

(a) SUBJECT TO THE PRIORITY OF PAYMENTS SET FORTH IN THE INDENTURE, THE ISSUER SHALL INDEMNIFY THE ADMINISTRATOR, ITS DIRECTORS, MEMBERS, MANAGERS, OFFICERS, EMPLOYEES AND AFFILIATES AGAINST ALL LOSSES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, LIABILITIES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ALL EXPENSES OF LITIGATION OR PREPARATION THEREFOR WHETHER OR NOT THE ADMINISTRATOR IS A PARTY THERETO) WHICH ANY OF THEM MAY PAY OR INCUR ARISING OUT OF OR RELATING TO THIS ADMINISTRATION AGREEMENT AND THE SERVICES CALLED FOR HEREIN; PROVIDED, HOWEVER, THAT SUCH INDEMNITY SHALL NOT APPLY TO ANY SUCH LOSS, CLAIM, DAMAGE, PENALTY, JUDGMENT, LIABILITY OR EXPENSE RESULTING FROM THE ADMINISTRATOR'S NEGLIGENCE OR WILLFUL MISCONDUCT IN THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER.

(b) THE ADMINISTRATOR SHALL INDEMNIFY THE ISSUER, ITS MEMBERS, MANAGERS, OFFICERS AND EMPLOYEES AGAINST ALL LOSSES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, LIABILITIES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ALL EXPENSES OF LITIGATION OR PREPARATION THEREFOR WHETHER OR NOT THE ISSUER IS A PARTY THERETO) WHICH ANY OF THEM MAY INCUR AS A RESULT OF THE ADMINISTRATOR'S NEGLIGENCE OR WILLFUL MISCONDUCT IN THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER.

12. Notices. Any notice, report or other communication given hereunder shall be in writing and addressed as follows:

(a) if to the Issuer, to:

Appalachian Consumer Rate Relief Funding II LLC
200 Association Drive, 02
Charleston, West Virginia 25311
Attention: Manager
Telephone: (614) 716-1522
Email: Treasury_Operations_AEP@aep.com

(b) if to the Administrator, to:

Appalachian Power Company
1 Riverside Plaza
Columbus, Ohio 43215
Attention: Treasurer
Telephone: (614) 716-1000
Email: Treasury_Operations_AEP@aep.com

(c) if to the Indenture Trustee, to the Corporate Trust Office;

or to such other address as any party shall have provided to the other parties in writing. In the case of the Issuer or the Administrator, any notice required to be in writing hereunder shall be deemed given if such notice is (i) mailed by certified mail, postage prepaid, (ii) delivered by overnight courier, (iii) hand-delivered or (iv) transmitted by electronic transmission with a confirmation of receipt, in each case to the address of such party as provided above. In the case of the Indenture Trustee, any notice required hereunder shall be in writing and shall be effective pursuant to the terms of Section 10.04 of the Indenture.

13. Amendments.

(a) This Administration Agreement may be amended from time to time (without the consent of the Indenture Trustee or any of the Holders) by a written amendment duly executed and delivered by each of the Issuer and the Administrator with ten (10) Business Days' prior written notice given to the Rating Agencies, and, if the contemplated amendment may in the judgment of the Administrator increase Ongoing Financing Costs, the consent or deemed consent of the Commission pursuant to Section 14, (i) to cure any ambiguity, to correct or supplement any provisions in this Administration Agreement or for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions in this Administration Agreement or

of modifying in any manner the rights of the Holders; provided, however, that the Issuer and the Indenture Trustee shall receive an Officer's Certificate from the Administrator stating that the execution of such amendment shall not adversely affect in any material respect the interests of any Holder; or (ii) to conform the provisions hereof to the description of this Administration Agreement in the Prospectus.

(b) In addition, this Administration Agreement may be amended from time to time by a written amendment duly executed and delivered by each of the Issuer and the Administrator with (i) the satisfaction of the Rating Agency Condition and, (ii) if the contemplated amendment may in the judgment of the Administrator increase Ongoing Financing Costs, the consent of the Commission pursuant to Section 14; provided that any such amendment may not adversely affect the interest of any Holder in any material respect, as evidenced by an Officer's Certificate of the Administrator delivered to the Issuer and the Indenture Trustee, without the consent of the Holders. Promptly after the execution of any such amendment or consent, the Issuer shall furnish copies of such amendment or consent to each of the Rating Agencies.

(c) It shall not be necessary for the consent of the Holders pursuant to this Section 14 to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof.

(d) Prior to executing, or consenting to, any amendment to this Administration Agreement, the Issuer and the Indenture Trustee shall be entitled to request and conclusively rely upon an Officer's Certificate or Opinion of Counsel stating that such amendment is authorized or permitted by the terms of this Administration Agreement and all conditions precedent have been satisfied. Any Opinion of Counsel may be based, insofar as it relates to factual matters (including financial and capital markets), upon a certificate or opinion of, or representations by, an officer or officers of the Administrator or the Issuer and other documents necessary and advisable in the judgment of counsel delivering such opinion. The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into or consent to, as applicable, any such amendment that affects such Person's own rights, duties, liabilities, indemnities or immunities under this Administration Agreement or otherwise.

14. Commission Condition. Notwithstanding anything to the contrary in Section 13, no amendment or modification of this Agreement that would result in an increase to Ongoing Financing Costs shall be effective unless the process set forth in this Section 14 has been followed.

(a) At least thirty-one (31) days prior to the effectiveness of any such amendment or modification and after obtaining the other necessary approvals set forth in Section 13 (except that the consent of the Indenture Trustee shall be subject to the consent of Holders in connection with such amendment or modification), the Administrator shall have delivered to the Commission's executive secretary and general counsel written notification of any proposed amendment or modification, which notification shall contain:

(i) a reference to Case No. 25-0310-E-PC;

(ii) an Officer's Certificate stating that the proposed amendment or modification has been approved by all parties to this Administration Agreement; and

(iii) a statement identifying the person to whom the Commission or its authorized representative is to address any response to the proposed amendment or modification or to request additional time.

(b) The Commission or its authorized representative shall, within thirty (30) days of receiving the notification complying with Section 14(a), either:

(i) provide notice of its determination that the proposed amendment or modification will not under any circumstances have the effect of increasing the Ongoing Financing Costs,

(ii) provide notice of its consent or lack of consent to the person specified in Section 14(a)(iii), or

(iii) be conclusively deemed to have consented to the proposed amendment or modification,

unless, within thirty (30) days of receiving the notification complying with Section 14(a), the Commission or its authorized representative delivers to the office of the person specified in Section 14(a)(iii) a written statement requesting an additional amount of time not to exceed thirty (30) days in which to consider whether to consent to the proposed amendment or modification. If the Commission or its authorized representative requests an extension of time in the manner set forth in the preceding sentence, then the Commission shall either provide notice of its consent or lack of consent or notice of its determination that the proposed amendment or modification will not under any circumstances increase Ongoing Financing Costs to the person specified in Section 14(a)(iii) no later than the last day of such extension of time or be conclusively deemed to have consented to the proposed amendment or modification on the last day of such extension of time. Any amendment or modification requiring the consent of the Commission shall become effective on the later of (i) the date proposed by the parties to such amendment or modification and (ii) the first day after the expiration of the thirty (30) day period, as applicable, provided for in this Section 14(b), or, if such period has been extended pursuant hereto, the first day after the expiration of such period as so extended.

(c) Following the delivery of a notice to the Commission by the Administrator under Section 14(a), the Administrator and the Issuer shall have the right at any time to withdraw from the Commission further consideration of any notification of a proposed amendment or modification. Such withdrawal shall be evidenced by the prompt written notice thereof by the Administrator to the Commission, the Issuer and the Indenture Trustee.

(d) For the purpose of this Section 14, an “authorized representative” of the Commission means any person authorized to act on behalf of the Commission.

(e) In no event shall the Indenture Trustee be responsible or liable for determining if an amendment or modification of this Agreement would result in an Ongoing Financing Cost, nor shall the Indenture Trustee be charged with monitoring or satisfying the requirements of this Section 14.

15. Successors and Assigns. This Administration Agreement may not be assigned by the Administrator unless such assignment is previously consented to in writing by the Issuer and the Indenture Trustee (acting at the written direction of the Holders of the Consumer Rate Relief Bonds representing a majority of the Outstanding Amount of Consumer Rate Relief Bonds) and subject to the satisfaction of the Rating Agency Condition in connection therewith. Any assignment with such consent and satisfaction, if accepted by the assignee, shall bind the assignee hereunder in the same manner as the Administrator is bound hereunder. Notwithstanding the foregoing, this Administration Agreement may be assigned by the Administrator without the consent of the Issuer or the Indenture Trustee and without satisfaction of the Rating Agency Condition to a corporation or other organization that is a successor (by merger, reorganization, consolidation or purchase of assets) to the Administrator, including without limitation any Permitted Successor; provided that such successor or organization executes and delivers to the Issuer an agreement in which such corporation or other organization agrees to be bound hereunder by the terms of said assignment in the same manner as the Administrator is bound hereunder. Subject to the foregoing, this Administration Agreement shall bind any successors or assigns of the parties hereto. Upon satisfaction of all of the conditions of this Section 15, the preceding Administrator shall automatically and without further notice be released from all of its obligations hereunder.

16. Governing Law. This Administration Agreement shall be construed in accordance with the laws of the State of West Virginia, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

17. Headings. The Section headings hereof have been inserted for convenience of reference only and shall not be construed to affect the meaning, construction or effect of this Administration Agreement.

18. Counterparts; Electronic Signatures. This Administration Agreement may be executed in counterparts, each of which when so executed shall be an original, but all of which together shall constitute but one and the same Administration Agreement. Each party hereto agrees that this Administration Agreement may be electronically signed, that any digital or electronic signatures appearing on this Administration Agreement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Administration Agreement may be made by facsimile, email or other electronic transmission.

19. Severability. Any provision of this Administration Agreement that is prohibited or unenforceable in any jurisdiction shall 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 provision in any other jurisdiction.

20. Nonpetition Covenant. Notwithstanding any prior termination of this Administration Agreement, the Administrator covenants that it shall not, prior to the date which is one year and one day after payment in full of the Consumer Rate Relief Bonds, acquiesce, petition or otherwise invoke or cause the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining an involuntary case against the Issuer under any U.S. federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Issuer.

21. Assignment to Indenture Trustee. The Administrator hereby acknowledges and consents to any mortgage, pledge, assignment and grant of a security interest by the Issuer to the Indenture Trustee for the benefit of the Secured Parties pursuant to the Indenture of any or all of the Issuer's rights hereunder and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Secured Parties. For the avoidance of doubt, the Indenture Trustee is a third-party beneficiary of this Administration Agreement and is entitled to the rights and benefits hereunder and may enforce the provisions hereof as if it were a party hereto.

(*REMAINDER OF PAGE INTENTIONALLY LEFT BLANK*)

IN WITNESS WHEREOF, the parties have caused this Administration Agreement to be duly executed and delivered as of the day and year first above written.

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, as Issuer

By: _____
Name:
Title:

APPALACHIAN POWER COMPANY, as Administrator

By: _____
Name:
Title:

Exhibit 10.4

INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT (this "Agreement") is made as of September 7, 2022, and amended and restated as of December 9, 2024 (the "A&R Date"), by and among:

(a) each Person designated in an Effective Joinder (as defined in Section 12(b) of this Agreement) (i) as a "Company" (each, in its individual capacity, the "Company"), (ii) as a "Receivables Sub-Servicer" (each, including any successor in such capacity, a "Receivables Sub-Servicer"), and (iii) as a "Securitization Property Servicer" (including any successor in such capacity, the "Securitization Property Servicer");

(b) each Person designated in an Effective Joinder as a "Bond Issuer" (each, a "Bond Issuer");

(c) each Person designated in an Effective Joinder as an "Indenture Trustee" (each, in its capacity as indenture trustee under the applicable Indenture, including any successor in such capacity, an "Indenture Trustee");

(d) AEP Credit, Inc. ("Receivables Buyer"), a Delaware corporation; and

(e) JPMorgan Chase Bank, N.A., as Administrative Agent (in such capacity, and including any successor agent, the "Receivables Administrative Agent") for the Receivables Purchasers referred to below and as Control Agent (as defined below).

WHEREAS, pursuant to the terms of each "Purchase Agreement" designated as such in an Effective Joinder (each, as previously amended and as it may hereafter from time to time be further amended, restated or modified and as supplemented from time to time, a "Purchase Agreement"), between Receivables Buyer and the applicable Company, each Company has sold and may hereafter sell to Receivables Buyer all of such Company's right, title and interest in and to certain Outstanding Receivables and Collections (as such terms are defined in the applicable Purchase Agreement prior to any amendment thereof; and the Outstanding Receivables, Collections thereof and all proceeds of the foregoing are collectively referred to herein as the "Receivables");

WHEREAS, pursuant to that certain Fourth Amended and Restated Receivables Purchase Agreement, dated as of June 25, 2014 (as previously amended and as it may hereafter from time to time be further amended, restated or modified and as supplemented from time to time, the "Receivables Purchase Agreement"), by and among the Receivables Buyer, American Electric Power Service Corporation, a New York corporation ("AEPSC"), the Receivables Administrative Agent and the financial institutions and other entities party thereto as purchasers (such purchasers and the Receivables Administrative Agent being collectively referred to as the "Receivables Purchasers"), Receivables Buyer has sold and may hereafter sell undivided interests in the Receivables to the Receivables Administrative Agent for the benefit of the Receivables Purchasers;

WHEREAS, pursuant to the terms of the Purchase Agreement, the Receivables Purchase Agreement and each "Agency Agreement" designated as such in an Effective Joinder (each, as previously amended and as it may hereafter from time to time be further amended, restated or modified and as supplemented from time to time, an "Agency Agreement", and together with the Purchase Agreements, the Receivables Purchase Agreement and the other Agency Agreements, collectively, the "Receivables Agreements"), AEPSC has been appointed as a servicer (the "Receivables Servicer") and has agreed to provide certain servicing and collection functions with respect to the Receivables, and each Receivables Sub-Servicer has agreed to act as a sub-servicer on behalf of the Receivables Servicer in order to perform certain of the Receivables Servicer's functions and duties under the applicable Receivables Agreements;

WHEREAS, pursuant to the terms of each "Sale Agreement" designated as such in an Effective Joinder (each, as it may hereafter from time to time be amended, restated or modified, a "Sale Agreement"), between the applicable Bond Issuer and the applicable Company in its capacity as seller, each Company has sold to the applicable Bond Issuer all of such Company's right, title and interest in and to the applicable "Securitization Property" designated as such in the related Effective Joinder;

WHEREAS, pursuant to the terms of each "Indenture" designated as such in an Effective Joinder (each, as it may hereafter from time to time be amended, restated or modified and as supplemented by any supplemental indentures, collectively, an "Indenture"), between the applicable Bond Issuer and the applicable Indenture Trustee, each Bond Issuer, among other things, has granted to the applicable Indenture Trustee a security interest in certain of its assets, including the applicable Securitization Property, to secure, among other things, the bonds issued pursuant to the applicable Indenture (the "Bonds");

WHEREAS, pursuant to the terms of each "Servicing Agreement" designated as such in an Effective Joinder (each, as it may hereafter from time to time be amended, restated or modified, a "Servicing Agreement," and the Servicing Agreement, together with the applicable Sale Agreement and the applicable Indenture, the "Bond Agreements"), between the applicable Bond Issuer and the applicable Securitization Property Servicer, each Securitization Property Servicer has agreed to provide for the benefit of the applicable Bond Issuer certain servicing and collection functions with respect to the applicable "Securitization Charges";

WHEREAS, with respect to each Company, the applicable Receivables and the applicable Securitization Charges will be invoiced collectively on single bills sent to such Company's retail customers (the "Customers"), which Customers are obligated to pay both such Receivables and such Securitization Charges, and the parties hereto wish to agree upon their respective rights relating to such Receivables and such Securitization Property and any bank accounts into which collections of the foregoing may be deposited, as well as other matters of common interest to them which arise under or result from the coexistence of the applicable Bond Agreements and the Receivables Agreements;

WHEREAS, the parties hereto are parties to the Intercreditor Agreement, dated as of September 7, 2022 (as amended heretofore, the "Existing Intercreditor Agreement"); and

WHEREAS, the parties hereto have, on the terms and conditions set forth herein, agreed to amend and restate the Existing Intercreditor Agreement in its entirety;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree to amend and restate the Existing Intercreditor Agreement as follows:

SECTION 1. Acknowledgment of Ownership Interests and Security Interests.

(a) Each of the parties hereto hereby acknowledges the ownership interest of each Bond Issuer in its respective Securitization Property, including the respective Securitization Charges and the revenues, collections, claims, rights, payments, money and proceeds arising therefrom, and the security interests granted therein in favor of the corresponding Indenture Trustee for the benefit of itself and the holders of the corresponding Bonds. Each of the parties hereto hereby acknowledges the ownership interest and security interests of the Receivables Buyer and the Receivables Purchasers in the Receivables and the revenues, collections, claims, rights, payments, money and proceeds arising therefrom. The parties hereto agree that each set of Securitization Property and the Receivables each shall constitute separate property rights notwithstanding that, with respect to each Company, the foregoing may be evidenced by a single bill. Each Company and each Receivables Sub-Servicer further agree that they will not include any Securitization Property in calculating the amount of, or as part of, the Receivables sold or to be sold under the Receivables Agreements. Accordingly, the Receivables Purchasers and each Receivables Sub-Servicer each acknowledge that, notwithstanding anything in the Receivables Agreements to the contrary, none of such parties has any interest in any Securitization Property, and each Indenture Trustee, each Bond Issuer and each Securitization Property Servicer further acknowledge that, notwithstanding anything in any Bond Agreements to the contrary, none of such parties has any interest in the Receivables.

(b) Each of the Receivables Administrative Agent and the Receivables Buyer hereby releases all liens and security interests of any kind whatsoever that the Receivables Administrative Agent or Receivables Buyer may hold in any Securitization Property. Each of the Receivables Administrative Agent and Receivables Buyer agrees, upon the reasonable written request of a Company or the applicable Indenture Trustee, to execute and deliver to such Indenture Trustee such UCC partial release statements and other documents and instruments, and to do such other acts and things, as the applicable Company or such Indenture Trustee may reasonably request in order to evidence the release provided for in this Section 1(b) or to execute and deliver to such Indenture Trustee any and all UCC financing statement amendments to exclude the Securitization Property from the assets covered by any existing UCC financing statements relating to the Receivables; provided, however, that failure to execute and deliver any such partial release statements, financing statement amendments, documents or instruments, or to do such acts and things, shall not affect or impair the release provided for in this Section 1(b).

(c) Each Bond Issuer and each Indenture Trustee hereby releases all liens and security interests of any kind whatsoever that any of them may hold in the Receivables. Each Bond Issuer and each Indenture Trustee agrees, upon the reasonable written request of the Receivables Administrative Agent or Receivables Buyer, to execute and deliver to the Receivables Administrative Agent or Receivables Buyer, as applicable, such UCC partial release statements and other documents and instruments, and to do such other acts and things,

as the Receivables Administrative Agent or Receivables Buyer may reasonably request in order to evidence the release provided for in this Section 1(c) or to execute and deliver to the Receivables Administrative Agent or Receivables Buyer, as applicable, UCC financing statement amendments to exclude such Receivables from the assets covered by any existing UCC financing statements relating to the applicable Securitization Property; provided, however, that failure to execute and deliver any such partial release statements, financing statement amendments, documents or instruments, or to do such acts and things, shall not affect or impair the release provided for in this Section 1(c).

(d) Each Bond Issuer and each Company hereby grants to each Indenture Trustee for the benefit of the applicable Secured Parties (as defined in the applicable Indenture) a security interest in all of such Bond Issuer's and such Company's, as applicable, right, title and interest in, to and under the Deposit Accounts (as defined below), including each Lock-Box, each Depositary Account and the AEP Utilities Account, each as defined under the Receivables Purchase Agreement, and all money, instruments, investment property and other property credited to or deposited in such Deposit Accounts and all proceeds of any thereof, in each case solely with respect to the applicable Securitization Property therein and the proceeds thereof. The foregoing security interest is intended to be prior to all other liens thereon and security interests therein. Each Indenture Trustee and the corresponding Secured Parties (as defined in the applicable Indenture) shall have, in addition to the rights and remedies that they may have under this Agreement, all other rights and remedies provided to a secured creditor under the UCC and other applicable law, which rights and remedies shall be cumulative. As no Company claims ownership of any Securitization Property, each Company's grant of the foregoing security interest is made as a precaution in the event that it is later determined that such Company has an interest in any Securitization Property.

(e) For purposes hereof, "UCC" means the Uniform Commercial Code, as in effect in the relevant jurisdiction, as amended from time to time.

SECTION 2. Deposit Accounts.

(a) The parties hereto each acknowledge that (1) collections with respect to the Receivables and each set of Securitization Property may from time to time be deposited into one or more designated accounts of Receivables Buyer, the applicable Receivables Sub-Servicer or the Securitization Property Servicer (the "Deposit Accounts") and (2) that such Deposit Accounts are subject to (x) a security interest of the Receivables Administrative Agent with respect to Receivables and the proceeds thereof (and not with respect to any Securitization Property and the proceeds thereof), (y) a security interest of the applicable Indenture Trustee with respect to the corresponding Securitization Property and the proceeds thereof (and not with respect to the Receivables, any other set of Securitization Property or the proceeds of any of the foregoing) and (z) (i) the Amended and Restated Depositary Account Agreement, dated as of August 25, 2004, among each Company, the Receivables Administrative Agent and The Huntington National Bank, (ii) the Depositary Account Agreement, dated as of December 7, 2007, among AEP Utilities, Inc., Receivables Buyer, the Receivables Administrative Agent and The Huntington National Bank, and (iii) the Secured Creditor Agreement without Notice of Sole Control, dated as of January 28, 2020, among Receivables Buyer, the Receivables Administrative Agent and The Bank of New York Mellon (each an "Existing Control Agreement" and collectively, the "Existing Control Agreements"). The Existing Control Agreements, together with any replacements thereto, and any additional control agreements in respect of the Deposit Accounts are referred to herein as the "Control Agreements."

(b) Subject to Section 4, each Company, in its capacities as a Receivables Sub-Servicer and as a Securitization Property Servicer, for the benefit of the parties hereto agrees to:

(i) maintain the collections in the Deposit Accounts for the benefit of the Receivables Buyer, the Receivables Administrative Agent and the Receivables Purchasers, and the applicable Bond Issuer, the applicable Indenture Trustee and the corresponding bondholders, as their respective interests may appear, subject to the perfected security interests of the Receivables Administrative Agent and such Indenture Trustee in the Deposit Accounts and the provisions of the Receivables Agreements, the applicable Bond Agreements and this Agreement;

(ii) allocate and remit funds from the Deposit Accounts (x) in the case of collections relating to the Receivables, allocate and remit funds to the Receivables Purchasers and the Receivables Buyer at the times and in the manner specified in the Receivables Agreements and (y) in the case of collections relating to the applicable Securitization Property, at the times and in the manner specified in the applicable Bond Agreements to the applicable Indenture Trustee (and, unless otherwise specified in the applicable Effective Joinder, such Indenture Trustee hereby notifies the other parties hereto that the corresponding Securitization Charges are required to be remitted to such Indenture Trustee on a daily basis based upon an estimated remittance procedure in the Servicing Agreement); and provided that:

(A) with respect to each Company, to the extent the combined amounts of remittance are insufficient to satisfy amounts owed in respect of the applicable Receivables and the applicable Securitization Charges, such allocation and remittances shall be made on a pro rata basis as between such Receivables and such Securitization Charges based on the respective amounts of Receivables and Securitization Charges (in each case other than late payment charges, whether described as charges, fees, or penalties) then due and owing;

(B) with respect to each Company, late payment charges (whether described as charges, fees, or penalties) with respect to the applicable Receivables and the applicable Securitization Charges shall be allocated (x) to the Receivables Purchasers to the extent that any such late charges are with respect to such Receivables and have been sold to the Receivables Purchasers, (y) to the applicable Bond Issuer to the extent that any such late charges are with respect to such Securitization Charges and are allocable to such Bond Issuer in accordance with the tariff of the applicable Company, and (z) otherwise to the applicable Company; and

(C) if the Control Agent has exercised exclusive control over any Deposit Account at the written direction of the Receivables Administrative Agent or an Indenture Trustee as provided herein, the funds on deposit in the Deposit Accounts related to the Receivables and all Securitization Charges shall be allocated in accordance with Section 2(e); and

(iii) maintain records as to the amounts deposited into the Deposit Accounts, the amounts remitted therefrom.

(c) Reconciliation.

(i) The Receivables Buyer and the Receivables Administrative Agent, and each Bond Issuer and each Indenture Trustee, shall each have the right to require an accounting from time to time of collections, deposits, allocations and remittances relating to the Deposit Accounts. Because of difficulties inherent in allocating collections on a daily basis, each Company may implement percentage-based estimates consistent with the terms of the applicable Servicing Agreement for the purposes of determining the amount of collections which are allocable to the applicable Securitization Property, which allocations will be subject to monthly reconciliations pursuant to the terms of the applicable Servicing Agreement but will otherwise be deemed conclusive, subject to reconciliation as provided in the following sentences.

(ii) In the event that remittances by a Company, in its roles as a Receivables Sub-Servicer and as a Securitization Property Servicer, do not reflect the required allocation under Section 2(b)(ii) above, as a result of payment by estimates or otherwise, then such Company, as a Receivables Sub-Servicer and as a Securitization Property Servicer shall adjust subsequent allocations in order to true-up to the required allocations.

(iii) Notwithstanding the foregoing, nothing in this paragraph shall eliminate the right of the Receivables Purchasers and the Receivables Administrative Agent, as assignees of each Company under the Receivables Agreements, to instruct the applicable Receivables Sub-Servicer to remit any reconciliation payments directly to the Receivables Administrative Agent or its designee in accordance with the Receivables Agreements; provided that the Receivables Administrative Agent shall have no claim on any amounts held by any Indenture Trustee or any Securitization Property.

(d) Rights in Deposit Accounts, Receivables, Securitization Property.

(i) Each Indenture Trustee and each Bond Issuer waive any interest in deposits to the Deposit Accounts to the extent that they are properly allocable to Receivables or the proceeds thereof, and the Receivables Administrative Agent and Receivables Buyer waive any interest in deposits to the Deposit Accounts to the extent that they are properly allocable to any Securitization Property or the proceeds thereof. Each of the parties hereto acknowledges the respective security interests of the others in amounts on deposit in the Deposit Accounts to the extent of their respective interests as described in this Agreement.

(ii) It is acknowledged that the Receivables, including proceeds of the Receivables, may from time to time be deposited into Deposit Accounts of the Receivables Buyer. Each Indenture Trustee, each Company and each Bond Issuer agree that such Receivables and proceeds are the property of the Receivables Buyer, not of such Bond Issuer. In no event may any Indenture Trustee take any action with respect to its corresponding Securitization Charges in a manner that would result in such Indenture Trustee obtaining possession of, or any control over, Receivables, any other Securitization Charges or the proceeds of any of the foregoing. In the event that any Indenture Trustee obtains possession of any Receivables or the proceeds thereof, such Indenture Trustee shall notify the Receivables Administrative Agent of such fact, shall hold such amounts in trust and shall promptly deliver them to the Receivables Administrative Agent upon request.

(iii) It is acknowledged that Securitization Property, including proceeds of Securitization Charges, may from time to time be deposited into Deposit Accounts of the Receivables Buyer. The Receivables Administrative Agent and Receivables Buyer agree that such Securitization Property is the property of the applicable Bond Issuer, not of the Receivables Buyer. The Receivables Administrative Agent and Receivables Buyer agree that any Securitization Property held by the Receivables Administrative Agent or Receivables Buyer, as applicable, shall be held in trust for the benefit of the applicable Bond Issuer and the applicable Indenture Trustee, as their interests may appear. In no event may the Receivables Administrative Agent or Receivables Buyer take any action with respect to the collection of Receivables in a manner that would result in the Receivables Administrative Agent or Receivables Buyer, as applicable, taking from the Deposit Accounts any Securitization Property. In the event that the Receivables Administrative Agent or Receivables Buyer takes possession of any Securitization Property from the Deposit Accounts, the Receivables Administrative Agent or Receivables Buyer, as applicable, shall notify the applicable Indenture Trustee, the applicable Securitization Property Servicer (or any applicable Replacement Servicer) and the applicable Bond Issuer of such fact, and shall hold such Securitization Property in trust and shall promptly deliver them to such Bond Issuer or such Indenture Trustee, as applicable, upon request.

(e) Control over Designated Amounts.

(i) In accordance with the appointment of the Receivables Administrative Agent pursuant to Section 11.1(c) of the Receivables Purchase Agreement to act as "Control Agent" (for the benefit of the Receivables Purchasers, and each Indenture Trustee and the corresponding bondholders, as their interests may appear) and as independently agreed herein, each Indenture Trustee hereby appoints JPMorgan Chase Bank, N.A. (in its capacity as Receivables Administrative Agent, and its successors that become the Receivables Administrative Agent) to act as, and JPMorgan Chase Bank, N.A. (in its capacity as Receivables Administrative Agent, and its successors that become the Receivables Administrative Agent) agrees to act as, control agent under the Control Agreements (in such capacity, the "Control Agent") to exercise the rights of the Receivables Administrative Agent under the Control Agreements to issue instructions to the applicable account banks directing disposition of the available funds in the Deposit

Accounts without further consent of any Company or the Receivables Buyer for the benefit of the Receivables Purchasers and each Indenture Trustee and the corresponding bondholders, as their interests may appear, as provided herein, for the purpose of (A) establishing control over the Deposit Accounts to perfect the respective security interests of the Receivables Administrative Agent and each Indenture Trustee in the Deposit Accounts and the Receivables and proceeds thereof and Securitization Property held in the Deposit Accounts and (B) enforcing such security interests in accordance with Section 2(e)(ii) below. References herein to Control Agent are limited to JPMorgan Chase Bank, N.A., as Receivables Administrative Agent, and its successors that become the Receivables Administrative Agent, acting as control agent under the Control Agreements and shall not be imputed to JPM Chase Bank, N.A. in other capacities.

(ii) The Control Agent in its capacity as such shall take only the following actions:

(A) delivering a control notice to the applicable account bank to effect the Control Agent's dominion over the applicable Deposit Account upon receipt of a written notice from (x) the Receivables Administrative Agent to the effect that a Seller Amortization Event, Level Two Enhancement Period or Amortization Event (each as defined in the Receivables Purchase Agreement) has occurred under the Receivables Purchase Agreement or (y) an Indenture Trustee to the effect that the applicable Securitization Property Servicer is in default under the provisions of the applicable Servicing Agreement or an event of default has occurred under the applicable Indenture;

(B) following delivery of a control notice, delivering written payment instructions to each account bank to remit Receivables and proceeds thereof pursuant to written reports provided by each Receivables Sub-Servicer and remit Securitization Property pursuant to written reports provided by each Securitization Property Servicer, respectively (which may be provided directly to the account banks if so directed by the Control Agent), including with respect to Securitization Property written reports from the Securitization Property Servicers for daily remittances and for any reconciliation of estimated Securitization Charges to actual Securitization Charges during each monthly reconciliation required to be made by the applicable Securitization Property Servicers pursuant to the terms of the Servicing Agreement;

(C) instructing the applicable account bank to release funds to the Receivables Administrative Agent or the Indenture Trustees, as applicable, based on an order from a court of competent jurisdiction; and

(D) instructing the applicable account bank to release funds to the Receivables Administrative Agent or the Indenture Trustees as agreed between the Receivables Administrative Agent and each Indenture Trustee or each Securitization Property Servicer on its behalf.

The Control Agent shall have no liability to the Receivables Administrative Agent or the Receivables Purchasers or any Indenture Trustee or any corresponding bondholders for distributions made in accordance with the foregoing.

(iii) Each Company hereby agrees to indemnify the Control Agent from all liability (other than liability arising from the Control Agent's gross negligence or willful misconduct) and all losses, costs, expenses and liabilities (other than those caused by the Control Agent's gross negligence or willful misconduct) incurred by the Control Agent in acting as Control Agent in accordance with this Section 2(e). The Receivables Administrative Agent and each Indenture Trustee hereby waive all liability of the Control Agent (other than liability arising from the Control Agent's gross negligence or willful misconduct) and all claims for losses, costs, expenses and liabilities (other than those caused by the Control Agent's gross negligence or willful misconduct) incurred by the Receivables Administrative Agent or any Indenture Trustee related to the Control Agent acting in accordance with this Section 2(e). The Control Agent shall be entitled to advice of counsel, accountants and other experts concerning all matters and duties hereunder, and the applicable Company, in all cases, shall pay such reasonable compensation to any attorney, agent, receiver, or employee retained or employed by it in connection herewith. The Control Agent may act upon the opinion or advice of any counsel or accountant selected by it in the exercise of reasonable care, which shall be full and complete authorization and protection in respect of any action or inaction based on its good faith reliance upon such opinion or advice.

(iv) The Control Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor any fiduciary relationship with any Bond Issuer, any Indenture Trustee or any bondholder (except to the extent holding Securitization Property in trust in accordance with the terms hereof) and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Control Agent shall be read into this Agreement or otherwise exist for the Control Agent. The right of the Control Agent to perform any discretionary act enumerated in this Agreement shall not be construed as a duty, and the Control Agent shall not be answerable for other than its willful misconduct or gross negligence in the performance of such act. Except for actions which the Control Agent is expressly required to take pursuant to this Agreement for which the Control Agent has received indemnity and, if reasonably required, security from the applicable Company against any and all liability and expense which may be incurred in taking or continuing to take such action, the Control Agent shall not be required to take any action which exposes the Control Agent to personal liability, nor shall the Control Agent be required to expend or risk its own funds or otherwise incur any liability (financial or otherwise) in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, without indemnity and, if reasonably required, security from the applicable Company. In no event shall the Control Agent be required to take any action which is contrary to applicable law.

(v) No provision of this Agreement shall be construed to relieve the Control Agent from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that (1) the Control Agent shall not be liable for any error of judgment made in good faith by an officer or employees of the Control Agent, unless it shall be conclusively determined by a court of competent jurisdiction that the Control Agent was grossly negligent in ascertaining the pertinent facts and the Control Agent shall not be liable for any act or omission believed in good faith by it to be within its powers and (2) the Control Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of any Indenture Trustee or the Receivables Administrative Agent, or exercising any trust or power conferred upon the Control Agent, under this Agreement.

(vi) The Control Agent may conclusively rely upon, and shall be fully protected in acting or refraining from acting based upon, any notice, order, requisition, request, consent, certificate, opinion, affidavit, letter, resolution, written statement, instrument, report, bond, debenture, note, other evidence of indebtedness or other paper or document signed or sent by the proper person or persons, and the Control Agent shall have no duty to investigate, recompile, recalculate or otherwise verify the accuracy of any information provided to it by any party to this Agreement and shall have no liability for any error or inaccuracy in any reports resulting from the use of such information. Without limiting the foregoing, the Control Agent may conclusively rely in good faith, as to the truth of the statements and the correctness of the information stated in any report, certificate or payment instruction provided by a Company, and the Control Agent shall have no duty to examine the same or to determine whether or not they conform as to form to the requirements of this Agreement or any duty to inquire as to any matters stated therein.

(vii) The Control Agent shall not be responsible for and makes no representation as to the existence, genuineness, value or protection of the Receivables or any Securitization Property, for the legality, effectiveness or sufficiency of any security document, or for the creation, perfection, priority, sufficiency or protection of any liens securing the Receivables Buyer's obligations under the Receivables Agreements or any Bonds. The Control Agent shall have no duty (A) to see to any recording, filing, or depositing of any agreement referred to herein or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing or depositing or to any re-recording, refiling or redepositing of any thereof, (B) to see to any insurance or (C) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Receivables or any Securitization Property.

(viii) The Control Agent shall not be deemed to have knowledge or notice of any fact, matter or event unless the Control Agent has actual knowledge thereof or unless written notice of such fact, matter or event is received by the Control Agent and such notice references the fact, matter or event and this Agreement. The Control Agent shall not be presumed to have knowledge of any default or event of default or any other matter under the Receivables Agreements or any Bond Agreements, unless the Control Agent shall be specifically notified in writing of such default by the applicable Company, the Receivables Buyer, the Receivables Administrative Agent or the applicable Indenture Trustee. The Control Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Agreement, whether or not an original or a copy of such agreement has been provided to the Control Agent, and shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than this Agreement.

(ix) In no event shall the Control Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, acts of war or terrorism, civil or military disturbances, epidemics or pandemics, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities; it being understood that the Control Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances. In no event shall the Control Agent be liable for the failure to perform its duties hereunder if such failure is a direct or proximate result of another party's failure to perform its obligations hereunder.

(x) To the fullest extent permitted by law and notwithstanding any anything in this Agreement to the contrary, the Control Agent shall not be personally liable for (A) special, indirect, consequential or punitive damages, however styled, including, without limitation, lost profits or (B) the acts or omissions of any account bank.

SECTION 3. Time or Order of Attachment. The acknowledgments contained in Sections 1 and 2 are applicable irrespective of the time or order of attachment or perfection of security or ownership interests or the time or order of filing or recording of financing statements or mortgages or filings under applicable law.

SECTION 4. Servicing.

(a) Pursuant to Section 2, the parties hereto hereby authorize each Company, in its roles as a Receivables Sub-Servicer and as a Securitization Property Servicer, and such Company in such capacities hereby agrees to, allocate and remit funds received from the corresponding Customers for the benefit of the Receivables Buyer, the Receivables Administrative Agent and the Receivables Purchasers, and the applicable Bond Issuer, the applicable Indenture Trustee and the corresponding bondholders, respectively, and control the movement of such funds out of the Deposit Accounts in accordance with the terms of this Agreement.

(b) In the event that an Indenture Trustee is entitled to and desires to exercise its right, pursuant to the applicable Bond Agreements, to replace a Company as Securitization Property Servicer, or in the event that the Receivables Purchasers are entitled to and desire to exercise their right to replace a Company as a Receivables Sub-Servicer, the party desiring to exercise such right shall promptly give written notice to the other in accordance with the notice provisions of this Agreement and consult with the other with respect to any replacement of a Company in any such capacity to reach mutually satisfactory replacement. Any entity named as the applicable replacement Receivables Sub-Servicer or Securitization Property Servicer in accordance with this Section 4 is referred to herein as a "Replacement Servicer."

(c) Anything in this Agreement to the contrary notwithstanding, any action taken by an Indenture Trustee or the Receivables Administrative Agent to appoint a Replacement Servicer pursuant to this Section 4 shall be subject to the Rating Agency Condition and the consent, if required by law, of the applicable "Commission" designated as such in an Effective Joinder. For the purposes of this Agreement, the "Rating Agency Condition" has the meaning set forth in the applicable Indenture. The parties hereto acknowledge and agree that the approval or the consent of the rating agencies which is required in order to satisfy the Rating Agency Condition is not subject to any standard of commercial reasonableness, and the parties are bound to satisfy this condition whether or not the rating agencies are unreasonable or arbitrary.

SECTION 5. Sharing of Information. The parties hereto agree to reasonably cooperate with each other and make available to each other or any Replacement Servicer any and all applicable records and other data relevant to the applicable Securitization Property and the Receivables that they may have in its possession or may from time to time receive from the applicable Company, the applicable Securitization Property Servicer or the applicable Receivables Sub-Servicer or any successor hereto or thereto, including, without limitation, any and all computer programs, data files, documents, instruments, files and records and any receptacles and cabinets containing the same, in each case solely to the extent necessary for a party's performance of its obligations under this Agreement and subject to applicable confidentiality and non-disclosure requirements. Each Company hereby consents to the release of information regarding such Company pursuant to this Section 5.

SECTION 6. No Joint Venture; No Fiduciary Obligations; Etc.

(a) Nothing herein contained shall be deemed as effecting a joint venture among any of any Company, any Bond Issuer, any Indenture Trustee, any Securitization Property Servicer, the Receivables Administrative Agent, any Receivables Sub-Servicer and the Receivables Buyer.

(b) Neither Receivables Buyer nor the Receivables Administrative Agent is the agent of, or owes any fiduciary obligation to, any Indenture Trustee, any Bond Issuer, any corresponding bondholders or any other party under this Agreement. Each Indenture Trustee (on behalf of itself and the corresponding bondholders), each Bond Issuer and each Company hereby waives any right that it may now have or hereafter acquire to make any claim against Receivables Buyer or the Receivables Administrative Agent, in their respective capacities as such, on the basis of any such fiduciary obligation hereunder. No Indenture Trustee nor any Bond Issuer is the agent of, or owes any fiduciary obligation to, Receivables Buyer, the Receivables Administrative Agent, the Receivables Purchasers or any other party under this Agreement. Each of the Receivables Administrative Agent, each Company and Receivables Buyer hereby waives any right that it may now have or hereafter acquire to make any claim against any Indenture Trustee or any Bond Issuer on the basis of any such fiduciary obligation hereunder.

(c) Notwithstanding anything herein to the contrary, none of Receivables Buyer, the Receivables Administrative Agent, any Indenture Trustee or any Bond Issuer shall be required to take any action that exposes it to personal liability or that is contrary to the applicable Indenture, the applicable Servicing Agreement, any Receivables Agreement or applicable law.

(d) None of Receivables Buyer, the Receivables Administrative Agent, any Indenture Trustee or any Bond Issuer nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence, bad faith or willful misconduct. Without limiting the foregoing, each of Receivables Buyer, the Receivables Administrative Agent, each Indenture Trustee and each Bond Issuer: (i) may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any party and shall not be responsible to any party for any statements, warranties or representations made by any other party in connection with this Agreement or any other agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other agreement on the part of any other party; and (iv) shall incur no liability under or in respect of this Agreement by acting upon any writing (which may be by e-mail or other electronic transmission) believed by it in good faith to be genuine and signed or sent by the proper party or parties.

SECTION 7. Method of Adjustment and Allocation. Each of the parties hereto acknowledges that each Securitization Property Servicer will adjust, calculate and allocate payments of the applicable Securitization Charges in accordance with the terms of the Servicing Agreement, and each of the parties hereto hereby acknowledges that neither the Receivables Administrative Agent nor any other Receivables Purchasers shall be deemed or required under this Agreement to have any knowledge of or responsibility for the terms of such documents or any such adjustment, calculation and allocation. Accordingly, each of the Receivables Purchasers (i) may, solely for the purposes of this Agreement, conclusively rely on the accuracy of the calculations of the applicable Securitization Property Servicer in making such adjustments, calculations and allocations. Such acknowledgement shall not relieve the applicable Receivables Sub-Servicer or the Receivables Servicer of any of their respective obligations to make payments in accordance with the terms of the Receivables Agreements, nor shall it relieve the applicable Securitization Property Servicer of its obligations under the applicable Servicing Agreement.

SECTION 8. Termination.

(a) With respect to the Receivables Buyer, the Receivables Administrative Agent and the Control Agent, this Agreement shall terminate upon the payment in full of all Bonds, or, if earlier, the termination of the Receivables Agreements as to all Companies and the release of all Companies from all further obligations thereunder, subject to Section 8(c) below.

(b) Solely with respect to the applicable Company, the applicable Securitization Property Servicer, the applicable Receivables Sub-Servicer, the applicable Bond Issuer and the applicable Indenture Trustee, this Agreement shall terminate upon the payment in full of the corresponding Bonds, or, if earlier, the termination of the Receivables Agreements as to such Company and the release of such Company from all further obligations thereunder, subject to Section 8(c) below.

(c) Notwithstanding the foregoing, the agreements, understandings and acknowledgements contained in Sections 1, 2, 3 and 15 shall survive the termination of this Agreement.

SECTION 9. Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) **THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING, WITHOUT LIMITATION, SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF NEW YORK, BUT OTHERWISE WITHOUT REGARD TO THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK.**

(b) In connection with any suit, claim, action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby, each party hereto hereby consents to the in personam jurisdiction of any court of the State of New York or any U.S. federal court located in the Borough of Manhattan in the City of New York, State of New York; each party hereto agrees that service by registered mail, or any other form equivalent thereto (or, in the alternative, by any other means sufficient under applicable law, rules and regulations) at the addresses set forth in Section 17 hereof shall be valid and sufficient for all purposes; and each party hereto agrees to, and irrevocably waives any objection based on forum non conveniens or venue not to, appear in such state or U.S. federal court located in the Borough of Manhattan.

(c) EACH OF THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 10. Further Assurances. Each of the parties hereto agrees to execute any and all agreements, instruments, financing statements, releases and any and all other documents reasonably requested by any of the other parties hereto in order to effectuate the intent of this Agreement. In each case where a release is to be given pursuant to this Agreement, the term release shall include any documents or instruments necessary to effect a release, as contemplated by this Agreement. All releases, subordinations and other instruments submitted to the executing party are to be prepared (a) with respect to a release required in respect of the Receivables, at the expense of the applicable Company and (b) with respect to a release required in respect of the Securitization Property, at the expense of the applicable Bond Issuer. Notwithstanding anything herein to the contrary, no Indenture Trustee shall be required to execute any such agreements, instruments, releases or other documents unless directed to do so by an "Issuer Order," as such term is defined in the applicable Indenture.

SECTION 11. Limitation on Rights of Others. This Agreement is solely for the benefit of the parties hereto, the holders of the Bonds and the Receivables Purchasers, and no other person or entity shall have any rights, benefits, priority or interest under or because of the existence of this Agreement.

SECTION 12. Amendments; Joinders.

(a) Amendments. Subject to Section 12(b) below, in the event that (x) any Company hereafter causes any securitization property, securitized property, storm recovery property, consumer rate relief property, transition property, system restoration property, phase-in recovery property or other similar types of property ("Additional Securitization Property") consisting of the right to impose specified securitization charges, securitized surcharges, storm recovery charges, consumer rate relief charges, transition charges, phase-in recovery charges, system restoration charges or other similar types of charges ("Additional Securitization Charges") on the Customers to be created and sold and pledged by the buyer thereof for the benefit of bondholders pursuant to any financing order of the applicable Commission, and such Company acts as servicer for the bonds issued pursuant to such financing order, or (y) any Company enters into any new receivables program following the termination of the Receivables Agreements in which such Company participates as a seller or as a servicer or sub-servicer of receivables, then, in either such event, upon the written request of such Company, the other parties hereto agree that this Agreement may be amended and restated (i) to add as parties hereto the relevant issuer of such additional bonds, the indenture trustee therefor, and the servicer of such Additional Securitization Property or the relevant purchasers and servicers under such replacement receivables program, as the case may be, and (ii) to reflect the rights and obligations of the parties with respect to such new receivables purchases on terms substantially similar to the rights and obligations of the Receivables Servicer, the applicable Receivables Sub-Servicer, the Receivables Administrative Agent and the Receivables Purchasers hereunder and (iii) to reflect the rights and obligations of the parties with respect to any such Additional Securitization Property on terms substantially similar to the rights and obligations of the applicable Bond Issuer, the applicable Indenture Trustee and the applicable Securitization Property Servicer hereunder; provided that no such amendment shall be effective unless (x) evidenced by a written instrument signed by the parties hereto and such additional parties and (y) the Rating Agency Condition (as defined in the applicable Company's Indenture) shall have been satisfied with respect thereto and provided, further, that no party hereto shall be required to execute any such amended agreement on terms which are materially more disadvantageous to it or to the holders of the applicable Bonds (in the case of an Indenture Trustee) or to the Receivables Purchasers (in the case of the Receivables Administrative Agent) than the terms contained herein. In addition, no Indenture Trustee shall be required to execute any such amendment unless directed to do so by an "Issuer Order," as such term is defined in the corresponding Indenture.

(b) Joinders. Notwithstanding the foregoing, in the event that a subsidiary of American Electric Power Company, Inc. (an "AEP Utility") hereafter causes any Additional Securitization Property consisting of the right to impose Additional Securitization Charges on such AEP Utility's customers to be created and sold and pledged by the buyer thereof (the "Additional Issuer") for the benefit of bondholders pursuant to any financing order of the applicable Commission, and such AEP Utility acts as servicer for the bonds issued pursuant to such financing order, the parties hereto agree that, upon execution and delivery to the other parties hereto of a joinder to this Agreement in substantially the form attached hereto as

Exhibit B (a "Joinder") by such AEP Utility, such Additional Issuer, such Additional Trustee, the Receivables Buyer and the Receivables Administrative Agent, the following shall apply:

(i) such AEP Utility shall become a "Company", "Securitization Property Servicer" and "Receivables Sub-Servicer" hereunder;

(ii) such Additional Issuer shall become a "Bond Issuer" hereunder; and

(iii) such Additional Trustee shall become a "Indenture Trustee" hereunder;

provided that, if required by any Bond Agreements, the affected Joinder shall not be effective unless the applicable Rating Agency Condition (as defined below) shall have been satisfied with respect thereto. No written consent of any other Company, Bond Issuer or Indenture Trustee shall be required for the effectiveness of any Joinder. A Joinder meeting the requirements of this Section 12(b) is referred to herein as an "Effective Joinder".

SECTION 13. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any person or entity or any circumstance, is invalid or unenforceable, (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other persons or entities, or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

SECTION 14. Counterparts; Electronic Signatures. This Agreement 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. Each party hereto agrees that this Agreement may be electronically signed, that any digital or electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Agreement may be made by facsimile, email or other electronic transmission.

SECTION 15. Nonpetition Covenant.

(a) Notwithstanding any prior termination of this Agreement or any Indenture, each of the Receivables Administrative Agent, the Receivables Buyer and each Receivables Sub-Servicer covenants and agrees that it shall not, prior to the date which is one year and one day after the termination of the applicable Indenture and the payment in full of the last outstanding Bonds issued pursuant to such Indenture, acquiesce, petition or otherwise invoke or cause the applicable Bond Issuer to invoke the process of any court or government authority for the purpose of (i) commencing or sustaining a bankruptcy, insolvency or similar case against such Bond Issuer as debtor under any federal or state bankruptcy, insolvency or similar law or (ii) appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of such Bond Issuer or any substantial part of the property of such Bond Issuer, or (iii) ordering the dissolution, winding up or liquidation of the affairs of such Bond Issuer.

(b) Notwithstanding any prior termination of this Agreement or the Receivables Purchase Agreement, each Indenture Trustee, each Bond Issuer and each Securitization Property Servicer covenants and agrees that it shall not, prior to the date which is one year and one day after the termination of the Receivables Purchase Agreement and the payment in full of all amounts owing by Receivables Buyer thereunder, acquiesce, petition or otherwise invoke or cause Receivables Buyer to invoke the process of any court or government authority for the purpose of (i) commencing or sustaining a bankruptcy, insolvency or similar case against Receivables Buyer as debtor under any federal or state bankruptcy, insolvency or similar law or (ii) appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of Receivables Buyer or any substantial part of the property of Receivables Buyer, or (iii) ordering the dissolution, winding up or liquidation of the affairs of Receivables Buyer.

SECTION 16. Trustees. Each Indenture Trustee, in acting hereunder, is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the corresponding Indenture.

SECTION 17. Notices, Etc.. Any notice provided or permitted by this Agreement to be made upon, given or furnished to or filed with any party hereto shall be shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing by electronic transmission, first-class mail or overnight delivery service to the applicable party at its address set forth on Exhibit A hereto or the applicable Effective Joinder, as applicable, or, as to any party, at such other address as shall be designated by such party by written notice to the other parties hereto.

SECTION 18. Defined Terms. Defined terms used but not defined herein shall have the meanings given to such terms in the Receivables Agreements, or, if not defined therein, in the applicable Bond Agreements.

SECTION 19. PSO-ODFA Joinder. The Parties hereby agree that, notwithstanding anything to the contrary in this Agreement, a Joinder to the Existing Intercreditor Agreement in the form of Exhibit C hereto shall constitute an Effective Joinder for all purposes hereunder with respect to the $696,920,000 The Oklahoma Development Finance Authority Ratepayer-Backed Bonds (Public Service Company of Oklahoma), Series 2022 (Federally Taxable) issued by The Oklahoma Development Finance Authority on September 7, 2022 (the “RBB Bonds”).

SECTION 20. Amendment and Restatement. This Agreement amends, restates and supersedes in its entirety the Existing Intercreditor Agreement. It is the intent of each of the parties hereto that all references to the Existing Intercreditor Agreement in any Bond Agreements or Receivables Agreements to which such party is party as such and which becomes or remains effective on or after the date hereof shall be deemed to mean and be references to this Agreement.

(*REMAINDER OF PAGE INTENTIONALLY LEFT BLANK*)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the A&R Date.

PUBLIC SERVICE COMPANY OF OKLAHOMA,
as Company, as a Securitization Property Servicer and as a Receivables Sub-Servicer for the RBB Bonds

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Treasurer and Vice President

AEP CREDIT, INC.,
as Receivables Buyer

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Treasurer and Vice President

THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY, as a Bond Issuer for the RBB Bonds

By: _____
Name:
Title:

BOKF, NA, as an Indenture Trustee for the RBB Bonds

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Receivables Administrative Agent and Control Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the A&R Date.

PUBLIC SERVICE COMPANY OF OKLAHOMA,
as Company, as a Securitization Property Servicer and as a Receivables Sub-Servicer for the RBB Bonds

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY, as a Bond Issuer for the RBB Bonds

By: /s/ Michael D. Davis
Name: Michael D. Davis
Title: President

BOKF, NA, as an Indenture Trustee for the RBB Bonds

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Receivables Administrative Agent and Control Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the A&R Date.

PUBLIC SERVICE COMPANY OF OKLAHOMA,
as Company, as a Securitization Property Servicer and as a Receivables Sub-Servicer for the RBB Bonds

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY, as a Bond Issuer for the RBB Bonds

By: _____
Name:
Title:

BOKF, NA, as an Indenture Trustee for the RBB Bonds

By: /s/ Rachel Redd-Singleton
Name: Rachel Redd-Singleton
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A.,
as Receivables Administrative Agent and Control Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the A&R Date.

PUBLIC SERVICE COMPANY OF OKLAHOMA,
as Company, as a Securitization Property Servicer and as a Receivables Sub-Servicer for the RBB Bonds

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY, as a Bond Issuer for the RBB Bonds

By: _____
Name:
Title:

BOKF, NA, as an Indenture Trustee for the RBB Bonds

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Receivables Administrative Agent and Control Agent

By: /s/ Josh Harraka
Name: Josh Harraka
Title: Vice President

EXHIBIT A

NOTICE ADDRESSES

Company / Securitization Property Servicer / Receivables Sub-Servicer:
As specified in the applicable Effective Joinder

Receivables Buyer:
AEP Credit, Inc.
One Riverside Plaza
Columbus, Ohio 43215
Attention: Treasurer
Telephone: (614) 716-1000
Email: Treasury_Operations_AEP@aep.com

Bond Issuer:
As specified in the applicable Effective Joinder

Indenture Trustee:
As specified in the applicable Effective Joinder

Receivables Administrative Agent / Control Agent:
JPMorgan Chase Bank, N.A.
10 South Dearborn, Floor 7
Chicago, Illinois 60603
Attention: Securitized Product Group
Telephone: 312-732-2477
Email: conduit_synd@jpmorgan.com

EXHIBIT B

FORM OF
JOINDER TO INTERCREDITOR AGREEMENT

RELATING TO [•]

This JOINDER TO INTERCREDITOR AGREEMENT (this "Joinder"), dated as of _____, 20__, is entered into by each of the following Persons, in its capacity(ies) specified below (each, an "Additional Party"), AEP CREDIT, INC., a Delaware limited liability company (the "Receivables Buyer"), and JPMorgan Chase Bank, N.A., as Receivables Administrative Agent for the Receivables Purchasers and as Control Agent under the Intercreditor Agreement (in such capacities, the "Agent"):

- [*Insert Name*], a [*jurisdiction*] [*entity type*], as a "Company", "Securitization Property Servicer" and "Receivables Sub-Servicer";
- [*Insert Name*], a [*jurisdiction*] [*entity type*], as a "Bond Issuer"; and
- [*Insert Name*], a [*jurisdiction*] [*entity type*], as an "Indenture Trustee".

Reference is made to the Intercreditor Agreement, dated as of September 7, 2022, as amended and restated as of December 9, 2024 (the "Intercreditor Agreement"), by and among the Receivables Buyer, the Agent, each Company from time to time party thereto, each Bond Issuer from time to time party thereto and each Indenture Trustee from time to time party thereto. The defined terms contained in the Intercreditor Agreement are incorporated herein.

Each Additional Party hereby agrees (a) to become a party to the Intercreditor Agreement for all purposes thereof on the terms set forth therein in the capacity specified above; (b) to be bound by the terms of the Intercreditor Agreement as if such Additional Party had executed and delivered the Intercreditor Agreement as an original party thereto in such capacity; (c) the "Agency Agreement", "Commission", "Indenture", "Purchase Agreement", "Sale Agreement", "Securitization Property", "Securitization Charges" and "Servicing Agreement" specified on Schedule 1 to this Joinder shall constitute an Agency Agreement, Commission, Indenture, Purchase Agreement, Sale Agreement, Securitization Property, Securitization Charges and Servicing Agreement, respectively, for all purposes under the Intercreditor Agreement; and (d) any communications, including notices and instructions, with respect to such Additional Party may be given at the address for such Additional Party specified on Schedule 1 hereto.

The Indenture Trustee as an Additional Party under this Intercreditor Agreement and pursuant to Section 16 of the Intercreditor Agreement, is entitled to all the rights, benefits, protection, immunities, and indemnities afforded to it under the Indenture.

The provisions of Section 9 (*Governing Law; Jurisdiction; Waiver of Jury Trial*) of the Intercreditor Agreement will apply with like effect to this Joinder.

(*REMAINDER OF PAGE INTENTIONALLY LEFT BLANK*)

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

[_____],
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: _____
Name:
Title:

[_____],
as a Bond Issuer

By: _____
Name:
Title:

[_____],
as an Indenture Trustee

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Agent

By: _____
Name:
Title:

Exhibit B

Schedule 1 to Joinder

Company, Securitization Property Servicer and Receivables Sub-Servicer	[*Insert Name*]
Notice Address	[*Insert Address*]
Bond Issuer	[*Insert Name*]
Notice Address	[*Insert Address*]
Indenture Trustee	[*Insert Name*]
Notice Address	[*Insert Address*]
Agency Agreement	[*Insert Description*]
Commission	[*Insert Description*]
Financing Order	[*Insert Description*]
Indenture	[*Insert Description*]
Purchase Agreement	[*Insert Description*]
Sale Agreement	[*Insert Description*]
Securitization Act	[*Insert Description*]
Securitization Charges	[*Insert Description*]
Securitization Property	[*Insert Description*]
Servicing Agreement	[*Insert Description*]

Exhibit B

EXHIBIT C

JOINDER TO INTERCREDITOR AGREEMENT

RELATING TO

$696,920,000 The Oklahoma Development Finance Authority Ratepayer-Backed Bonds (Public Service Company of Oklahoma), Series 2022 (Federally Taxable)

This JOINDER TO INTERCREDITOR AGREEMENT (this "Joinder"), dated as of December 9, 2024, is entered into by each of the following Persons, in its capacity(ies) specified below (each, an "Additional Party"), AEP CREDIT, INC., a Delaware limited liability company (the "Receivables Buyer"), and JPMorgan Chase Bank, N.A., as Receivables Administrative Agent for the Receivables Purchasers and as Control Agent under the Intercreditor Agreement (in such capacities, the "Agent"):

- Public Service Company of Oklahoma, an Oklahoma corporation, as a "Company", "Securitization Property Servicer" and "Receivables Sub-Servicer";
- The Oklahoma Development Finance Authority, a public trust and instrumentality of the State of Oklahoma, as a "Bond Issuer"; and
- BOKF, NA, a national banking association, as an "Indenture Trustee".

Reference is made to the Intercreditor Agreement, dated as of September 7, 2022, as amended and restated as of December 9, 2024 (the "Intercreditor Agreement"), by and among the Receivables Buyer, the Agent, each Company from time to time party thereto, each Bond Issuer from time to time party thereto and each Indenture Trustee from time to time party thereto. The defined terms contained in the Intercreditor Agreement are incorporated herein.

Each Additional Party hereby agrees (a) to become a party to the Intercreditor Agreement for all purposes thereof on the terms set forth therein in the capacity specified above; (b) to be bound by the terms of the Intercreditor Agreement as if such Additional Party had executed and delivered the Intercreditor Agreement as an original party thereto in such capacity; (c) the "Agency Agreement", "Commission", "Indenture", "Purchase Agreement", "Sale Agreement", "Securitization Property", "Securitization Charges" and "Servicing Agreement" specified on Schedule 1 to this Joinder shall constitute an Agency Agreement, Commission, Indenture, Purchase Agreement, Sale Agreement, Securitization Property, Securitization Charges and Servicing Agreement, respectively, for all purposes under the Intercreditor Agreement; and (d) any communications, including notices and instructions, with respect to such Additional Party may be given at the address for such Additional Party specified on Schedule 1 hereto.

The Indenture Trustee as an Additional Party under this Intercreditor Agreement and pursuant to Section 16 of the Intercreditor Agreement, is entitled to all the rights, benefits, protection, immunities, and indemnities afforded to it under the Indenture.

The provisions of Section 9 (*Governing Law; Jurisdiction; Waiver of Jury Trial*) of the Intercreditor Agreement will apply with like effect to this Joinder.

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

PUBLIC SERVICE COMPANY OF OKLAHOMA,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer for the RBB Bonds

By: _____
Name:
Title:

THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY,
as a Bond Issuer for the RBB Bonds

By: _____
Name:
Title:

BOKF, NA,
as an Indenture Trustee for the RBB Bonds

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Agent

By: _____
Name:
Title:

Schedule 1 to Exhibit C

Company, Securitization Property Servicer and Receivables Sub-Servicer	Public Service Company of Oklahoma
Notice Address	One Riverside Plaza Columbus, Ohio 43215 Attention: Treasurer Telephone: (614) 716-1000 Email: Treasury_Operations_AEP@aep.com
Bond Issuer	The Oklahoma Development Finance Authority
Notice Address	9220 North Kelley Avenue Oklahoma City, Oklahoma 73131 Attention: Michael Davis Telephone: (405) 842-1145
Indenture Trustee	BOKF, NA
Notice Address	499 West Sheridan Avenue, Suite 2600 Oklahoma City, Oklahoma 73102 Attention: Corporate Trust Department, Rachel Singleton Telephone: (405) 272-2172
Agency Agreement	Third Amended and Restated Agency Agreement, dated as of August 25, 2004, by and between Receivables Buyer and the Company, as amended, restated or modified from time to time
Commission	Corporation Commission of the State of Oklahoma (including any governmental authority succeeding to the duties of such agency)
Financing Order	Financing Order No. 723434, approved and issued by the Commission on February 10, 2022, in Cause No. PUD 202100076, pursuant to the Securitization Act.
Indenture	Indenture of Trust, dated as of September 7, 2022, by and between the Bond Issuer and the Indenture Trustee, as amended, restated or modified from time to time
Purchase Agreement	Third Amended and Restated Purchase Agreement, dated as of August 25, 2004, by and between Receivables Buyer and the Company, as amended, restated or modified from time to time
Sale Agreement	Securitization Property Purchase and Sale Agreement, dated as of September 7, 2022, by and between the Bond Issuer and the Company, as amended, restated or modified from time to time
Securitization Act	The "February 2021 Regulated Utility Consumer Protection Act," as amended, codified as Title 74, Oklahoma Statutes, 2021, Section 9070, et seq.
Securitization Charges	The charges billed to Customers pursuant to an irrevocable and nonbypassable mechanism set forth in the Financing Order authorized under the Securitization Act, authorized pursuant to the Financing Order, including the "WSC Charge(s)" (as such term is defined in the Financing Order)

Securitization Property	"Securitization Property" (as defined in the Sale Agreement), including the "securitization property" as defined in Section 9072(11) of Title 74, Section 9070 et seq., of the Oklahoma Statutes that is established by the Financing Order, and the right to impose, collect and receive Securitization Charges and the assignment of all revenues, collections, claims, rights, payments, money or proceeds of or arising from such Securitization Charges
Servicing Agreement	Securitization Property Servicing Agreement, dated as of September 7, 2022, by and between the Bond Issuer and the Company, as amended, restated or modified from time to time

JOINDER TO INTERCREDITOR AGREEMENT

RELATING TO

$696,920,000 The Oklahoma Development Finance Authority Ratepayer-Backed Bonds (Public Service Company of Oklahoma), Series 2022 (Federally Taxable)

This JOINDER TO INTERCREDITOR AGREEMENT (this "Joinder"), dated as of December 9, 2024, is entered into by each of the following Persons, in its capacity(ies) specified below (each, an "Additional Party"), AEP CREDIT, INC., a Delaware limited liability company (the "Receivables Buyer"), and JPMorgan Chase Bank, N.A., as Receivables Administrative Agent for the Receivables Purchasers and as Control Agent under the Intercreditor Agreement (in such capacities, the "Agent"):

- Public Service Company of Oklahoma, an Oklahoma corporation, as a "Company", "Securitization Property Servicer" and "Receivables Sub-Servicer";
- The Oklahoma Development Finance Authority, a public trust and instrumentality of the State of Oklahoma, as a "Bond Issuer"; and
- BOKF, NA, a national banking association, as an "Indenture Trustee".

Reference is made to the Intercreditor Agreement, dated as of September 7, 2022, as amended and restated as of December 9, 2024 (the "Intercreditor Agreement"), by and among the Receivables Buyer, the Agent, each Company from time to time party thereto, each Bond Issuer from time to time party thereto and each Indenture Trustee from time to time party thereto. The defined terms contained in the Intercreditor Agreement are incorporated herein.

Each Additional Party hereby agrees (a) to become a party to the Intercreditor Agreement for all purposes thereof on the terms set forth therein in the capacity specified above; (b) to be bound by the terms of the Intercreditor Agreement as if such Additional Party had executed and delivered the Intercreditor Agreement as an original party thereto in such capacity; (c) the "Agency Agreement", "Commission", "Indenture", "Purchase Agreement", "Sale Agreement", "Securitization Property", "Securitization Charges" and "Servicing Agreement" specified on Schedule 1 to this Joinder shall constitute an Agency Agreement, Commission, Indenture, Purchase Agreement, Sale Agreement, Securitization Property, Securitization Charges and Servicing Agreement, respectively, for all purposes under the Intercreditor Agreement; and (d) any communications, including notices and instructions, with respect to such Additional Party may be given at the address for such Additional Party specified on Schedule 1 hereto.

The Indenture Trustee as an Additional Party under this Intercreditor Agreement and pursuant to Section 16 of the Intercreditor Agreement, is entitled to all the rights, benefits, protection, immunities, and indemnities afforded to it under the Indenture.

The provisions of Section 9 (*Governing Law; Jurisdiction; Waiver of Jury Trial*) of the Intercreditor Agreement will apply with like effect to this Joinder.

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

PUBLIC SERVICE COMPANY OF OKLAHOMA,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer for the RBB Bonds

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Treasurer and Vice President

THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY,
as a Bond Issuer for the RBB Bonds

By: _____
Name:
Title:

BOKF, NA,
as an Indenture Trustee for the RBB Bonds

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Treasurer and Vice President

JPMORGAN CHASE BANK, N.A.,
as Agent

By: _____
Name:
Title:

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

PUBLIC SERVICE COMPANY OF OKLAHOMA,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer for the RBB Bonds

By: _____
Name:
Title:

THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY,
as a Bond Issuer for the RBB Bonds

By: /s/ Michael D. Davis
Name: Michael D. Davis
Title: President

BOKF, NA,
as an Indenture Trustee for the RBB Bonds

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Agent

By: _____
Name:
Title:

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

PUBLIC SERVICE COMPANY OF OKLAHOMA,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer for the RBB Bonds

By: _____
Name:
Title:

THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY,
as a Bond Issuer for the RBB Bonds

By: _____
Name:
Title:

BOKF, NA,
as an Indenture Trustee for the RBB Bonds

By: /s/ Rachel Redd-Singleton
Name: Rachel Redd-Singleton
Title: Senior Vice President

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Agent

By: _____
Name:
Title:

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

PUBLIC SERVICE COMPANY OF OKLAHOMA,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer for the RBB Bonds

By: _____
Name:
Title:

THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY,
as a Bond Issuer for the RBB Bonds

By: _____
Name:
Title:

BOKF, NA,
as an Indenture Trustee for the RBB Bonds

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Agent

By: /s/ Josh Harraka
Name: Josh Harraka
Title: Vice president

Company, Securitization Property Servicer and Receivables Sub-Servicer	Public Service Company of Oklahoma
Notice Address	One Riverside Plaza Columbus, Ohio 43215 Attention: Treasurer Telephone: (614) 716-1000 Email: Treasury_Operations_AEP@aep.com
Bond Issuer	The Oklahoma Development Finance Authority
Notice Address	9220 North Kelley Avenue Oklahoma City, Oklahoma 73131 Attention: Michael Davis Telephone: (405) 842-1145
Indenture Trustee	BOKF, NA
Notice Address	499 West Sheridan Avenue, Suite 2600 Oklahoma City, Oklahoma 73102 Attention: Corporate Trust Department, Rachel Singleton Telephone: (405) 272-2172
Agency Agreement	Third Amended and Restated Agency Agreement, dated as of August 25, 2004, by and between Receivables Buyer and the Company, as amended, restated or modified from time to time
Commission	Corporation Commission of the State of Oklahoma (including any governmental authority succeeding to the duties of such agency)
Financing Order	Financing Order No. 723434, approved and issued by the Commission on February 10, 2022, in Cause No. PUD 202100076, pursuant to the Securitization Act.
Indenture	Indenture of Trust, dated as of September 7, 2022, by and between the Bond Issuer and the Indenture Trustee, as amended, restated or modified from time to time
Purchase Agreement	Third Amended and Restated Purchase Agreement, dated as of August 25, 2004, by and between Receivables Buyer and the Company, as amended, restated or modified from time to time
Sale Agreement	Securitization Property Purchase and Sale Agreement, dated as of September 7, 2022, by and between the Bond Issuer and the Company, as amended, restated or modified from time to time
Securitization Act	The "February 2021 Regulated Utility Consumer Protection Act," as amended, codified as Title 74, Oklahoma Statutes, 2021, Section 9070, et seq.
Securitization Charges	The charges billed to Customers pursuant to an irrevocable and nonbypassable mechanism set forth in the Financing Order authorized under the Securitization Act, authorized pursuant to the Financing Order, including the "WSC Charge(s)" (as such term is defined in the Financing Order)

Securitization Property	"Securitization Property" (as defined in the Sale Agreement), including the "securitization property" as defined in Section 9072(11) of Title 74, Section 9070 et seq., of the Oklahoma Statutes that is established by the Financing Order, and the right to impose, collect and receive Securitization Charges and the assignment of all revenues, collections, claims, rights, payments, money or proceeds of or arising from such Securitization Charges
Servicing Agreement	Securitization Property Servicing Agreement, dated as of September 7, 2022, by and between the Bond Issuer and the Company, as amended, restated or modified from time to time

JOINDER TO INTERCREDITOR AGREEMENT

RELATING TO

SERIES 2024-A SENIOR SECURED STORM RECOVERY BONDS –
SWEPCO STORM RECOVERY FUNDING LLC

This JOINDER TO INTERCREDITOR AGREEMENT (this "Joinder"), dated as of December 18, 2024, is entered into by each of the following Persons, in its capacity(ies) specified below (each, an "Additional Party"), AEP CREDIT, INC., a Delaware limited liability company (the "Receivables Buyer"), and JPMorgan Chase Bank, N.A., as Administrative Agent for the Receivables Purchasers and as Control Agent under the Intercreditor Agreement (in such capacities, the "Agent"):

- Southwestern Electric Power Company, a Delaware corporation, as a "Company", "Securitization Property Servicer" and "Receivables Sub-Servicer";
- SWEPCO Storm Recovery Funding LLC, a Louisiana limited liability company, as a "Bond Issuer"; and
- U.S. Bank Trust Company, National Association, a national banking association, not in its individual capacity but solely in its capacity as an "Indenture Trustee".

Reference is made to the Intercreditor Agreement, dated as of September 7, 2022, as amended and restated as of December 9, 2024 (the "Intercreditor Agreement"), by and among the Receivables Buyer, the Agent, each Company from time to time party thereto, each Bond Issuer from time to time party thereto and each Indenture Trustee from time to time party thereto. The defined terms contained in the Intercreditor Agreement are incorporated herein.

Each Additional Party hereby agrees (a) to become a party to the Intercreditor Agreement for all purposes thereof on the terms set forth therein in the capacity specified above; (b) to be bound by the terms of the Intercreditor Agreement as if such Additional Party had executed and delivered the Intercreditor Agreement as an original party thereto in such capacity; (c) the "Agency Agreement", "Commission", "Indenture", "Purchase Agreement", "Sale Agreement", "Securitization Property", "Securitization Charges" and "Servicing Agreement" specified on Schedule 1 to this Joinder shall constitute an Agency Agreement, Commission, Indenture, Purchase Agreement, Sale Agreement, Securitization Property, Securitization Charges and Servicing Agreement, respectively, for all purposes under the Intercreditor Agreement; and (d) any communications, including notices and instructions, with respect to such Additional Party may be given at the address for such Additional Party specified on Schedule 1 hereto.

The Indenture Trustee as an Additional Party under this Intercreditor Agreement and pursuant to Section 16 of the Intercreditor Agreement, is entitled to all the rights, benefits, protection, immunities, and indemnities afforded to it under the Indenture.

The provisions of Section 9 (*Governing Law; Jurisdiction; Waiver of Jury Trial*) of the Intercreditor Agreement will apply with like effect to this Joinder.

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

SOUTHWESTERN ELECTRIC POWER COMPANY,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Treasurer and Vice President

SWEPCO STORM RECOVERY FUNDING LLC,
as a Bond Issuer

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Treasurer and Vice President

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as an Indenture Trustee

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Treasurer and Vice President

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

By: _____
Name:
Title:

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

SOUTHWESTERN ELECTRIC POWER COMPANY,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: _____
Name:
Title:

SWEPCO STORM RECOVERY FUNDING LLC,
as a Bond Issuer

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as an Indenture Trustee

By: /s/ Matthew M. Smith
Name: Matthew M. Smith
Title: Vice President

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

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

By: _____
Name:
Title:

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

SOUTHWESTERN ELECTRIC POWER COMPANY,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: _____
Name:
Title:

SWEPCO STORM RECOVERY FUNDING LLC,
as a Bond Issuer

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as an Indenture Trustee

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

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

By: /s/ Josh Harraka
Name: Josh Harraka
Title:Vice President

Company, Securitization Property Servicer and Receivables Sub-Servicer	Southwestern Electric Power Company
Notice Address	One Riverside Plaza Columbus, Ohio 43215 Attention: Treasurer Telephone: (614) 716-1000 Email: Treasury_Operations_AEP@aep.com
Bond Issuer	SWEPCO Storm Recovery Funding LLC
Notice Address	428 Travis Street Shreveport, Louisiana 71101 Attention: VP Regulatory & Finance Telephone: (318) 673-3075 Email: Treasury_Operations_AEP@aep.com
Indenture Trustee	U.S. Bank Trust Company, National Association
Notice Address	190 S. LaSalle Street, 7th Floor Chicago, Illinois 60603 Attention: Corporate Trust Services / SWEPCO Storm Recovery Funding LLC Telephone: (312) 332-7496 Email: matthew.smith2@usbank.com; melissa.rosal@usbank.com and maryann.turbak@usbank.com
Agency Agreement	Third Amended and Restated Agency Agreement, dated as of August 25, 2004, by and between Receivables Buyer and the Company, as amended, restated or modified from time to time
Commission	Louisiana Public Service Commission (including any governmental authority succeeding to the duties of such agency)
Financing Order	The Financing Order U-36174-B issued on July 3, 2024 (Docket No. U-36174), by the Louisiana Commission pursuant to the Securitization Law.
Indenture	Indenture, dated as of December 18, 2024, by and between the Bond Issuer, the Indenture Trustee and U.S. Bank National Association, as securities intermediary, as amended, restated or modified from time to time
Purchase Agreement	Third Amended and Restated Purchase Agreement, dated as of August 25, 2004, by and between Receivables Buyer and the Company, as amended, restated or modified from time to time
Sale Agreement	Storm Recovery Property Purchase and Sale Agreement, dated as of December 18, 2024, by and between the Bond Issuer and the Company, as amended, restated or modified from time to time
Securitization Act	The “Louisiana Electric Utility Storm Recovery Securitization Act,” as amended, codified at La. R.S. 45:1226-1240.
Securitization Charges	The “Storm Recovery Charges” (as defined in La. R.S. 45:1227(15) of Title 45 of the Louisiana Revised Statutes) approved by the Commission in the Financing Order

Securitization Property	"Storm Recovery Property" (as defined in the Indenture), including the "storm recovery property" as defined in La. R.S. 45:1227(17) of Title 45 of the Louisiana Revised Statutes that is established by the Financing Order
Servicing Agreement	Storm Recovery Property Servicing Agreement, dated as of December 18, 2024, by and between the Bond Issuer and the Company, as amended, restated or modified from time to time

Schedule 1 to Joinder

JOINDER TO INTERCREDITOR AGREEMENT

RELATING TO

SERIES 2025 SENIOR SECURED RECOVERY BONDS –
KENTUCKY POWER COST RECOVERY LLC

This JOINDER TO INTERCREDITOR AGREEMENT (this "Joinder"), dated as of June 12, 2025, is entered into by each of the following Persons, in its capacity(ies) specified below (each, an "Additional Party"), AEP CREDIT, INC., a Delaware limited liability company (the "Receivables Buyer"), and JPMorgan Chase Bank, N.A., as Administrative Agent for the Receivables Purchasers and as Control Agent under the Intercreditor Agreement (in such capacities, the "Agent"):

- Kentucky Power Company, a Kentucky corporation, as a "Company", "Securitization Property Servicer" and "Receivables Sub-Servicer";
- Kentucky Power Cost Recovery LLC, a Delaware limited liability company, as a "Bond Issuer"; and
- U.S. Bank Trust Company, National Association, a national banking association, not in its individual capacity but solely in its capacity as an "Indenture Trustee".

Reference is made to the Intercreditor Agreement, dated as of September 7, 2022, as amended and restated as of December 9, 2024 (the "Intercreditor Agreement"), by and among the Receivables Buyer, the Agent, each Company from time to time party thereto, each Bond Issuer from time to time party thereto and each Indenture Trustee from time to time party thereto. The defined terms contained in the Intercreditor Agreement are incorporated herein.

Each Additional Party hereby agrees (a) to become a party to the Intercreditor Agreement for all purposes thereof on the terms set forth therein in the capacity specified above; (b) to be bound by the terms of the Intercreditor Agreement as if such Additional Party had executed and delivered the Intercreditor Agreement as an original party thereto in such capacity; (c) the "Agency Agreement", "Commission", "Indenture", "Purchase Agreement", "Sale Agreement", "Securitization Property", "Securitization Charges" and "Servicing Agreement" specified on Schedule 1 to this Joinder shall constitute an Agency Agreement, Commission, Indenture, Purchase Agreement, Sale Agreement, Securitization Property, Securitization Charges and Servicing Agreement, respectively, for all purposes under the Intercreditor Agreement; and (d) any communications, including notices and instructions, with respect to such Additional Party may be given at the address for such Additional Party specified on Schedule 1 hereto.

The Indenture Trustee as an Additional Party under this Intercreditor Agreement and pursuant to Section 16 of the Intercreditor Agreement, is entitled to all the rights, benefits, protection, immunities, and indemnities afforded to it under the Indenture.

The provisions of Section 9 (*Governing Law; Jurisdiction; Waiver of Jury Trial*) of the Intercreditor Agreement will apply with like effect to this Joinder.

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

KENTUCKY POWER COMPANY,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Vice President and Treasurer

KENTUCKY POWER COST RECOVERY LLC,
as a Bond Issuer

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Vice President and Treasurer

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as an Indenture Trustee

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Vice President and Treasurer

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

By: _____
Name:
Title:

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

KENTUCKY POWER COMPANY,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: _____
Name:
Title:

KENTUCKY POWER COST RECOVERY LLC,
as a Bond Issuer

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as an Indenture Trustee

By: /s/ Matthew M. Smith
Name: Matthew M. Smith
Title: Vice President

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

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

By: _____
Name:
Title:

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

KENTUCKY POWER COMPANY,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: _____
Name:
Title:

KENTUCKY POWER COST RECOVERY LLC,
as a Bond Issuer

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as an Indenture Trustee

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

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

By: /s/ Josh Harraka
Name: Josh Harraka
Title: Vice President

Company, Securitization Property Servicer and Receivables Sub-Servicer	Kentucky Power Company
Notice Address	One Riverside Plaza Columbus, Ohio 43215 Attention: Treasurer Telephone: (614) 716-1000 Email: Treasury_Operations_AEP@aep.com
Bond Issuer	Kentucky Power Cost Recovery LLC
Notice Address	1645 Winchester Avenue Ashland, Kentucky 41101 Attention: Vice President – Regulatory and Finance Telephone: (606) 929-1488 Email: Treasury_Operations_AEP@aep.com
Indenture Trustee	U.S. Bank Trust Company, National Association
Notice Address	190 South LaSalle Street, 7th Floor, MK-IL-SL7R Chicago, Illinois 60603 Attention: Corporate Trust Services / Kentucky Power Cost Recovery LLC Telephone: (312) 332-7496 Email: matthew.smith2@usbank.com; melissa.rosal@usbank.com; and maryann.turbak@usbank.com
Agency Agreement	Third Amended and Restated Agency Agreement, dated as of August 25, 2004, by and between Receivables Buyer and the Company, as amended, restated or modified from time to time
Commission	Kentucky Public Service Commission (including any governmental authority succeeding to the duties of such agency)
Financing Order	The Financing Order, issued on April 11, 2025, in Case No. 2023-00159, by the Commission pursuant to the Securitization Act, which amends, restates and supersedes the Financing Order issued by the Commission on January 10, 2024
Indenture	Indenture, dated as of June 12, 2025, by and between the Bond Issuer, the Indenture Trustee and U.S. Bank National Association, as securities intermediary, as amended, restated or modified from time to time
Purchase Agreement	Third Amended and Restated Purchase Agreement, dated as of August 25, 2004, by and between Receivables Buyer and the Company, as amended, restated or modified from time to time
Sale Agreement	Purchase and Sale Agreement, dated as of June 12, 2025, by and between the Bond Issuer and the Company, as amended, restated or modified from time to time
Securitization Act	Collectively, Chapter 278 of Title XXIV Public Utilities (KRS §§ 278.010, 278.670-.696) and Chapter 65 Counties, Cities, and Other Local Units of the act relating to investor-owned utilities (KRS § 65.114), as amended from time to time
Securitization Charges	The “securitized surcharges” (as defined in Section 278.670(20) of Title XXIV Public Utilities of the Kentucky Revised Statutes) approved by the Commission in the Financing Order

Securitization Property	The "securitized property" (as defined in Section 278.670(19) of Title XXIV Public Utilities of the Kentucky Revised Statutes) created pursuant to the Financing Order
Servicing Agreement	Servicing Agreement, dated as of June 12, 2025, by and between the Bond Issuer and the Company, as amended, restated or modified from time to time

JOINDER TO INTERCREDITOR AGREEMENT

RELATING TO

SERIES 2026-A SENIOR SECURED SAC BONDS –
APPALACHIAN POWER RECOVERY FUNDING LLC

This JOINDER TO INTERCREDITOR AGREEMENT (this "Joinder"), dated as of May 27, 2026, is entered into by each of the following Persons, in its capacity(ies) specified below (each, an "Additional Party"), AEP CREDIT, INC., a Delaware limited liability company (the "Receivables Buyer"), and JPMorgan Chase Bank, N.A., as Administrative Agent for the Receivables Purchasers and as Control Agent under the Intercreditor Agreement (in such capacities, the "Agent"):

- Appalachian Power Company, a Virginia corporation, as a "Company", "Securitization Property Servicer" and "Receivables Sub-Servicer";
- Appalachian Power Recovery Funding LLC, a Delaware limited liability company, as a "Bond Issuer"; and
- U.S. Bank Trust Company, National Association, a national banking association, not in its individual capacity but solely in its capacity as an "Indenture Trustee".

Reference is made to the Intercreditor Agreement, dated as of September 7, 2022, as amended and restated as of December 9, 2024 (the "Intercreditor Agreement"), by and among the Receivables Buyer, the Agent, each Company from time to time party thereto, each Bond Issuer from time to time party thereto and each Indenture Trustee from time to time party thereto. The defined terms contained in the Intercreditor Agreement are incorporated herein.

Each Additional Party hereby agrees (a) to become a party to the Intercreditor Agreement for all purposes thereof on the terms set forth therein in the capacity specified above; (b) to be bound by the terms of the Intercreditor Agreement as if such Additional Party had executed and delivered the Intercreditor Agreement as an original party thereto in such capacity; (c) the "Agency Agreement", "Commission", "Indenture", "Purchase Agreement", "Sale Agreement", "Securitization Property", "Securitization Charges" and "Servicing Agreement" specified on Schedule 1 to this Joinder shall constitute an Agency Agreement, Commission, Indenture, Purchase Agreement, Sale Agreement, Securitization Property, Securitization Charges and Servicing Agreement, respectively, for all purposes under the Intercreditor Agreement; and (d) any communications, including notices and instructions, with respect to such Additional Party may be given at the address for such Additional Party specified on Schedule 1 hereto.

The Indenture Trustee as an Additional Party under this Intercreditor Agreement and pursuant to Section 16 of the Intercreditor Agreement, is entitled to all the rights, benefits, protection, immunities, and indemnities afforded to it under the Indenture.

The provisions of Section 9 (*Governing Law; Jurisdiction; Waiver of Jury Trial*) of the Intercreditor Agreement will apply with like effect to this Joinder.

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

APPALACHIAN POWER COMPANY,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Vice President and Treasurer

APPALACHIAN POWER RECOVERY FUNDING LLC, as a Bond Issuer

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as an Indenture Trustee

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: /s/ Matthew D. Fransen
Name: Matthew D. Fransen
Title: Vice President and Treasurer

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

By: _____
Name:
Title:

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

APPALACHIAN POWER COMPANY,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: _____
Name:
Title:

APPALACHIAN POWER RECOVERY FUNDING LLC, as a Bond Issuer

By: /s/ Franz D. Messner
Name: Franz D. Messner
Title: Manager

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as an Indenture Trustee

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

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

By: _____
Name:
Title:

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

APPALACHIAN POWER COMPANY,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: _____
Name:
Title:

APPALACHIAN POWER RECOVERY FUNDING LLC, as a Bond Issuer

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as an Indenture Trustee

By: /s/ Matthew M. Smith
Name: Matthew M. Smith
Title: Vice President

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

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

By: _____
Name:
Title:

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

APPALACHIAN POWER COMPANY,
as a Company, a Securitization Property Servicer and a Receivables Sub-Servicer

By: _____
Name:
Title:

APPALACHIAN POWER RECOVERY FUNDING LLC, as a Bond Issuer

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as an Indenture Trustee

By: _____
Name:
Title:

AEP CREDIT, INC.,
as Receivables Buyer

By: _____
Name:
Title:

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

By: /s/ John M Kuhns
Name: John M Kuhns
Title: Executive Director

Schedule 1 to Joinder

Company, Securitization Property Servicer and Receivables Sub-Servicer	Appalachian Power Company
Notice Address	One Riverside Plaza Columbus, Ohio 43215 Attention: Treasurer Telephone: (614) 716-1000 Email: Treasury_Operations_AEP@aep.com
Bond Issuer	Appalachian Power Recovery Funding LLC
Notice Address	1051 E Cary St., Suite 1100 Richmond, Virginia 23219 Attention: Vice President – Regulatory and Finance Telephone: (614) 716-1519 Email: Treasury_Operations_AEP@aep.com
Indenture Trustee	U.S. Bank Trust Company, National Association
Notice Address	190 South LaSalle Street, 7th Floor, MK-IL-SL7R Chicago, Illinois 60603 Attention: Corporate Trust Services / Appalachian Power Recovery Funding LLC Telephone: (312) 332-7496 Email: matthew.smith2@usbank.com; melissa.rosal@usbank.com; and maryann.turbak@usbank.com
Agency Agreement	Third Amended and Restated Agency Agreement, dated as of August 25, 2004, by and between Receivables Buyer and the Company, as amended, restated or modified from time to time
Commission	State Corporation Commission of the Commonwealth of Virginia (including any governmental authority succeeding to the duties of such agency)
Financing Order	The Financing Order, issued on November 24, 2025, in Case No. PUR-2025-00116, by the Commission pursuant to the Securitization Act
Indenture	Indenture, dated as of May 27, 2026, by and between the Bond Issuer, the Indenture Trustee and U.S. Bank National Association, as securities intermediary, as amended, restated or modified from time to time
Purchase Agreement	Third Amended and Restated Purchase Agreement, dated as of August 25, 2004, by and between Receivables Buyer and the Company, as amended, restated or modified from time to time
Sale Agreement	Securitized Asset Cost Purchase and Sale Agreement, dated as of May 27, 2026, by and between the Bond Issuer and the Company, as amended, restated or modified from time to time
Securitization Act	§ 249.8 of Title 56 of the Code of Virginia, as amended from time to time
Securitization Charges	The “securitized asset cost charges” (as defined in § 249.8 A. of Title 56 of the Code of Virginia) approved by the Commission in the Financing Order
Securitization Property	The “Securitized Asset Cost Property” (as defined in, and as created pursuant to, the Financing Order)
Servicing Agreement	Securitized Asset Cost Servicing Agreement, dated as of May 27, 2026, by and between the Bond Issuer and the Company, as amended, restated or modified from time to time

Schedule 1 to Joinder

Exhibit 10.6

CRR PROPERTY INTERCREDITOR AGREEMENT

This CRR PROPERTY INTERCREDITOR AGREEMENT (this "Agreement") dated as of [•], 20[•] is entered into by and among:

- Appalachian Power Company, a Virginia corporation (in its individual capacity, "APCo");
- Wheeling Power Company, a West Virginia corporation (in its individual capacity, "WPCo");
- APCo, in its capacity as the initial servicer of the APCo Initial CRR Property referred to below (including any successor in such capacity, the "APCo Initial Servicer");
- APCo, in its capacity as an initial servicer of both (a) the APCo Issuer Share of Joint CRR Property referred to below and (b) the WPCo Issuer Share of Joint CRR Property (including any successor in such capacity, the "APCo Joint Servicer");
- WPCo, in its capacity as an initial servicer of (a) the APCo Issuer Share of Joint CRR Property referred to below and (b) the WPCo Issuer Share of Joint CRR Property referred to below (including any successor in such capacity, the "WPCo Joint Servicer" and, together with the APCo Joint Servicer, the "Joint Servicers");
- Appalachian Consumer Rate Relief Funding LLC, a Delaware limited liability company (the "APCo Initial Bond Issuer");
- Appalachian Consumer Rate Relief Funding II LLC, a Delaware limited liability company (the "APCo Joint Bond Issuer");
- Wheeling Consumer Rate Relief Funding LLC, a Delaware limited liability company (the "WPCo Joint Bond Issuer" and, together with the APCo Joint Bond Issuer, the "Joint Bond Issuers");
- U.S. Bank National Association, a national banking association ("USBNA"), not in its individual capacity but solely in its capacity as securities intermediary and account bank for the Joint Collection Account referred to below (the "JCA Securities Intermediary");
- U.S. Bank Trust Company, National Association, a national banking association ("USBTC") (as assignee of USBNA), not in its individual capacity but solely in its capacity as indenture trustee (including any successor in such capacity, the "APCo Initial Bond Trustee") under the APCo Initial Indenture referred to below;
- USBTC, not in its individual capacity but solely in its capacity as indenture trustee (including any successor in such capacity, the "APCo Joint Bond Trustee") under the APCo Joint Bond Indenture referred to below;
- USBTC, not in its individual capacity but solely in its capacity as indenture trustee (including any successor in such capacity, the "WPCo Joint Bond Trustee") under the WPCo Joint Bond Indenture referred to below; and
- APCo, in its capacity as APCo Collection Agent (as defined below) for the benefit of the APCo Initial Servicer, the APCo Joint Servicer and the WPCo Joint Servicer.

APCO INITIAL CRR PROPERTY, CHARGES AND BONDS

WHEREAS, pursuant to the terms of the CRR Property Purchase and Sale Agreement dated as of November 15, 2013, between the APCo Initial Bond Issuer and APCo, in its capacity as seller (as it may hereafter from time to time be amended, restated or modified, the "APCo Initial Sale Agreement"), APCo has sold to the APCo Initial Bond Issuer certain assets known as "CRR Property" which includes the "CRR Charges" (each as defined in the APCo Initial Indenture; as used herein, the "APCo Initial CRR Property" and the "APCo Initial CRR Charges");

WHEREAS, pursuant to the terms of the Indenture dated as of November 15, 2013, among the APCo Initial Bond Issuer and the APCo Initial Bond Trustee, in its capacity as indenture trustee, and USBNA, in its capacity as a securities intermediary (as it may hereafter from time to time be amended, restated or modified and as supplemented from time to time by one or more Series Supplements, such Series Supplements and Indenture being collectively referred to herein as the "APCo Initial Indenture"), the APCo Initial Bond Issuer, among other things, has granted to the APCo Initial Bond Trustee a security interest in certain of its assets, including the APCo Initial CRR Property, to secure, among other things, the "Consumer Rate Relief Bonds" issued pursuant to, and as defined in, the APCo Initial Indenture (the "APCo Initial Bonds");

WHEREAS, pursuant to the terms of the CRR Property Servicing Agreement dated as of November 15, 2013, between the APCo Initial Bond Issuer and the APCo Initial Servicer (as it may hereafter from time to time be amended, restated or modified, the "APCo Initial Servicing Agreement"), the APCo Initial Servicer has agreed to provide for the benefit of the APCo Initial Bond Issuer servicing functions with respect to the APCo Initial CRR Charges;

APCO ISSUER SHARE OF JOINT CRR PROPERTY, CHARGES AND BONDS

WHEREAS, pursuant to the terms of the Consumer Rate Relief Property Purchase and Sale Agreement dated as of [•], 20[•], between the APCo Joint Bond Issuer and APCo, in its capacity as seller (as it may hereafter from time to time be amended, restated or modified, the "APCo Joint Bond Sale Agreement"), APCo has sold to the APCo Joint Bond Issuer certain assets known as "CRR Property" which includes the "CRR Charges" (each as defined in the APCo Joint Bond Indenture; as used herein, the "APCo Issuer Share of Joint CRR Property" and the "APCo Issuer Share of Joint CRR Charges", respectively);

WHEREAS, pursuant to the terms of the Indenture dated as of [•], 20[•], among the APCo Joint Bond Issuer and the APCo Joint Bond Trustee, in its capacity as indenture trustee, and USBNA, in its capacity as a securities intermediary (as it may hereafter from time to time be amended, restated or modified and as supplemented by a Series Supplement, such Series Supplement and Indenture being collectively referred to herein as the "APCo Joint Bond Indenture"), the APCo Joint Bond Issuer, among other things, has granted to the APCo Joint Bond Trustee, a security interest in certain of its assets, including the APCo Issuer Share of Joint CRR Property, to secure, among other things, the "Consumer Rate Relief Bonds" issued pursuant to, and as defined in, the APCo Joint Bond Indenture ("APCo Joint Bonds");

WHEREAS, pursuant to the terms of the CRR Property Servicing Agreement dated as of [•], 20[•], between the APCo Joint Bond Issuer and the APCo Joint Servicer (as it may hereafter from time to time be amended, restated or modified, the "APCo Issuer Servicing Agreement"), the APCo Joint Servicer has agreed to provide for the benefit of the APCo Joint Bond Issuer servicing functions with respect to the APCo Issuer Share of Joint CRR Charges;

WHEREAS, pursuant to the terms of the CRR Property Purchase and Sale Agreement dated as of [•], 20[•], between the WPCo Joint Bond Issuer and WPCo, in its capacity as seller (as it may hereafter from time to time be amended, restated or modified, the "WPCo Joint Bond Sale Agreement"), WPCo has sold to the WPCo Joint Bond Issuer certain assets known as "CRR Property" which includes the "CRR Charges" (each as defined in the WPCo Joint Bond Indenture; as used herein, the "WPCo Issuer Share of Joint CRR Property" and the "WPCo Issuer Share of Joint CRR Charges", respectively);

WHEREAS, pursuant to the terms of the Indenture dated as of [•], 20[•], among the WPCo Joint Bond Issuer and the WPCo Joint Bond Trustee, in its capacity as indenture trustee, and USBNA, in its capacity as a securities intermediary (as it may hereafter from time to time be amended, restated or modified and as supplemented by a Series Supplement, such Series Supplement and Indenture being collectively referred to herein as the "WPCo Joint Bond Indenture" and, together with the APCo Initial Indenture and the APCo Joint Bond Indenture, the "Indentures"), the WPCo Joint Bond Issuer, among other things, has granted to the WPCo Joint Bond Trustee a security interest in certain of its assets, including the CRR Property, to secure, among other things, the "Consumer Rate Relief Bonds" issued pursuant to, and as defined in, the WPCo Joint Bond Indenture (the "WPCo Joint Bonds" and, together with the APCo Initial Bonds and the APCo Joint Bonds, the "CRR Bonds");

WHEREAS, pursuant to the terms of the CRR Property Servicing Agreement dated as of [•], 20[•], between the WPCo Joint Bond Issuer and the WPCo Joint Servicer (as it may hereafter from time to time be amended, restated or modified, the "WPCo Issuer Servicing Agreement" and, together with the APCo Initial Servicing Agreement and the APCo Issuer Servicing Agreement, the "Servicing Agreements"), the WPCo Joint Servicer has agreed to provide for the benefit of the WPCo Joint Bond Issuer servicing functions with respect to the CRR Charges;

GENERAL

WHEREAS, (a) the APCo Initial Servicer, the APCo Joint Servicer and the WPCo Joint Servicer are collectively referred to herein as the "Servicers";

WHEREAS, (a) the APCo Initial Servicer, the APCo Initial Bond Issuer and the APCo Initial Bond Trustee are collectively referred to herein as the "APCo Initial Bond Parties"; (b) the WPCo Joint Servicer, the APCo Joint Servicer, the APCo Joint Bond Issuer and the APCo Joint Bond Trustee are collectively referred to herein as the "APCo Joint Bond Parties"; and (c) the APCo Joint Servicer, the WPCo Joint Servicer, the WPCo Joint Bond Issuer and the WPCo Joint Bond Trustee are collectively referred to herein as the "WPCo Joint Bond Parties";

WHEREAS, the APCo Issuer Share of Joint CRR Charges and the WPCo Issuer Share of Joint CRR Charges are collectively referred to herein as the "Joint CRR Charges";

WHEREAS, (a) the APCo Issuer Share of Joint CRR Property and the WPCo Issuer Share of Joint CRR Property are collectively referred to herein as the "Joint CRR Property" and the Joint CRR Property together with the APCo Initial CRR Property is referred to as "CRR Property"; and (b) the APCo Initial CRR Charges and the Joint CRR Charges are collectively referred to herein as the "Aggregate CRR Charges";

WHEREAS, the APCo Joint Bond Issuer and the WPCo Joint Bond Issuer have opened a joint account for the deposit of Joint CRR Charge collections in accordance with the requirements of the APCo Joint Bond Indenture and the WPCo Joint Bond Indenture (the "Joint Collection Account"); and

WHEREAS, the APCo Initial Bond Parties, the APCo Joint Bond Parties and the WPCo Joint Bond Parties will enter into one or more joinders to, and become parties to, the Intercreditor Agreement, dated as of September 7, 2022, as amended and restated as of December 9, 2024, by and among AEP Credit, Inc., JPMorgan Chase Bank, N.A., as administrative agent and control agent, and the issuers, servicers and indenture trustees from time to time party thereto (the "Receivables Intercreditor Agreement");

NOW, **THEREFORE**, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. Acknowledgment of Ownership Interests and Security Interests. The APCo Initial Bond Parties, the APCo Joint Bond Parties and the WPCo Joint Bond Parties hereby acknowledge as follows:

(a) the ownership interest of the APCo Initial Bond Issuer in the APCo Initial CRR Property, including the APCo Initial CRR Charges and the revenues, collections, claims, rights, payments, money and proceeds arising therefrom, and the security interests in favor of the APCo Initial Bond Trustee for the benefit of itself, the holders of the APCo Initial Bonds and any other "Secured Parties" (as defined in the APCo Initial Indenture) in the APCo Initial CRR Property (collectively, the "APCo Initial Secured Parties");

(b) the ownership interest of the APCo Joint Bond Issuer in the APCo Issuer Share of CRR Property, including the APCo Issuer Share of Joint CRR Charges and the revenues, collections, claims, rights, payments, money and proceeds arising therefrom, and the security interests in favor of the APCo Joint Bond Trustee for the benefit of itself, the holders of the APCo Joint Bonds and any other "Secured Parties" (as defined in the APCo Joint Bond Indenture) in the APCo Issuer Share of Joint CRR Property (collectively, the "APCo Joint Bond Secured Parties"); and

(c) the ownership interest of the WPCo Joint Bond Issuer in the WPCo Issuer Share of Joint CRR Property, including the WPCo Issuer Share of Joint CRR Charges and the revenues, collections, claims, rights, payments, money and proceeds arising therefrom, and the security interests in favor of the WPCo Joint Bond Trustee for the benefit of itself, the holders of the WPCo Joint Bonds and any other "Secured Parties" (as defined in the WPCo Joint Bond Indenture) in the WPCo Issuer Share of Joint CRR Property (collectively, the "WPCo Joint Bond Secured Parties"); and

SECTION 2. Deposit Accounts.

(a) The APCo Initial Bond Parties, the APCo Joint Bond Parties and the WPCo Joint Bond Parties each acknowledge that (i) collections with respect to the APCo Initial CRR Property and the APCo Issuer Share of Joint CRR Property may from time to time be deposited into a designated account of APCo (the "APCo Deposit Accounts") and (ii) collections with respect to the WPCo Issuer Share of Joint CRR Property may from time to time be deposited into a designated account of WPCo (the "WPCo Deposit Accounts" and together with the APCo Deposit Accounts, the "Deposit Accounts").

(b) Subject to Section 4, the APCo Initial Servicer, the APCo Joint Servicer and the WPCo Joint Servicer hereby appoint APCo to act as, and APCo agrees to act as, collection agent with respect to collections of CRR Charges from APCo's retail electric customers (in such capacity, the "APCo Collection Agent"), and in such capacity APCo agrees to:

(i) maintain the APCo Deposit Accounts for the benefit of the APCo Initial Bond Parties, APCo Joint Bond Parties and the WPCo Joint Bond Parties as their respective interests may appear;

(ii) allocate and remit funds from the APCo Deposit Accounts at the times specified in the respective Indentures and Servicing Agreements, to (A) the APCo Initial Bond Trustee in the case of collections relating to the APCo Initial CRR Property and (B) to the Joint Collection Account in the case of collections relating to the APCo Issuer Share of Joint CRR Property and WPCo Issuer Share of Joint CRR Property; provided that, to the extent the combined amounts of remittance by APCo's retail electric customers are insufficient to satisfy amounts owed in respect of the APCo Initial CRR Charges, the APCo Issuer Share of Joint CRR Charges billed to such APCo retail electric customers, the WPCo Issuer Share of Joint CRR Charges billed to such APCo retail electric customers and the applicable Receivables (as defined in the Receivables Intercreditor Agreement), such allocation and remittances shall be made as follows:

A. (x) as between the Aggregate CRR Charges, on one side, and the Receivables, on the other side, in accordance with the terms of the Receivables Intercreditor Agreement; and

B. (y) as among such Aggregate CRR Charges:

(1) on a *pro rata* basis among the APCo Initial CRR Charges, the APCo Issuer Share of Joint CRR Charges billed to APCo's retail electric customers and the WPCo Issuer Share of Joint CRR Charges billed to APCo's retail electric customers, in each case other than late payment penalties, based on the amounts of such Aggregate CRR Charges (other than late payment penalties) then due and owing relative to the total amount of Aggregate CRR Charges billed to APCo's retail electric customers; and

(2) in the event a late-payment penalty is received in respect of such Aggregate CRR Charges, allocations and remittances of such late payment penalties shall be made on a *pro rata* basis among the APCo Initial CRR Charges, the APCo Issuer Share of Joint CRR Charges billed to APCo's retail electric customers and the WPCo Issuer Share of Joint CRR Charges billed to APCo's retail electric customers based on the amounts of such Aggregate CRR Charges in respect of which such penalties were owed;

(iii) by joint written instruction to the JCA Control Agent with the WPCo Joint Servicer (or in the case of conflicting instructions or a failure to agree on joint action, at the direction of the APCo Collection Agent), allocate and remit funds from the Joint Collection Account at the times, and in the amounts, specified in the APCo Joint Bond Indenture, the WPCo Joint Bond Indenture, the APCo Issuer Servicing Agreement and the WPCo Issuer Servicing Agreement to (A) the APCo Joint Bond Trustee in the case of funds relating to the APCo Joint Bond Issuer's interest in the Joint Collection Account and (B) the WPCo Joint Bond Trustee in the case of funds relating to WPCo Joint Bond Issuer's interest in the Joint Collection Account; provided that, to the extent the funds in the Joint Collection Account are insufficient to satisfy amounts owed in respect of the APCo Joint Bonds and the WPCo Joint Bonds, such allocation and remittances shall be made on a pro rata basis based on the principal of APCo Joint Bonds and WPCo Joint Bonds that are outstanding at such time; and

(iv) maintain records as to the amounts deposited into the APCo Deposit Accounts, the amounts remitted therefrom and the allocation as provided in subsections (ii) and (iii) of this Section 2(b).

(c) Subject to Section 4, the WPCo Joint Servicer agrees to:

(i) maintain the WPCo Deposit Accounts for the benefit of the APCo Joint Bond Parties and the WPCo Joint Bond Parties as their respective interests may appear;

(ii) allocate and remit funds from the WPCo Deposit Accounts at the times specified in the APCo Joint Bond Indenture, the WPCo Joint Bond Indenture, the APCo Issuer Servicing Agreement and the WPCo Issuer Servicing Agreement to the Joint Collection Account;

(iii) by joint written instruction to the JCA Control Agent with the APCo Joint Servicer (or in the case of conflicting instructions or a failure to agree on joint action, at the direction of the APCo Joint Servicer acting on behalf of the WPCo Joint Servicer), allocate and remit funds from the Joint Collection Account at the times, and in the amounts, specified in the APCo Joint Bond Indenture, the WPCo Joint Bond Indenture, the APCo Issuer Servicing Agreement and the WPCo Issuer Servicing Agreement to (A) the APCo Joint Bond Trustee in the case of funds relating to the APCo Joint Bond Issuer's interest in the Joint Collection Account and (B) the WPCo Joint Bond Trustee in the case of funds relating to WPCo Joint Bond Issuer's interest in the Joint Collection Account; provided that, to the extent the funds in the Joint Collection Account are insufficient to satisfy any payment required to be made therefrom or amounts owed in respect of the APCo Joint Bonds and the WPCo Joint Bonds, any resulting shortfall shall be borne on a pro rata basis between the APCo Issuer and the WPCo Issuer based on the principal of APCo Joint Bonds and WPCo Joint Bonds that are outstanding at such time; and

(iv) maintain records as to the amounts deposited into the WPCo Deposit Accounts, the amounts remitted therefrom and the allocation as provided in subsections (ii) and (iii) of this Section 2(c).

(d) The APCo Initial Bond Trustee, the APCo Initial Bond Issuer, the APCo Joint Bond Trustee, the APCo Joint Bond Issuer, the WPCo Joint Bond Trustee and the WPCo Joint Bond Issuer shall each have the right to require an accounting from time to time of collections, allocations and remittances by the APCo Collection Agent relating to the APCo Deposit Accounts.

(e) The APCo Joint Bond Trustee, the APCo Joint Bond Issuer, the WPCo Joint Bond Trustee and the WPCo Joint Bond Issuer shall each have the right to require an accounting from time to time of collections, allocations and remittances by the WPCo Joint Servicer relating to the WPCo Deposit Accounts.

(f) Each of the parties hereto acknowledges the respective security interests of the others in amounts on deposit in the Deposit Accounts to the extent of their respective interests as described in this Agreement and the other Basic Documents (as defined in the Indentures).

(g) Control over Joint Collection Account.

(i) The parties hereto acknowledge that the Joint Collection Account is subject to (A) a security interest of the APCo Joint Bond Trustee with respect to APCo Issuer Share of Joint CRR Property and the proceeds thereof, (B) a security interest of the WPCo Joint Bond Trustee with respect to the WPCo Issuer Share of Joint CRR Property and the proceeds thereof, and (C) the [Account Control Agreement], dated as of [•] (together with any replacements thereof and any additional control agreement in respect of the Joint Collection Account, the "JCA Control Agreement"), among the JCA Control Agent (as defined below), the JCA Securities Intermediary, the APCo Joint Bond Issuer and the WPCo Joint Bond Issuer.

(ii) The APCo Joint Bond Trustee and the WPCo Joint Bond Trustee hereby appoint USBTC, to act as, and USBTC agrees to act as, control agent (in such capacity, the "JCA Control Agent") to exercise the rights under the JCA Control Agreement to issue instructions to the applicable account banks directing disposition of the available funds in the Joint Collection Account without further consent of APCo or WPCo for the benefit of the APCo Joint Bond Trustee and WPCo Joint Bond Trustee and the corresponding bondholders, as their interests may appear, as provided herein, for the purpose of (A) establishing control over the Joint Collection Account to perfect the respective security interests of APCo Joint Bond Trustee and the WPCo Joint Bond Trustee in the Joint Collection Account and the Joint CRR Charges and proceeds thereof and Joint CRR Property held in the Joint Collection Account and (B) enforcing such security interests in accordance with Section 2(g)(ii) below. References herein to JCA Control Agent are limited to USBTC, acting as control agent under the JCA Control Agreement, and shall not be imputed to USBTC in other capacities.

(iii) The JCA Control Agent in its capacity as such shall take only the following actions:

(A) except when a control notice with respect to the Joint Collection Account is in effect, on or prior to the dates when payments are due with respect to the APCo Joint Bonds or the WPCo Joint Bonds, disburse funds in the Joint Collection Account at the joint written direction of the APCo Collection Agent and the APCo Joint Servicer (or in the case of conflicting instructions or a failure to agree on joint action, at the written direction of the APCo Collection Agent) to the APCo Joint Bond Trustee, the WPCo Joint Bond Trustee or other payee, as applicable, in accordance with the APCo Joint Bond Indenture and the WPCo Joint Bond Indenture;

(B) delivering a control notice to the JCA Securities Intermediary to effect the JCA Control Agent's dominion over the Joint Collection Account upon receipt of a written notice from APCo Joint Bond Trustee or WPCo Joint Bond Trustee to the effect that APCo Joint Servicer or WPCo Joint Servicer, as applicable, is in default under the provisions of the applicable Servicing Agreement or an event of default has occurred under the applicable Indenture;

(C) following delivery of a control notice, delivering written payment instructions to each account bank to remit Joint CRR Charges and proceeds thereof solely in accordance with written reports provided by each Servicer, respectively (which may be provided directly to the account banks if so directed by the JCA Control Agent);

(D) instructing the JCA Securities Intermediary to release funds to APCo Joint Bond Trustee or WPCo Joint Bond Trustee, as applicable, based on a final, non-appealable order from a court of competent jurisdiction; and

(E) instructing the JCA Securities Intermediary to release funds to APCo Joint Bond Trustee or WPCo Joint Bond Trustee as agreed between the Trustees or APCo Joint Servicer and WPCo Joint Servicer on behalf of the Trustees.

The JCA Control Agent shall have no liability to APCo Joint Bond Trustee or WPCo Joint Bond Trustee or any corresponding bondholders for distributions made in accordance with the foregoing.

(iv) The JCA Control Agent shall be entitled to the fees separately agreed in writing for its services hereunder, and its fees, expenses and indemnity amounts shall be allocated between the APCo Joint Bond Issuer and the WPCo Joint Bond Issuer in accordance with the APCo Proportion and WPCo Proportion (each as defined in the applicable Indenture), respectively, except that any such amount solely attributable to one such issuer or its related CRR Bonds, Servicer or Trustee shall be allocated solely to such issuer, in each case subject to the priorities and limitations of the applicable Indenture. APCo and WPCo hereby agree to indemnify and hold harmless the JCA Control Agent and its officer, directors, employees and agents from and against any and all cost, damage, loss, liability, tax or expense (including reasonable attorneys' fees and expenses, the fees of experts and agents and any reasonable extraordinary out-of-pocket expenses) (other than liability arising from the JCA Control Agent's gross negligence or willful misconduct) and all losses, costs, expenses and liabilities (other than those caused

by the JCA Control Agent's gross negligence or willful misconduct) incurred by the JCA Control Agent in acting as JCA Control Agent in accordance with this Section 2(g), including the administration and enforcement of this Agreement and the costs of defending any claim or bringing any claim to enforce the indemnification obligations under this Section 2(g). APCo Joint Bond Trustee and WPCo Joint Bond Trustee hereby waive all liability of the JCA Control Agent (other than liability arising from the JCA Control Agent's gross negligence or willful misconduct) and all claims for losses, costs, expenses and liabilities (other than those caused by the JCA Control Agent's gross negligence or willful misconduct) incurred by APCo Joint Bond Trustee or WPCo Joint Bond Trustee related to the JCA Control Agent acting in accordance with this Section 2(g). This Section 2(g) shall survive the termination of this Agreement and the resignation or removal or the parties hereto.

(v) The JCA Control Agent shall be entitled to advice of counsel, accountants and other experts concerning all matters and duties hereunder, and APCo or WPCo, as applicable, in all cases, shall pay such reasonable compensation to any attorney, agent, receiver, or employee retained or employed by it in connection herewith. The JCA Control Agent may act upon the opinion or advice of any counsel or accountant selected by it in the exercise of reasonable care, which shall be full and complete authorization and protection in respect of any action or inaction based on its good faith reliance upon such opinion or advice.

(vi) The JCA Control Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor any fiduciary relationship with APCo Joint Bond Issuer, WPCo Joint Bond Issuer, APCo Joint Bond Trustee, WPCo Joint Bond Trustee or any bondholder (except to the extent holding Joint CRR Property in trust in accordance with the terms hereof) and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the JCA Control Agent shall be read into this Agreement or otherwise exist for the JCA Control Agent. The right of the JCA Control Agent to perform any discretionary act enumerated in this Agreement shall not be construed as a duty, and the JCA Control Agent shall not be answerable for other than its willful misconduct or gross negligence in the performance of such act. Except for actions which the JCA Control Agent is expressly required to take pursuant to this Agreement for which the JCA Control Agent has received indemnity satisfactory to the JCA Control Agent and, if reasonably required, security from APCo or WPCo, as applicable, against any and all liability and expense which may be incurred in taking or continuing to take such action, the JCA Control Agent shall not be required to take any action which exposes the JCA Control Agent to personal liability, nor shall the JCA Control Agent be required to expend or risk its own funds or otherwise incur any liability (financial or otherwise) in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, without indemnity satisfactory to the JCA Control Agent and, if reasonably required, security from APCo or WPCo, as applicable. In no event shall the JCA Control Agent be required to take any action which is contrary to applicable law or the terms of this Agreement.

(vii) No provision of this Agreement shall be construed to relieve the JCA Control Agent from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that (1) the JCA Control Agent shall not be liable for any error of judgment made in good faith by an officer or employees of the JCA Control Agent, unless it shall be conclusively determined by a court of competent jurisdiction that the JCA Control Agent was grossly negligent in ascertaining the pertinent facts and the JCA Control Agent shall not be liable for any act or omission believed in good faith by it to be within its powers and (2) the JCA Control Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the APCo Joint Bond Trustee or the WPCo Joint Bond Trustee, or exercising any trust or power conferred upon the JCA Control Agent, under this Agreement.

(viii) The JCA Control Agent may conclusively rely upon, and shall be fully protected in acting or refraining from acting based upon, any notice, order, requisition, request, consent, certificate, opinion, affidavit, letter, resolution, written statement, instrument, electronic communication, report, bond, debenture, note, other evidence of indebtedness or other paper or document signed or sent by the proper person or persons, and the JCA Control Agent shall have no duty to investigate, recompile, recalculate or otherwise verify the accuracy of any information provided to it by any party to this Agreement and shall have no liability for any error or inaccuracy in any reports resulting from the use of such information. Without limiting the foregoing, the JCA Control Agent may conclusively rely in good faith, as to the truth of the statements and the correctness of the information stated in any report, certificate or payment instruction provided by APCo or WPCo, and the JCA Control Agent shall have no duty to examine the same or to determine whether or not they conform as to form to the requirements of this Agreement or any duty to inquire as to any matters stated therein.

(ix) The JCA Control Agent shall not be responsible for and makes no representation as to the existence, genuineness, value or protection of any CRR Charges or any CRR Property, for the legality, effectiveness or sufficiency of any security document, or for the creation, perfection, priority, sufficiency or protection of any liens securing any CRR Bonds. The JCA Control Agent shall have no duty (A) to see to any recording, filing, or depositing of any agreement referred to herein or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing or depositing or to any re-recording, refiling or redepositing of any thereof, (B) to see to any insurance or (C) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the CRR Charges or any CRR Property.

(x) The JCA Control Agent shall not be deemed to have knowledge or notice of any fact, matter or event unless the JCA Control Agent has actual knowledge thereof or unless written notice of such fact, matter or event is received by the JCA Control Agent and such notice references the fact, matter or event and this Agreement. The JCA Control Agent shall not be presumed to have knowledge of any default or event of default or any other matter under any Basic Documents (as defined in the APCo Joint Bond Indenture and in WPCo Joint Bond Indenture), unless the JCA Control Agent shall be specifically notified in writing of such default by APCo, WPCo, APCo Joint Bond Trustee or WPCo Joint Bond Trustee, as applicable. The JCA Control Agent shall neither be responsible for,

nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Agreement, whether or not an original or a copy of such agreement has been provided to the JCA Control Agent, and shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than this Agreement.

(xi) In no event shall the JCA Control Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, acts of war or terrorism, civil or military disturbances, epidemics or pandemics, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer systems or services; it being understood that the JCA Control Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances. In no event shall the JCA Control Agent be liable for the failure to perform its duties hereunder if such failure is a direct or proximate result of another party's failure to perform its obligations hereunder.

(xii) To the fullest extent permitted by law and notwithstanding any anything in this Agreement to the contrary, the JCA Control Agent shall not be personally liable for (A) special, indirect, consequential or punitive damages, however styled, including, without limitation, lost profits or (B) the acts or omissions of any account bank.

If, as a result of an error in the calculation or implementation of an "APCo Transfer Amount" or "WPCo Transfer Amount" (each as defined in the APCo Joint Bond Indenture or WPCo Joint Bond Indenture, as applicable), amounts are transferred from the Joint Collection Account to a Payment Account in excess of the amount properly allocable to the applicable Joint Bond Issuer, the Joint Servicers shall have the right to instruct the APCo Joint Bond Trustee or WPCo Joint Bond Trustee, as applicable, to transfer, solely to the extent of amounts then on deposit in the applicable General Subaccount (as defined in the APCo Joint Bond Indenture or WPCo Joint Bond Indenture, as applicable) of such Payment Account, such excess amount from such General Subaccount back to the Joint Collection Account for proper allocation and transfer in accordance with this Agreement and the applicable Servicing Agreement.

SECTION 3. Time or Order of Attachment. The acknowledgments contained in Sections 1 and 2 are applicable irrespective of the time or order of attachment or perfection of security or ownership interests or the time or order of filing or recording of financial statements or mortgages or filings under applicable law.

SECTION 4. Servicing.

(a) Pursuant to Section 2, APCo, in its role as APCo Initial Servicer and APCo Joint Servicer, and WPCo, in its role as WPCo Joint Servicer, shall allocate and remit funds received from their respective retail electric customers for the APCo Initial Bonds, APCo Joint Bonds, and WPCo Joint Bonds respectively, and shall control the movement of such funds out of the Deposit Accounts (such allocation, remittance and deposits hereafter called the "Allocation Services").

(i) In the event that the APCo Initial Bond Trustee, the APCo Joint Bond Trustee or the WPCo Joint Bond Trustee (each, so long as the related CRR Bonds are outstanding, a "Trustee" and each such Trustee collectively, the "Trustees") is directed in writing to and desires to exercise its right, pursuant to the applicable Servicing Agreement and Indenture, to replace APCo as APCo Initial Servicer or as APCo Joint Servicer or to replace WPCo as WPCo Joint Servicer, respectively, in its role as the provider of the corresponding Allocations Services in accordance with the applicable Servicing Agreements, the party directed to exercise such right shall promptly give written notice to the others (the "Servicer Notice") in accordance with the notice provisions of this Agreement and seek written directions from the other relevant parties pursuant to the

applicable Servicing Agreement and Indenture with respect to the person who would replace the Servicer in such capacities. Any successor in such capacities shall be agreed to by all of the Trustees (as directed in writing pursuant to the underlying applicable Servicing Agreement and Indenture) within ten (10) Business Days of the date of the Servicer Notice, and such successor shall be subject to satisfaction of the Rating Agency Condition (as defined below) and the provisions of the applicable Servicing Agreements. "Business Day" means any day other than a Saturday, Sunday, or any holiday for national banks or any New York banking corporation in Charleston, West Virginia, Columbus, Ohio, Chicago, Illinois, or New York, New York. The person named as replacement APCo Initial Servicer and APCo Joint Servicer in accordance with this Section 4 is referred to herein as the "APCo Replacement Servicer." The person named as replacement WPCo Joint Servicer in accordance with this Section 4 is referred to herein as the "WPCo Replacement Servicer", and the APCo Replacement Servicer and the WPCo Replacement Servicer are collectively known as the "Replacement Servicers" and each a "Replacement Servicer". In the event that the Trustees are not directed to agree on a Replacement Servicer, any Trustee may petition a court of competent jurisdiction for the appointment of such Replacement Servicer.

(ii) In the event that any Trustee is entitled to or is directed to exercise its right, pursuant to the applicable Servicing Agreement and Indenture, to redirect collections relating to the APCo Initial CRR Property, the APCo Issuer Share of Joint CRR Property or the WPCo Issuer Share of Joint CRR Property (as the case may be), any redirection of funds shall be either to (A) the applicable Replacement Servicer or (B) if there is no Replacement Servicer, to the Designated Account with the Designated Account Holder chosen in accordance with the provisions set forth below, on or before the tenth Business Day occurring from and after the date of the Servicer Notice. The "Designated Account" shall be an "Eligible Account" (as defined in the Indentures) and shall be held for the benefit of the Trustees as their respective interests may appear. The "Designated Account Holder" shall be a financial institution for which all of the Trustees are directed to designate, subject to satisfaction of the Rating Agency Condition, to hold and allocate amounts in the Designated Account for the benefit of the Trustees as their respective interests may appear as provided in subsection (b) of this Section 4. In the event that the Trustees are not directed to agree upon a Designated Account Holder on or before the tenth Business Day occurring from and after the date of the Servicer Notice, the holders of a majority (by amount) of the aggregate CRR Bonds outstanding shall direct the applicable Trustee to appoint such Designated Account Holder selected by such majority holders, subject to the satisfaction of the Rating Agency Condition. None of the Trustees shall have any liability for selection of the Designated Account Holder. The parties hereto agree that the Designated Account Holder for the Trustees shall be the same entity.

(b) Upon exercise by any Trustee of its rights to redirect collections relating to the APCo Initial CRR Property, the APCo Issuer Share of Joint CRR Property or the WPCo Issuer Share of Joint CRR Property, respectively, and in the absence of a Replacement Servicer, the parties agree that all collections relating to the APCo Initial CRR Property, the APCo Issuer Share of Joint CRR Property and the WPCo Issuer Share of Joint CRR Property shall be deposited into the Designated Account and that the Designated Account Holder shall be instructed jointly by APCo and WPCo (or in the absence of joint instructions, by APCo) to (i) allocate and remit funds from such Designated Account, in

amounts calculated by APCo and WPCo, as applicable, with such calculations provided to the Designated Account Holder on a daily basis to the persons entitled thereto, being the APCo Initial Bond Trustee in the case of all collections relating to the APCo Initial CRR Property, the APCo Joint Bond Trustee in the case of all collections relating to the APCo Issuer Share of Joint CRR Property, and the WPCo Joint Bond Trustee in the case of all collections relating to the WPCo Issuer Share of Joint CRR Property (in each instance, other than in the case of late payment penalties, which shall be allocated and remitted as described in Section 2(b) and Section 2(c)); and (ii) maintain records as to the amounts deposited into such account, the amounts remitted therefrom and the allocation as provided in clause (i). The fees and expenses of the Designated Account Holder shall be payable from amounts deposited into the Designated Account on a pro rata basis as between collections relating to the APCo Initial CRR Property, the APCo Issuer Share of Joint CRR Property and the WPCo Issuer Share of Joint CRR Property; provided, that that portion of those fees and expenses allocable to collections relating to the APCo Initial CRR Property, the APCo Issuer Share of Joint CRR Property and the WPCo Issuer Share of Joint CRR Property shall be payable by the APCo Initial Servicer, the APCo Joint Servicer and the WPCo Joint Servicer, respectively, from the servicer fees provided for in the APCo Initial Servicing Agreement, the APCo Issuer Servicing Agreement and the WPCo Issuer Servicing Agreement, respectively. The APCo Initial Bond Trustee, the APCo Initial Bond Issuer, the APCo Joint Bond Trustee, the APCo Joint Bond Issuer, the WPCo Joint Bond Trustee and the WPCo Joint Bond Issuer shall each have the right to require an accounting from time to time of collections, allocations and remittances by the Designated Account Holder.

(c) Anything in this Agreement to the contrary notwithstanding, any action taken by any of the Trustees to appoint a Replacement Servicer or designate the Designated Account pursuant to this Section 4 shall be subject to the Rating Agency Condition and the consent, if required by law or any Financing Order (as defined in the Indentures), of the Public Service Commission of West Virginia (the "Commission"). For the purposes of this Agreement, the "Rating Agency Condition" means, with respect to any such action, satisfaction of the "Rating Agency Condition" as such term is defined in each Indenture under which any CRR Bonds remain outstanding at the time of such action. The parties hereto acknowledge and agree that the approval or the consent of the rating agencies which is required in order to satisfy the Rating Agency Condition is not subject to any standard of commercial reasonableness, and the parties are bound to satisfy this condition whether or not the rating agencies are unreasonable or arbitrary.

SECTION 5. Sharing of Information. The parties hereto agree to cooperate with each other and make available to each other or any Replacement Servicer any and all records and other data relevant to the APCo Initial CRR Property, the APCo Issuer Share of Joint CRR Property and the WPCo Issuer Share of Joint CRR Property which it may have in its possession or may from time to time receive from the Servicers or any predecessor APCo Initial Servicer, the APCo Joint Servicer or the WPCo Joint Servicer or any successor thereto, including, without limitation, any and all computer programs, data files, documents, instruments, files and records and any receptacles and cabinets containing the same. The Servicers hereby consent to the release of information regarding the Servicers pursuant to this Section 5.

SECTION 6. No Joint Venture. Nothing herein contained shall be deemed as effecting a joint venture among any of the APCo Initial Bond Parties, APCo Joint Bond Parties or WPCo Joint Bond Parties.

SECTION 7. Method of Adjustment and Allocation.

(a) Each of the parties hereto acknowledges that subject to the requirements of Section 2 that:

(i) the APCo Initial Servicer will adjust, calculate and allocate payments of APCo Initial CRR Charges in accordance with Section 4.01 of the APCo Initial Servicing Agreement and Section 6 of Annex 1 of the APCo Initial Servicing Agreement; and

(ii) the APCo Joint Servicer and the WPCo Joint Servicer will jointly (or in the absence of joint action, the APCo Joint Servicer will) adjust, calculate and allocate payments of APCo Issuer Share of Joint CRR Charges in accordance with Section 4.01 of the APCo Issuer Servicing Agreement and Section 6 of Annex 1 of the APCo Issuer Servicing Agreement, subject to the adjustments in clauses (iv) and (v) below;

(iii) the APCo Joint Servicer and the WPCo Joint Servicer will jointly (or in the absence of joint action, the APCo Joint Servicer will) adjust, calculate and allocate payments of WPCo Issuer Share of Joint CRR Charges in accordance with Section 4.01 of the WPCo Issuer Servicing Agreement and Section 6 of Annex 1 of the WPCo Issuer Servicing Agreement, subject to the adjustments in clauses (iv) and (v) below;

(iv) notwithstanding Section 4.01 of the APCo Issuer Servicing Agreement or Section 4.01 of the WPCo Issuer Servicing Agreement, the APCo Joint Servicer and the WPCo Joint Servicer shall determine the Joint CRR Charges in connection with a "True-Up Adjustment" (as defined in the applicable Indenture) as follows:

A. the APCo Joint Servicer shall:

(1) calculate the APCo Issuer Share of Joint CRR Charges in accordance with the applicable clause of Section 4.01 of the APCo Issuer Servicing Agreement using the "Periodic Billing Requirement" and the "Periodic Payment Requirements" under, and each as defined in, the APCo Joint Bond Indenture without taking into effect the adjustment in clause (C) below; and

(2) allocate such APCo Issuer Share of Joint CRR Charges among the "CRR Rate Classes" specified in the APCo Issuer Servicing Agreement in order to determine a rate (expressed as a percent) for the allocated APCo Issuer Share of Joint CRR Charges such CRR Rate Class (for each CRR Rate Class, the "APCo Bonds Standalone CRR Charge Rate");

B. the WPCo Joint Servicer shall:

(1) calculate the WPCo Issuer Share of Joint CRR Charges in accordance with the applicable clause of Section 4.01 of the WPCo Issuer Servicing Agreement using the "Periodic Billing Requirement" and the "Periodic Payment Requirements" under, and each as defined in, the WPCo Joint Bond Indenture without taking into effect the adjustment in clause (C) below; and

(2) allocate such WPCo Issuer Share of Joint CRR Charges among the "CRR Rate Classes" specified in the WPCo Issuer Servicing Agreement in order to determine a rate (expressed as a percent) for the allocated WPCo Issuer Share of Joint CRR Charges such CRR Rate Class (for each CRR Rate Class, the "WPCo Bonds Standalone CRR Charge Rate");

C. the APCo Joint Servicer and the WPCo Joint Servicer shall jointly (or, in the absence of joint action, the APCo Joint Servicer shall):

(1) for each CRR Rate Class, calculate a "Joint CRR Charge Rate" equal to the sum of the APCo Bonds Standalone CRR Charge Rate and the WPCo Bonds Standalone CRR Charge Rate for such CRR Rate Class;

(2) file the Joint CRR Charge Rate for each CRR Rate Class with the Commission not less than 15 days prior to the first day of the month in which the revised Joint CRR Charge Rates will become effective;

(3) make all required public notices and other filings with the Commission to reflect the revised Joint CRR Charge Rates, including any "Amendatory Schedule" (as defined in the applicable Indenture), including the public notice through publication of a Class I legal advertisement in Kanawha County required under Section 24-2-4h(k)(2) of the Securitization Law, and otherwise take all other actions required by the Servicers in connection with a True-Up Adjustment under each of the APCo Issuer Servicing Agreement and WPCo Issuer Servicing Agreement; and

(4) following the calculation and filing of the revised Joint CRR Charge Rates, calculate the resulting revised Joint CRR Charges by applying the applicable Joint CRR Charge Rate for each CRR Rate Class to the applicable energy (kWh) and/or demand (kW) billing units, as applicable, in accordance with the CRR Rate Schedule; and

(v) upon the effectiveness of the revised Joint CRR Charge Rates, such resulting revised Joint CRR Charges calculated in clause (iv)(C)(4) thereafter, (A) as applied to APCo's and WPCo's retail electric customers pursuant to the APCo Issuer Servicing Agreement, shall constitute the APCo Issuer Share of Joint CRR Charges and (B) as applied to APCo's and WPCo's retail electric customers pursuant to the WPCo Issuer Servicing Agreement, shall constitute the WPCo Issuer Share of Joint CRR Charges.

(b) Each of the parties hereto hereby acknowledges that:

(i) none of the APCo Initial Secured Parties shall be deemed or required under this Agreement to have any knowledge of or responsibility for the terms of the APCo Issuer Servicing Agreement or Annex 1 thereto, or the WPCo Issuer Servicing Agreement or Annex 1 thereto, or any adjustment, calculation and allocation thereunder,

(ii) none of the APCo Joint Bond Secured Parties shall be deemed or required under this Agreement to have any knowledge of or responsibility for the terms of the APCo Initial Servicing Agreement or Annex 1 thereto, or the WPCo Issuer Servicing Agreement or Annex 1 thereto, or any adjustment, calculation and allocation thereunder, and

(iii) none of the WPCo Joint Bond Secured Parties shall be deemed or required under this Agreement to have any knowledge of or responsibility for the terms of the APCo Initial Servicing Agreement and Annex 1 thereto, or the APCo Issuer Servicing Agreement and Annex 1 thereto, or any adjustment, calculation and allocation thereunder.

(c) Accordingly:

(i) each of the APCo Initial Secured Parties may, solely for the purpose of this Agreement, conclusively rely on the accuracy of the calculations of (A) the APCo Joint Servicer in making adjustments, calculations and allocations under the APCo Issuer Servicing Agreement and Annex I thereto and under the WPCo Issuer Servicing Agreement and Annex I thereto and (B) the WPCo Joint Servicer in making adjustments, calculations and allocations under the APCo Issuer Servicing Agreement and Annex I thereto and under the WPCo Issuer Servicing Agreement and Annex I thereto;

(ii) each of the APCo Joint Bond Secured Parties may, solely for the purpose of this Agreement, conclusively rely on the accuracy of the calculations of (A) the APCo Initial Servicer in making adjustments, calculations and allocations under the APCo Initial Servicing Agreement and Annex I thereto and (B) the WPCo Joint Servicer making adjustments, calculations and allocations under the APCo Issuer Servicing Agreement and Annex I thereto and under the WPCo Issuer Servicing Agreement and Annex I thereto; and

(iii) each of the WPCo Joint Bond Secured Parties may, solely for the purpose of this Agreement, conclusively rely on the accuracy of the calculations of (A) the APCo Initial Servicer in making adjustments, calculations and allocations under the APCo Initial Servicing Agreement and Annex I thereto and (B) the APCo Joint Servicer in making adjustments, calculations and allocations under the APCo Issuer Servicing Agreement and Annex I thereto and under the WPCo Issuer Servicing Agreement and Annex I thereto.

(d) None of the foregoing acknowledgements shall relieve APCo or WPCo of any of their respective obligations to make payments in accordance with the terms of the APCo Initial Sale Agreement, the APCo Joint Bond Sale Agreement or the WPCo Joint Bond Sale Agreement, nor shall it relieve the APCo Initial Servicer, the APCo Joint Servicer or the WPCo Joint Servicer of their obligations under the APCo Initial Servicing Agreement, the APCo Issuer Servicing Agreement or the WPCo Issuer Servicing Agreement, respectively.

SECTION 8. Termination. This Agreement shall terminate at such time as there is only one outstanding issue of CRR Bonds, except that the understandings and acknowledgements contained in Sections 1, 2 and 3 shall survive the termination of this Agreement. Upon the payment in full of the APCo Initial Bonds this Agreement shall terminate as to the APCo Initial Bond Parties but the parties hereto agree that the provisions hereof shall remain enforceable as among the APCo Joint Bond Parties and the WPCo Joint Bond Parties. Upon the termination, retirement, payment in full or similar disposition of any issuance of CRR Bonds, the applicable Servicer with respect to such CRR Bonds shall promptly give written notice to the other parties hereto in accordance with the notice provisions of this Agreement.

SECTION 9. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WEST VIRGINIA, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 10. Further Assurances. Each of the parties hereto agrees to execute any and all agreements, instruments, financing statements, releases and any and all other documents reasonably requested by any of the other parties hereto in order to effectuate the intent of this Agreement. In each case where a release is to be given pursuant to this Agreement, the term release shall include any documents or instruments necessary to effect a release, as contemplated by this Agreement. All releases, subordinations and other instruments submitted to the executing party are to be prepared at no expense to such party. Notwithstanding anything herein to the contrary, none of the APCo Initial Bond Trustee, the APCo Joint Bond Trustee nor the WPCo Joint Bond Trustee shall be required to execute any such agreements, instruments, releases or other documents unless directed to do so by an "Issuer Order," as such term is defined in the applicable Indenture.

SECTION 11. Limitation on Rights of Others. This Agreement is solely for the benefit of the APCo Initial Bond Issuer, the APCo Initial Bond Trustee for the benefit of itself and the other secured parties under the APCo Initial Indenture, the APCo Joint Bond Issuer, the APCo Joint Bond Trustee for the benefit of itself and the other secured parties under the APCo Joint Bond Indenture, the WPCo Joint Bond Issuer, the WPCo Joint Bond Trustee for the benefit of itself and the other secured parties under the WPCo Joint Bond Indenture, the holders of the CRR Bonds, APCo, WPCo and no other person or entity shall have any rights, benefits, priority or interest under or because of the existence of this Agreement.

SECTION 12. Amendments. In the event that APCo or WPCo hereafter causes "consumer rate relief property" (as defined in either Securitization Law) to be created under any financing order and acts as servicer for the consumer rate relief bonds issued pursuant to such financing order, the parties hereto agree that this Agreement may be amended and restated (i) to add as parties hereto the relevant issuer of such consumer rate relief bonds, the indenture trustee therefor, and the servicer of such consumer rate relief property and (ii) to reflect the rights and obligations of such parties with respect to such consumer rate relief property on terms substantially similar to the rights and obligations of the issuers, trustees and servicers currently party hereto; provided that no such amendment shall be effective unless (x) evidenced by written instrument signed by the parties hereto and such additional parties and (y) the Rating Agency Condition shall have been satisfied with respect thereto and provided, further, that no party hereto shall be required to execute any such amended agreement on terms which are materially more disadvantageous to it or the Holders (as defined in the respective Indenture) than those contained herein. None of the APCo Initial Bond Trustee, the APCo Joint Bond Trustee nor the WPCo Joint Bond Trustee shall be required to execute any such amendment unless directed to do so by an "Issuer Order," as such term is defined in the applicable Indenture.

SECTION 13. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any person or any circumstance, is invalid or unenforceable, (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision to other persons, or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

SECTION 14. Counterparts; Electronic Signature. This Agreement 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. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement may be electronically signed, and any digital or electronic signatures (including pdf, facsimile or electronically imaged signatures provided by DocuSign or any other digital signature provider as specified in writing to the Trustees and the JCA Securities Intermediary) appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Agreement may be made by facsimile, email or other electronic transmission.

SECTION 15. Nonpetition Covenant. Notwithstanding any prior termination of this Agreement or any of the Indentures, each of the parties covenants that it shall not, prior to the date which is one year and one day after payment in full of the last of the CRR Bonds, acquiesce, petition or otherwise invoke or cause any of the APCo Initial Bond Issuer, the APCo Joint Bond Issuer or the WPCo Joint Bond Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the APCo Initial Bond Issuer, the APCo Joint Bond Issuer or the WPCo Joint Bond Issuer under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the APCo Initial Bond Issuer, the APCo Joint Bond Issuer or the WPCo Joint Bond Issuer, or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the APCo Initial Bond Issuer, the APCo Joint Bond Issuer or the WPCo Joint Bond Issuer.

SECTION 16. Trustees. USBTC, as APCo Initial Bond Trustee, in acting hereunder, is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the APCo Initial Indenture. USBTC, as APCo Joint Bond Trustee, in acting hereunder, is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the APCo Joint Bond Indenture. USBTC, as WPCo Joint Bond Trustee, in acting hereunder, is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the WPCo Joint Bond Indenture.

SECTION 17. Notices, Etc. Any notice provided or permitted by this Agreement to be made upon, given or furnished to or filed with any party hereto shall be shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing by email transmission, first-class mail or overnight delivery service to the applicable party at its address set forth on Exhibit A hereto or, as to any party, at such other address as shall be designated by such party by written notice to the other parties hereto.

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

APPALACHIAN POWER COMPANY,
as APCo, APCo Initial Servicer, APCo Joint Servicer and as APCo Collection Agent

By: _____
Name:
Title:

WHEELING POWER COMPANY,
as WPCo and WPCo Joint Servicer

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as APCo Initial Bond Trustee, APCo Joint Bond Trustee and WPCo Joint Bond Trustee

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as JCA Securities Intermediary

By: _____
Name:
Title:

APPALACHIAN CONSUMER RATE RELIEF FUNDING LLC, as APCo Initial Bond Issuer

By: _____
Name:
Title:

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC, as APCo Joint Bond Issuer

By: _____
Name:
Title:

WHEELING CONSUMER RATE RELIEF FUNDING LLC, as WPCo Joint Bond Issuer

By: _____
Name:
Title:

EXHIBIT A

NOTICE ADDRESSES

Appalachian Power Company
1 Riverside Plaza
Columbus, Ohio 43215
Attention: Treasurer
Telephone: (614) 716-1000
Email: Treasury_Operations_AEP@aep.com

Appalachian Consumer Rate Relief Funding LLC
200 Association Drive, 02
Charleston, West Virginia 25311
Attention: Managers
Telephone: (614) 716-1522
Email: Treasury_Operations_AEP@aep.com

Appalachian Consumer Rate Relief Funding II LLC
200 Association Drive, 02
Charleston, West Virginia 25311
Attention: Managers
Telephone: (614) 716-1000
Email: Treasury_Operations_AEP@aep.com

Wheeling Power Company
1 Riverside Plaza
Columbus, Ohio 43215
Attention: Treasurer
Telephone: (614) 716-1000
Email: Treasury_Operations_AEP@aep.com

Wheeling Consumer Rate Relief Funding LLC
201 Jacob Street
Wheeling, West Virginia 26003
Attention: Managers
Telephone: (614) 716-1523
Email: Treasury_Operations_AEP@aep.com

U.S. Bank Trust Company, National Association
190 South LaSalle Street, 7th Floor, MK-IL-SL7R
Chicago, Illinois 60603
Attention: Corporate Trust Services
Telephone: (312) 332-7454, (312) 332-7531
Email: jacqueline.reyes@usbank.com, mayann.turbak@usbank.com

Exhibit 25.1

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

☐ **Check if an Application to Determine Eligibility of a Trustee Pursuant to Section 305(b)(2)**

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
(Exact name of Trustee as specified in its charter)

91-1821036
I.R.S. Employer Identification No.

200 South 6th Street
Minneapolis, Minnesota **55402**
(Address of principal executive offices) **(Zip Code)**

Matthew M. Smith
U.S. Bank Trust Company, National Association
190 South LaSalle Street, 7th Floor
Chicago, IL 60603
(312) 332-7462
(Name, address and telephone number of agent for service)

APPALACHIAN CONSUMER RATE RELIEF FUNDING II LLC
(Issuer with respect to the Securities)

Delaware **39-4027284**
(State or other jurisdiction of incorporation or organization) **(I.R.S. Employer Identification No.)**

200 Association Drive, 02
Charleston, WV **25311**
(Address of Principal Executive Offices) **(Zip Code)**

Senior Secured CRR Bonds
(Title of the Indenture Securities)

FORM T-1

Item 1. **GENERAL INFORMATION.** Furnish the following information as to the Trustee.

a) *Name and address of each examining or supervising authority to which it is subject.*
Comptroller of the Currency
Washington, D.C.

b) *Whether it is authorized to exercise corporate trust powers.*
Yes

Item 2. **AFFILIATIONS WITH THE OBLIGOR.** *If the obligor is an affiliate of the Trustee, describe each such affiliation.*
None

Items 3-15 *Items 3-15 are not applicable because to the best of the Trustee's knowledge, the obligor is not in default under any Indenture for which the Trustee acts as Trustee.*

Item 16. **LIST OF EXHIBITS:** *List below all exhibits filed as a part of this statement of eligibility and qualification.*

1. A copy of the Articles of Association of the Trustee, attached as Exhibit 1.
2. A copy of the certificate of authority of the Trustee to commence business, attached as Exhibit 2.
3. A copy of the authorization of the Trustee to exercise corporate trust powers, included as Exhibit 2.
4. A copy of the existing bylaws of the Trustee, attached as Exhibit 4.
5. A copy of each Indenture referred to in Item 4. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, attached as Exhibit 6.
7. Report of Condition of the Trustee as of June 30, 2026, published pursuant to law or the requirements of its supervising or examining authority, attached as Exhibit 7.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago, State of Illinois on the 21st of September 2026.

By: /s/ Matthew M. Smith
Matthew M. Smith
Vice President

Exhibit 1

ARTICLES OF ASSOCIATION
OF
U. S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

For the purpose of organizing an association (the "Association") to perform any lawful activities of national banks, the undersigned enter into the following Articles of Association:

FIRST. The title of this Association shall be U. S. Bank Trust Company, National Association.

SECOND. The main office of the Association shall be in the city of Portland, county of Multnomah, state of Oregon. The business of the Association will be limited to fiduciary powers and the support of activities incidental to the exercise of those powers. The Association may not expand or alter its business beyond that stated in this article without the prior approval of the Comptroller of the Currency.

THIRD. The board of directors of the Association shall consist of not less than five nor more than twenty-five persons, the exact number to be fixed and determined from time to time by resolution of a majority of the full board of directors or by resolution of a majority of the shareholders at any annual or special meeting thereof. Each director shall own common or preferred stock of the Association or of a holding company owning the Association, with an aggregate par, fair market, or equity value of not less than $1,000, as of either (i) the date of purchase, (ii) the date the person became a director, or (iii) the date of that person's most recent election to the board of directors, whichever is more recent. Any combination of common or preferred stock of the Association or holding company may be used.

Any vacancy in the board of directors may be filled by action of a majority of the remaining directors between meetings of shareholders. The board of directors may increase the number of directors up to the maximum permitted by law. Terms of directors, including directors selected to fill vacancies, shall expire at the next regular meeting of shareholders at which directors are elected, unless the directors resign or are removed from office. Despite the expiration of a director's term, the director shall continue to serve until his or her successor is elected and qualified or until there is a decrease in the number of directors and his or her position is eliminated.

Honorary or advisory members of the board of directors, without voting power or power of final decision in matters concerning the business of the Association, may be appointed by resolution of a majority of the full board of directors, or by resolution of shareholders at any annual or special meeting. Honorary or advisory directors shall not be counted to determined the number of directors of the Association or the presence of a quorum in connection with any board action, and shall not be required to own qualifying shares.

FOURTH. There shall be an annual meeting of the shareholders to elect directors and transact whatever other business may be brought before the meeting. It shall be held at the main office or any other convenient place the board of directors may designate, on the day of each year specified therefor in the Bylaws, or if that day falls on a legal holiday in the state in which the Association is located, on the next following banking day. If no election is held on the day fixed or in the event of a legal holiday on the following banking day, an election may be held on any subsequent day within 60 days of the day fixed, to be designated by the board of directors, or, if the directors fail to fix the day, by shareholders representing two-thirds of the shares issued and outstanding. In all cases, at least 10 days' advance notice of the meeting shall be given to the shareholders by first-class mail.

In all elections of directors, the number of votes each common shareholder may cast will be determined by multiplying the number of shares he or she owns by the number of directors to be elected. Those votes may be cumulated and cast for a single candidate or may be distributed among two or more candidates in the manner selected by the shareholder. On all other questions, each common shareholder shall be entitled to one vote for each share of stock held by him or her.

A director may resign at any time by delivering written notice to the board of directors, its chairperson, or to the Association, which resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

A director may be removed by the shareholders at a meeting called to remove him or her, when notice of the meeting stating that the purpose or one of the purposes is to remove him or her is provided, if there is a failure to fulfill one of the affirmative requirements for qualification, or for cause; provided, however, that a director may not be removed if the number of votes sufficient to elect him or her under cumulative voting is voted against his or her removal.

FIFTH. The authorized amount of capital stock of the Association shall be 1,000,000 shares of common stock of the par value of ten dollars ($10) each; but said capital stock may be increased or decreased from time to time, according to the provisions of the laws of the United States. The Association shall have only one class of capital stock.

No holder of shares of the capital stock of any class of the Association shall have any preemptive or preferential right of subscription to any shares of any class of stock of the Association, whether now or hereafter authorized, or to any obligations convertible into stock of the Association, issued, or sold, nor any right of subscription to any thereof other than such, if any, as the board of directors, in its discretion, may from time to time determine and at such price as the board of directors may from time to time fix.

Transfers of the Association's stock are subject to the prior written approval of a federal depository institution regulatory agency. If no other agency approval is required, the approval of the Comptroller of the Currency must be obtained prior to any such transfers.

Unless otherwise specified in the Articles of Association or required by law, (1) all matters requiring shareholder action, including amendments to the Articles of Association must be approved by shareholders owning a majority voting interest in the outstanding voting stock, and (2) each shareholder shall be entitled to one vote per share.

Unless otherwise specified in the Articles of Association or required by law, all shares of voting stock shall be voted together as a class, on any matters requiring shareholder approval.

Unless otherwise provided in the Bylaws, the record date for determining shareholders entitled to notice of and to vote at any meeting is the close of business on the day before the first notice is mailed or otherwise sent to the shareholders, provided that in no event may a record date be more than 70 days before the meeting.

The Association, at any time and from time to time, may authorize and issue debt obligations, whether subordinated, without the approval of the shareholders. Obligations classified as debt, whether subordinated, which may be issued by the Association without the approval of shareholders, do not carry voting rights on any issue, including an increase or decrease in the aggregate number of the securities, or the exchange or reclassification of all or part of securities into securities of another class or series.

SIXTH. The board of directors shall appoint one of its members president of this Association and one of its members chairperson of the board and shall have the power to appoint one or more vice presidents, a secretary who shall keep minutes of the directors' and shareholders' meetings and be responsible for authenticating the records of the Association, and such other officers and employees as may be required to transact the business of this Association. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the board of directors in accordance with the Bylaws.

The board of directors shall have the power to:

(1) Define the duties of the officers, employees, and agents of the Association.

(2) Delegate the performance of its duties, but not the responsibility for its duties, to the officers, employees, and agents of the Association.

(3) Fix the compensation and enter employment contracts with its officers and employees upon reasonable terms and conditions consistent with applicable law.

(4) Dismiss officers and employees.

(5) Require bonds from officers and employees and to fix the penalty thereof.

(6) Ratify written policies authorized by the Association's management or committees of the board.

(7) Regulate the manner any increase or decrease of the capital of the Association shall be made; provided that nothing herein shall restrict the power of shareholders to increase or decrease the capital of the Association in accordance with law, and nothing shall raise or lower from two-thirds the percentage required for shareholder approval to increase or reduce the capital.

(8) Manage and administer the business and affairs of the Association.

(9) Adopt initial Bylaws, not inconsistent with law or the Articles of Association, for managing the business and regulating the affairs of the Association.

(10) Amend or repeal Bylaws, except to the extent that the Articles of Association reserve this power in whole or in part to the shareholders.

(11) Make contracts.

(12) Generally perform all acts that are legal for a board of directors to perform.

SEVENTH. The board of directors shall have the power to change the location of the main office to any authorized branch within the limits of the city of Portland, Oregon, without the approval of the shareholders, or with a vote of shareholders owning two-thirds of the stock of the Association for a location outside such limits and upon receipt of a certificate of approval from the Comptroller of the Currency, to any other location within or outside the limits of the city of Portland, Oregon, but not more than thirty miles beyond such limits. The board of directors shall have the power to establish or change the location of any office or offices of the Association to any other location permitted under applicable law, without approval of shareholders, subject to approval by the Comptroller of the Currency.

EIGHTH. The corporate existence of this Association shall continue until termination according to the laws of the United States.

NINTH. The board of directors of the Association, or any shareholder owning, in the aggregate, not less than 25 percent of the stock of the Association, may call a special meeting of shareholders at any time. Unless otherwise provided by the Bylaws or the laws of the United States, or waived by shareholders, a notice of the time, place, and purpose of every annual and special meeting of the shareholders shall be given by first-class mail, postage prepaid, mailed at least 10, and no more than 60, days prior to the date of the meeting to each shareholder of record at his/her address as shown upon the books of the Association. Unless otherwise provided by the Bylaws, any action requiring approval of shareholders must be effected at a duly called annual or special meeting.

TENTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of the Association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount; provided, that the scope of the Association's activities and services may not be expanded without the prior written approval of the Comptroller of the Currency. The Association's board of directors may propose one or more amendments to the Articles of Association for submission to the shareholders.

In witness whereof, we have hereunto set our hands this 11th of June, 1997.

/s/ Jeffrey T. Grubb
Jeffrey T. Grubb

/s/ Robert D. Sznewajs
Robert D. Sznewajs

/s/ Dwight V. Board
Dwight V. Board

/s/ P. K. Chatterjee
P. K. Chatterjee

/s/ Robert Lane
Robert Lane

Exhibit 2

Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATE OF CORPORATE EXISTENCE AND FIDUCIARY POWERS

I, Jonathan Gould, Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank Trust Company National Association," Portland, Oregon (Charter No. 23412), is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking and exercise fiduciary powers on the date of this certificate.

IN TESTIMONY WHEREOF, today, June 5, 2026, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the U.S. Department of the Treasury, in the City of Washington, District of Columbia.

Comptroller of the Currency

CURRENCY BUREAU SEAL OF THE Comptroller OF THE CURRENCY TREASURY DEPARTMENT

2026-01213-C

Exhibit 4

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

AMENDED AND RESTATED BYLAWS

ARTICLE I
Meetings of Shareholders

Section 1.1. Annual Meeting. The annual meeting of the shareholders, for the election of directors and the transaction of any other proper business, shall be held at a time and place as the Chairman or President may designate. Notice of such meeting shall be given not less than ten (10) days or more than sixty (60) days prior to the date thereof, to each shareholder of the Association, unless the Office of the Comptroller of the Currency (the "OCC") determines that an emergency circumstance exists. In accordance with applicable law, the sole shareholder of the Association is permitted to waive notice of the meeting. If, for any reason, an election of directors is not made on the designated day, the election shall be held on some subsequent day, as soon thereafter as practicable, with prior notice thereof. Failure to hold an annual meeting as required by these Bylaws shall not affect the validity of any corporate action or work a forfeiture or dissolution of the Association.

Section 1.2. Special Meetings. Except as otherwise specially provided by law, special meetings of the shareholders may be called for any purpose, at any time by a majority of the board of directors (the "Board"), or by any shareholder or group of shareholders owning at least ten percent of the outstanding stock.

Every such special meeting, unless otherwise provided by law, shall be called upon not less than ten (10) days nor more than sixty (60) days prior notice stating the purpose of the meeting.

Section 1.3. Nominations for Directors. Nominations for election to the Board may be made by the Board or by any shareholder.

Section 1.4. Proxies. Shareholders may vote at any meeting of the shareholders by proxies duly authorized in writing. Proxies shall be valid only for one meeting and any adjournments of such meeting and shall be filed with the records of the meeting.

Section 1.5. Record Date. The record date for determining shareholders entitled to notice and to vote at any meeting will be thirty days before the date of such meeting, unless otherwise determined by the Board.

Section 1.6. Quorum and Voting. A majority of the outstanding capital stock, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law, but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held as adjourned without further notice. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association.

Section 1.7. Inspectors. The Board may, and in the event of its failure so to do, the Chairman of the Board may appoint Inspectors of Election who shall determine the presence of quorum, the validity of proxies, and the results of all elections and all other matters voted upon by shareholders at all annual and special meetings of shareholders.

Section 1.8. Waiver and Consent. The shareholders may act without notice or a meeting by a unanimous written consent by all shareholders.

Section 1.9. Remote Meetings. The Board shall have the right to determine that a shareholder meeting not be held at a place, but instead be held solely by means of remote communication in the manner and to the extent permitted by the General Corporation Law of the State of Delaware.

ARTICLE II
Directors

Section 2.1. Board of Directors. The Board shall have the power to manage and administer the business and affairs of the Association. Except as expressly limited by law, all corporate powers of the Association shall be vested in and may be exercised by the Board.

Section 2.2. Term of Office. The directors of this Association shall hold office for one year and until their successors are duly elected and qualified, or until their earlier resignation or removal.

Section 2.3. Powers. In addition to the foregoing, the Board shall have and may exercise all of the powers granted to or conferred upon it by the Articles of Association, the Bylaws and by law.

Section 2.4. Number. As provided in the Articles of Association, the Board of this Association shall consist of no less than five nor more than twenty-five members, unless the OCC has exempted the Association from the twenty-five-member limit. The Board shall consist of a number of members to be fixed and determined from time to time by resolution of the Board or the shareholders at any meeting thereof, in accordance with the Articles of Association. Between meetings of the shareholders held for the purpose of electing directors, the Board

by a majority vote of the full Board may increase the size of the Board but not to more than a total of twenty-five directors, and fill any vacancy so created in the Board; provided that the Board may increase the number of directors only by up to two directors, when the number of directors last elected by shareholders was fifteen or fewer, and by up to four directors, when the number of directors last elected by shareholders was sixteen or more. Each director shall own a qualifying equity interest in the Association or a company that has control of the Association in each case as required by applicable law. Each director shall own such qualifying equity interest in his or her own right and meet any minimum threshold ownership required by applicable law.

Section 2.5. Organization Meeting. The newly elected Board shall meet for the purpose of organizing the new Board and electing and appointing such officers of the Association as may be appropriate. Such meeting shall be held on the day of the election or as soon thereafter as practicable, and, in any event, within thirty days thereafter, at such time and place as the Chairman or President may designate. If, at the time fixed for such meeting, there shall not be a quorum present, the directors present may adjourn the meeting until a quorum is obtained.

Section 2.6. Regular Meetings. The regular meetings of the Board shall be held, without notice, as the Chairman or President may designate and deem suitable.

Section 2.7. Special Meetings. Special meetings of the Board may be called at any time, at any place and for any purpose by the Chairman of the Board or the President of the Association, or upon the request of a majority of the entire Board. Notice of every special meeting of the Board shall be given to the directors at their usual places of business, or at such other addresses as shall have been furnished by them for the purpose. Such notice shall be given at least twelve hours (three hours if meeting is to be conducted by conference telephone) before the meeting by telephone or by being personally delivered, mailed, or electronically delivered. Such notice need not include a statement of the business to be transacted at, or the purpose of, any such meeting.

Section 2.8. Quorum and Necessary Vote. A majority of the directors shall constitute a quorum at any meeting of the Board, except when otherwise provided by law; but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held as adjourned without further notice. Unless otherwise provided by law or the Articles or Bylaws of this Association, once a quorum is established, any act by a majority of those directors present and voting shall be the act of the Board.

Section 2.9. Written Consent. Except as otherwise required by applicable laws and regulations, the Board may act without a meeting by a unanimous written consent by all directors, to be filed with the Secretary of the Association as part of the corporate records.

Section 2.10. Remote Meetings. Members of the Board, or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone, video or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

Section 2.11. Vacancies. When any vacancy occurs among the directors, the remaining members of the Board may appoint a director to fill such vacancy at any regular meeting of the Board, or at a special meeting called for that purpose.

ARTICLE III
Committees

Section 3.1. Advisory Board of Directors. The Board may appoint persons, who need not be directors, to serve as advisory directors on an advisory board of directors established with respect to the business affairs of either this Association alone or the business affairs of a group of affiliated organizations of which this Association is one. Advisory directors shall have such powers and duties as may be determined by the Board, provided, that the Board's responsibility for the business and affairs of this Association shall in no respect be delegated or diminished.

Section 3.2. Trust Audit Committee. At least once during each calendar year, the Association shall arrange for a suitable audit (by internal or external auditors) of all significant fiduciary activities under the direction of its trust audit committee, a function that will be fulfilled by the Audit Committee of the financial holding company that is the ultimate parent of this Association. The Association shall note the results of the audit (including significant actions taken as a result of the audit) in the minutes of the Board. In lieu of annual audits, the Association may adopt a continuous audit system in accordance with 12 C.F.R. § 9.9(b).

The Audit Committee of the financial holding company that is the ultimate parent of this Association, fulfilling the function of the trust audit committee:

(1) Must not include any officers of the Association or an affiliate who participate significantly in the administration of the Association's fiduciary activities; and

(2) Must consist of a majority of members who are not also members of any committee to which the Board has delegated power to manage and control the fiduciary activities of the Association.

Section 3.3. Executive Committee. The Board may appoint an Executive Committee which shall consist of at least three directors and which shall have, and may exercise, to the extent permitted by applicable law, all the powers of the Board between meetings of the Board or otherwise when the Board is not meeting.

Section 3.4. Trust Management Committee. The Board of this Association shall appoint a Trust Management Committee to provide oversight of the fiduciary activities of the Association. The Trust Management Committee shall determine policies governing fiduciary activities. The Trust Management Committee or such sub-committees, officers or others as may be duly designated by the Trust Management Committee shall oversee the processes related to fiduciary activities to assure conformity with fiduciary policies it establishes, including ratifying the acceptance and the closing out or relinquishment of all trusts. The Trust Management Committee will provide regular reports of its activities to the Board.

Section 3.5. Other Committees. The Board may appoint, from time to time, committees of one or more persons who need not be directors, for such purposes and with such powers as the Board may determine; however, the Board will not delegate to any committee any powers or responsibilities that it is prohibited from delegating under any law or regulation. In addition, either the Chairman or the President may appoint, from time to time, committees of one or more officers, employees, agents or other persons, for such purposes and with such powers as either the Chairman or the President deems appropriate and proper. Whether appointed by the Board, the Chairman, or the President, any such committee shall at all times be subject to the direction and control of the Board.

Section 3.6. Meetings, Minutes and Rules. An advisory board of directors and/or committee shall meet as necessary in consideration of the purpose of the advisory board of directors or committee, and shall maintain minutes in sufficient detail to indicate actions taken or recommendations made; unless required by the members, discussions, votes or other specific details need not be reported. An advisory board of directors or a committee may, in consideration of its purpose, adopt its own rules for the exercise of any of its functions or authority.

ARTICLE IV
Officers

Section 4.1 Who Shall Constitute. The Officers of the Association shall be a Chief Executive Officer, a President, a Secretary, and other officers such as Vice Chair, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Vice Presidents, Assistant Secretaries, Trust Officers, Assistant Trust Officers, Controller, and Assistant Controller, as the Board may appoint from time to time. The Board may appoint or elect a person as a Vice Chair without regard to whether such person is a member of the Board. The Board may choose to delegate authority to elect officers other than the Chief Executive Officer, President, Secretary, Vice Chairs and Senior Executive Vice Presidents, to the President. Any person may hold two offices. The President shall at all times be a member of the Board of Directors.

Section 4.2 Term of Office. All officers shall be elected for and shall hold office until their respective successors are elected and qualified or until their earlier death, resignation, retirement, disqualification or removal from office, subject to the right of the Board of Directors in its sole discretion to discharge any officer at any time. The Board may choose to delegate authority to remove officers other than the Chairman, Chief Executive Officer, President, Secretary, Vice Chair and Senior Executive Vice Presidents, to the President.

Section 4.3. Chairman of the Board. The Board may appoint one of its members to be Chairman of the Board to serve at the pleasure of the Board. The Chairman shall supervise the carrying out of the policies adopted or approved by the Board; shall have general executive powers, as well as the specific powers conferred by these Bylaws; and shall also have and may exercise such powers and duties as from time to time may be conferred upon or assigned by the Board.

Section 4.4. President. The Board may appoint one of its members to be President of the Association. In the absence of the Chairman, the President shall preside at any meeting of the Board. The President shall have general executive powers, and shall have and may exercise any and all other powers and duties pertaining by law, regulation or practice, to the office of President, or imposed by these Bylaws. The President shall also have and may exercise such powers and duties as from time to time may be conferred or assigned by the Board.

Section 4.5. Vice President. The Board may appoint one or more Vice Presidents who shall have such powers and duties as may be assigned by the Board and to perform the duties of the President on those occasions when the President is absent, including presiding at any meeting of the Board in the absence of both the Chairman and President.

Section 4.6. Secretary. The Board shall appoint a Secretary, or other designated officer who shall be Secretary of the Board and of the Association, and shall keep accurate minutes of all meetings. The Secretary shall attend to the giving of all notices required by these Bylaws to be given; shall be custodian of the corporate seal, records, documents and papers of the Association; shall provide for the keeping of proper records of all transactions of the Association; shall, upon request, authenticate any records of the Association; shall have and may exercise any and all other powers and duties pertaining by law, regulation or practice, to the Secretary, or imposed by these Bylaws; and shall also perform such other duties as may be assigned from time to time by the Board. The Board may appoint one or more Assistant Secretaries with such powers and duties as the Board, the President or the Secretary shall from time to time determine.

Section 4.7. Other Officers. The Board may appoint, and may authorize the Chairman, the President or any other officer to appoint, any officer as from time to time may appear to the Board, the Chairman, the President or such other officer to be required or desirable to transact the business of the Association.

Such officers shall exercise such powers and perform such duties as pertain to their several offices, or as may be conferred upon or assigned to them by these Bylaws, the Board, the Chairman, the President or such other authorized officer. Any person may hold two offices.

ARTICLE V
Stock

Section 5.1. The Board may authorize the issuance of stock either in certificated or in uncertificated form. Certificates for shares of stock shall be in such form as the Board may from time to time prescribe. If the Board issues certificated stock, the certificate shall be signed by the President, Secretary or any other such officer as the Board so determines. Shares of stock shall be transferable on the books of the Association, and a transfer book shall be kept in which all transfers of stock shall be recorded. Every person becoming a shareholder by such transfer shall, in proportion to such person’s shares, succeed to all rights of the prior holder of such shares. Each certificate of stock shall recite on its face that the stock represented thereby is transferable only upon the books of the Association properly endorsed. The Board may impose conditions upon the transfer of the stock reasonably calculated to simplify the work of the Association for stock transfers, voting at shareholder meetings, and related matters, and to protect it against fraudulent transfers.

ARTICLE VI
Corporate Seal

Section 6.1. The Association shall have no corporate seal; provided, however, that if the use of a seal is required by, or is otherwise convenient or advisable pursuant to, the laws or regulations of any jurisdiction, the following seal may be used, and the Chairman, the President, the Secretary and any Assistant Secretary shall have the authority to affix such seal:

ARTICLE VII
Miscellaneous Provisions

Section 7.1. Execution of Instruments. All agreements, checks, drafts, orders, indentures, notes, mortgages, deeds, conveyances, transfers, endorsements, assignments, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, guarantees, proxies and other instruments or documents may be signed, countersigned, executed, acknowledged, endorsed, verified, delivered or accepted on behalf of the Association, whether in a fiduciary capacity or otherwise, by any officer of the Association, or such employee or agent as may be designated from time to time by the Board by resolution, or by the Chairman or the President by written instrument, which resolution or instrument shall be certified as in effect by the Secretary or an Assistant Secretary of the Association. The provisions of this section are supplementary to any other provision of the Articles of Association or Bylaws.

Section 7.2. Records. The Articles of Association, the Bylaws as revised or amended from time to time and the proceedings of all meetings of the shareholders, the Board, and standing committees of the Board, shall be recorded in appropriate minute books provided for the purpose. The minutes of each meeting shall be signed by the Secretary, or other officer appointed to act as Secretary of the meeting.

Section 7.3. Trust Files. There shall be maintained in the Association files all fiduciary records necessary to assure that its fiduciary responsibilities have been properly undertaken and discharged.

Section 7.4. Trust Investments. Funds held in a fiduciary capacity shall be invested according to the instrument establishing the fiduciary relationship and according to law. Where such instrument does not specify the character and class of investments to be made and does not vest in the Association a discretion in the matter, funds held pursuant to such instrument shall be invested in investments in which corporate fiduciaries may invest under law.

Section 7.5. Notice. Whenever notice is required by the Articles of Association, the Bylaws or law, such notice shall be by mail, postage prepaid, e-mail, in person, or by any other means by which such notice can reasonably be expected to be received, using the address of the person to receive such notice, or such other personal data, as may appear on the records of the Association.

Except where specified otherwise in these Bylaws, prior notice shall be proper if given not more than 30 days nor less than 10 days prior to the event for which notice is given.

ARTICLE VIII
Indemnification

Section 8.1. The Association shall indemnify such persons for such liabilities in such manner under such circumstances and to such extent as permitted by Section 145 of the Delaware General Corporation Law, as now enacted or hereafter amended. The Board may authorize the purchase and maintenance of insurance and/or the execution of individual agreements for the purpose of such indemnification, and the Association shall advance all reasonable costs and expenses (including attorneys' fees) incurred in defending any action, suit or proceeding to all persons entitled to indemnification under this Section 8.1. Such insurance shall be consistent with the requirements of 12 C.F.R. § 7.2014 and shall exclude coverage of liability for a formal order assessing civil money penalties against an institution-affiliated party, as defined at 12 U.S.C. § 1813(u).

Section 8.2. Notwithstanding Section 8.1, however, (a) any indemnification payments to an institution-affiliated party, as defined at 12 U.S.C. § 1813(u), for an administrative proceeding or civil action initiated by a federal banking agency, shall be reasonable and consistent with the requirements of 12 U.S.C. § 1828(k) and the implementing regulations thereunder; and (b) any indemnification payments and advancement of costs and expenses to an institution-affiliated party, as defined at 12 U.S.C. § 1813(u), in cases involving an administrative proceeding or civil action not initiated by a federal banking agency, shall be in accordance with Delaware General Corporation Law and consistent with safe and sound banking practices.

ARTICLE IX
Bylaws: Interpretation and Amendment

Section 9.1. These Bylaws shall be interpreted in accordance with and subject to appropriate provisions of law, and may be added to, altered, amended, or repealed, at any regular or special meeting of the Board.

Section 9.2. A copy of the Bylaws and all amendments shall at all times be kept in a convenient place at the principal office of the Association, and shall be open for inspection to all shareholders during Association hours.

ARTICLE X
Miscellaneous Provisions

Section 10.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January in each year and shall end on the thirty-first day of December following.

Section 10.2. Governing Law. This Association designates the Delaware General Corporation Law, as amended from time to time, as the governing law for its corporate governance procedures, to the extent not inconsistent with Federal banking statutes and regulations or bank safety and soundness.

***

(November 6, 2025)

Exhibit 6

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: September 21, 2026

By: /s/ Matthew M. Smith
Matthew M. Smith
Vice President

Exhibit 7

U.S. Bank Trust Company, National Association
Statement of Financial Condition
as of 6/30/2026

($000's)

	6/30/2026
Assets	
Cash and Balances Due From Depository Institutions	$2,474,094
Securities	4,673
Federal Funds	0
Loans & Lease Financing Receivables	0
Fixed Assets	447
Intangible Assets	573,109
Other Assets	154,375
Total Assets	**$3,206,698**
Liabilities	
Deposits	$ 0
Fed Funds	0
Treasury Demand Notes	0
Trading Liabilities	0
Other Borrowed Money	0
Acceptances	0
Subordinated Notes and Debentures	0
Other Liabilities	268,325
Total Liabilities	**$ 268,325**
Equity	
Common and Preferred Stock	200
Surplus	1,171,635
Undivided Profits	1,766,538
Minority Interest in Subsidiaries	0
Total Equity Capital	**$2,938,373**
Total Liabilities and Equity Capital	**$3,206,698**

Exhibit 99.1

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 25-0310-E-PC

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY

COMMISSION ORDER ON THE SECURITIZED COSTS OF
APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY

March 31, 2026

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 31st day of March 2026.

CASE NO. 25-0310-E-PC

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY
Application for Commission Approval to Securitize Costs
Pursuant to W. Va. Code § 24-2-4h and to Enter Into
Affiliate Agreements Pursuant to W. Va. Code § 24-2-12.

COMMISSION ORDER

This Financing Order (Financing Order) of the Public Service Commission of West Virginia (the Commission) addresses the Application (as defined below) of Appalachian Power Company (APCo) and Wheeling Power Company (WPCo and, together with APCo, the Applicants), under W. Va. Code § 24-2-4h (the Act) for: (1) approval of recovery of specified consumer rate relief costs, including certain financing costs (as such terms are defined in the Act), through a securitization financing under the Act; (2) approval of the creation of certain consumer rate relief property (as such term is defined in the Act); (3) approval of the proposed securitization financing structure and issuance of bonds (as such term is defined in the Act; as used herein, the "consumer rate relief bonds"; and, the consumer rate relief bonds specifically authorized by this Financing Order, the "Consumer Rate Relief Bonds"); (4) approval of and authority to impose, charge, and collect consumer rate relief charges (as such term is defined in the Act) sufficient to pay principal of and interest on the Consumer Rate Relief Bonds issued by each BondCo (as defined below) plus ongoing "financing costs" (as such term is defined in the Act) on a timely basis; (5) approval and authorization of the form of Consumer Rate Relief Charge Schedule set forth in Appendix C to this Financing Order (CRRC Schedule) to be filed as part of Applicants' tariffs to implement the consumer rate relief charges; (6) approval of an Adjustment Mechanism (as such term is defined in the Act) for the going-forward recovery of debt service and ongoing financing costs and pursuant to an adjustment of the consumer rate relief charges and CRRC Schedule; and (7) approval and authorization of APCo's, WPCo's and each BondCo's entry into the Affiliate Agreements (as defined below).

I. INTRODUCTION

A. Background

On March 13, 2025, the Applicants filed their Application for a Financing Order, and Petition for approval of required Affiliate Agreements, and related relief, consisting of the application and its attachments, supporting testimony, and exhibits (collectively, the Application), seeking approval, among other things, to finance the eligible costs to be securitized (as that term is defined in the Act) (the Eligible Costs), being: (1) (a) the Expanded Net Energy Cost (ENEC) under-recovery balances approved for recovery by the Commission in Case No. 23-0377-E-ENEC and Case No. 25-0413-E-ENEC and (b) any subsequent ENEC projected under-recovery balance approved by the Commission prior to the Applicants' submission of the final Issuance Advice Letter (as defined below) (collectively, the ENEC Under-Recovery Balance); (2) the Applicants' West Virginia jurisdictional share of the "undepreciated generation utility plant balances" (as defined in the Act) as of December 31, 2022, of the Amos, Mountaineer, and Mitchell power plants, repeatedly approved for recovery in several proceedings; (3) the environmental control costs related to Coal Combustion Residuals (CCR) and Effluent Limitation Guidelines (ELG) approved for recovery in Case No. 20-1040-E-CN (together, the CCR and ELG Investments); (4) the major storm costs approved for recovery, including those included in the revenue requirement in Case No. 24-0854-E-42T and in the Interim Order, issued on August 29, 2025, in Case No. 25-0310-E-PC (the Deferred Storm Expenses); (5) carrying charges accruing on the APCO-portion of the Eligible Costs of APCo at the pre-tax weighted average cost of capital established in APCo's most recent base rate case, through the issuance date of the Consumer Rate Relief Bonds to be issued by a special purpose BondCo wholly-owned by APCo (such BondCo, the APCo BondCo) (such carrying charges, the APCo Carrying Charges); and (6) carrying charges accruing on the WPCo-portion of the Eligible Costs of WPCo at the pre-tax weighted average cost of capital established in WPCo's most recent base rate case, through the issuance date of the Consumer Rate Relief Bonds to be issued by a special purpose BondCo wholly-owned by WPCo (such BondCo, the WPCo BondCo and, collectively with APCo BondCo, the BondCos) (such carrying charges, the WPCo Carrying Charges and, collectively with the APCo Carrying Charges, the Carrying Charges); collectively through a securitization financing mechanism (the Securitization) provided for in the Act. Specifically, Applicants request that the Commission approve the recovery of these Eligible Costs through securitization under the Act and the issuance of Consumer Rate Relief Bonds in the following amounts (collectively, the Total Securitization Amount):

(a) with respect to APCo, an amount equal to the sum of the following amounts (such sum, the APCo Total Securitization Amount): (i) APCo's specified "eligible costs to be securitized" (as defined in the Act) described as the "APCo WV Jurisdictional Share" on Appendix A (the APCo Base Securitization Amount), (ii) the APCo Carrying Charges (clauses (i) and (ii), collectively, the APCo Fixed Securitization Amount), and (iii) the APCo Upfront Financing Costs (as defined below); and

(b) with respect to WPCo, in an amount equal to the sum of the following amounts (such sum, the WPCo Total Securitization Amount): (i) WPCo's specified "eligible costs to be securitized" described as the "WPCo WV Jurisdictional Share" on Appendix A (the WPCo Base Securitization Amount and, together with the APCo Base Securitization Amount, the Total Base Securitization Amount), (ii) the WPCo Carrying Charges (clauses (i) and (ii), collectively, the WPCo Fixed Securitization Amount) (the WPCo Fixed Securitization Amount together with the APCo Fixed Securitization Amount, the Total Fixed Securitization Amount), and (iii) the WPCo Upfront Financing Costs (as defined below).

The proportion of the APCo Total Securitization Amount to the Total Securitization Amount is referred to herein as the "APCo Proportion", and the proportion of the WPCo Total Securitization Amount to the Total Securitization Amount is referred to herein as the "WPCo Proportion." The portion of the Upfront Financing Costs (as defined below) allocated to APCo shall be the Upfront Financing Costs incurred by or to be incurred by, or otherwise proportioned to, APCo (the APCo Upfront Financing Costs), and the portion of the Upfront Financing Costs allocated to WPCo shall be the Upfront Financing Costs incurred by or to be incurred by, or otherwise proportioned to, WPCo (the WPCo Upfront Financing Costs). The Upfront Financing Costs are subject to change and update prior to the pricing of the Consumer Rate Relief Bonds and approval through the Issuance Advice Letter Procedure (as defined below) authorized in this Financing Order.

In order for the Commission to authorize a securitization under the Act, pursuant to W. Va. Code § 24-2-4h(e)(5), the Commission must find, inter alia, that the issuance of consumer rate relief bonds and the imposition of consumer rate relief charges under the Act "are just and reasonable and are reasonably expected to achieve the lowest reasonably attainable cost in order to produce cost savings to retail customers [as defined below] and to mitigate rate impacts on retail customers, as compared to traditional financing mechanisms or traditional cost recovery methods available to the qualifying utility" (these statutory requirements are collectively referred to as the Lowest Cost Objective).[1]

[1] See W. Va. Code § 24-2-4h(e)(4).

The Applicants are both qualifying utilities, eligible to utilize securitization, and, for purposes of this Financing Order, they are collectively recognized as a Qualifying Utility. [2] Accordingly, and to further the Lowest Cost Objective as explained in the Application, the Applicants have elected to jointly apply as a collective Qualifying Utility in order to establish a single consumer rate relief charge to be imposed on retail customers of both APCo and WPCo which is consistent with the joint ratemaking practices of the utilities.

B. Summary of Financing Order

In this Financing Order, the Commission finds that the Total Securitization Amount as described herein, including the Upfront Financing Costs, may appropriately be recovered through securitization under the Act. The Commission also finds that the Securitization approved in this Financing Order meets all applicable requirements of the Act.

Accordingly, under the terms of this Financing Order, the Commission:

(1) approves the Securitization and its structure requested by the Applicants and authorizes one or more concurrent issuances of Consumer Rate Relief Bonds (each, a Dual Issuance) in (a) of one or more tranches to be issued by one or more APCo BondCos in an aggregate principal amount equal to the APCo Total Securitization Amount and (b) of one or more tranches to be issued by one or more WPCo BondCos in an aggregate principal amount equal to the WPCo Total Securitization Amount;

(2) approves the description and creation of the Consumer Rate Relief Property in accordance with the approved structure of the Securitization simultaneous with the "transfer" (as defined below) of each Applicant's interest in such Consumer Rate Relief Property to the applicable BondCo and the pledge of that interest in the Consumer Rate Relief Property by that BondCo to the applicable Indenture Trustee to secure the Consumer Rate Relief Bonds issued by such BondCo;

(3) approves and authorizes the imposition, charging, and collection of the Consumer Rate Relief Charges on both Applicants' retail customers in an amount, calculated and adjusted from time to time as provided in this Financing Order, to be sufficient to pay the debt service on all such issuances of Consumer Rate Relief Bonds by both BondCos, together with related Ongoing Financing Costs (as defined below) on a timely basis;

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[2] See W. Va. Code § 24-2-4h(b)(21) - a qualifying utility includes an affiliated electric utility which has applied jointly for and receives a financing order.

(4) approves and authorizes the form of CRRC Schedule to be filed under each of APCo's and WPCo's tariffs, as provided in this Financing Order, to implement the Consumer Rate Relief Charges;

(5) approves the Adjustment Mechanism (as defined below) for the going-forward recovery of debt service and ongoing financing costs and pursuant to an adjustment of the Consumer Rate Relief Charges and the CRRC Schedule;

(6) authorizes and approves APCo, WPCo and each BondCo to enter into the Affiliate Agreements;

(7) finds that the Applicants have provided the economic assurances described in W. Va. Code § 24-2-4h(e)(12) as a condition to the effectiveness of the Financing Order; and

(8) grants all other approvals and authorizations the Commission is authorized to grant under the Act, including under W. Va. Code §§ 24-2-4h(e)(5) and (f) in order to effectuate the Securitization pursuant to the Act (collectively, items (1) through (8), the Financing Order Approvals). "Transfer" means any transfer, sale, conveyance or assignment. The terms "transferor" "transferred" and "transferable" and other forms of the word "transfer" 'shall have the correlative meanings.

Pursuant to the issuance advice letter procedure described below (the Issuance Advice Letter Procedure), the Applicants shall update in an issuance advice letter in substantially the form of Appendix B (the Issuance Advice Letter) their estimates of the Upfront Financing Costs, and the Ongoing Financing Costs (as defined below) for the first 12-month period following the Securitization, and other relevant current information in accordance with the terms of this Financing Order. Each Applicant is authorized to cause an issuance of Consumer Rate Relief Bonds to recover its allocable portion of the updated Upfront Financing Costs reflected in the Issuance Advice Letter in accordance with the terms of this Financing Order.

C. Estimates of Retail Customer Savings

In order to approve the recovery of the consumer rate relief costs through the Securitization authorized by this Financing Order, the Commission must find that the issuance of Consumer Rate Relief Bonds and the imposition of Consumer Rate Relief Charges under the Act satisfy the Lowest Cost Objective.[3]

[3] W. Va. Code §§ 24-2-4h(e)(4) and (e)(5)(G).

Additionally, in order to approve the Securitization described herein, the Commission must find that the proposed Securitization meets the requirements set forth in the Act.[4] A financing order issued by the Commission must include:

(A) a determination of the maximum amount and a description of the eligible costs to be securitized that may be recovered through consumer rate relief bonds issued under the financing order;

(B) a description of consumer rate relief property, the creation of which is authorized by the financing order;

(C) a description of the financing costs that may be recovered through consumer rate relief charges and the period over which those costs may be recovered;

(D) a description of the methodology and calculation for allocating consumer rate relief charges between and within tariff schedules [of each Applicant] and to special contract customers [of each Applicant];

(E) a description and approval of the adjustment mechanism for use in the imposition, charging, and collection of the consumer rate relief charges, including: (i) the allocation referred to in paragraph (D) of this subdivision; and (ii) any specific requirements for adjusting and reconciling consumer rate relief charges for standard adjustments that are limited to relatively stable conditions of operations and nonstandard adjustments that are necessary to reflect significant changes from historical conditions of operations, such as the loss of substantial utility load, so long as each and every application of the adjustment mechanism is designed to assure the full and timely payment of consumer rate relief bonds and associated financing costs;

(F) the maximum term of the consumer rate relief bonds;

4 W. Va. Code § 24-2-4h(e)(5).

(G) a finding that the issuance of the consumer rate relief bonds, including financing costs, is just and reasonable and are reasonably expected to achieve the lowest reasonably attainable cost in order to produce cost savings to retail customers and to mitigate rate impacts on retail customers, as compared to traditional financing mechanisms or traditional cost-recovery methods available to the Qualifying Utility; and

(H) any other provision the Commission considers appropriate to ensure the full and timely imposition, charging, collection, and adjustment, pursuant to an approved adjustment mechanism, of the consumer rate relief charges, including, if applicable, rate adjustments or sur-credits, effective with the implementation of consumer rate relief charges, to reduce tariff rates by the amounts of revenue requirements related to securitized costs that are recovered in current tariff rates but which will be recovered through the securitization approved by the commission.[5]

Witness John Scalzo, for the Applicants, presented evidence, that retail customers, taken as a whole across both Applicants, will realize net present value savings from the Securitization.[6] The Applicants have also presented evidence that the Consumer Rate Relief Bonds, if structured with a substantially level annual debt service, will collectively result in lower rates for retail customers when compared with traditional financing mechanisms, taken as a whole across both Applicants. This evidence demonstrates that the Securitization as a whole and issuance of the Consumer Rate Relief Bonds satisfies the Lowest Cost Objective, and thus is consistent with the Act.[7] The Commission finds in this Financing Order that the Securitization will result in meaningful cost savings and rate mitigation relief to retail customers as compared to traditional financing mechanisms or traditional cost recovery methods available to the Applicants.

The Applicants will be required to calculate, in the Issuance Advice Letter that must be presented to the Commission prior to issuance of the Consumer Rate Relief Bonds, the amount of net present value savings which are expected to be realized through the Securitization as compared to traditional financing mechanisms or traditional cost recovery methods over a similar period. The dollar amount of those savings shall be for informational purposes only.

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5 W. Va. Code § 24-2-4h(e)(5)

6 Transcript of Evidentiary Hearing held on July 1, 2025 (Tr.) at Cos. Exh. JJS-D at Bates 217-230.

7 W. Va. Code § 24-2-4h(e)(4).

D. Criteria and Procedures for the Final Approval of Financing Structure

The Applicants provided a general description of the proposed transaction structure in their Application and in the testimony submitted in support of the Application. The proposed transaction structure does not contain every relevant detail and, in certain instances, uses only approximations of certain costs and requirements. The final transaction structure will depend, in part, upon the requirements of the nationally recognized statistical rating organizations that will rate the Consumer Rate Relief Bonds (the Rating Agencies) and, in part, upon the market conditions that exist at the time the Consumer Rate Relief Bonds are offered.

While the Commission recognizes the need for some degree of flexibility with regard to the final details of the Securitization approved in this Financing Order, its primary focus is upon the statutory requirements, including the Lowest Cost Objective described above, that must be met prior to issuing the Financing Order. [8] The Commission is also mindful that this Financing Order will be irrevocable, and that Adjustment Mechanism required by the Act and the Consumer Rate Relief Charges authorized and approved in this Financing Order generally will result in the economic burden of all costs associated with the Consumer Rate Relief Bonds of the BondCos being borne by retail customers of both Applicants. Accordingly, the Commission must be particularly diligent to ensure from the outset that effective criteria and clear procedures are in place to safeguard the interests of retail customers in all matters relating to the structuring, marketing, and pricing of the Consumer Rate Relief Bonds to assure compliance with the Lowest Cost Objective.

In view of these obligations and the requirements of the Act relating thereto, the Commission has established in this Financing Order certain criteria that must be met and certain procedures that must be satisfied in order for the approvals and authorizations granted in this Financing Order to become effective. Among other objectives, these criteria and procedures are designed to further the statutory objectives of the Act as well as to allow the Commission, acting directly or with the assistance of a Commission Financial Advisor (as defined below), if any, to participate in the structuring, marketing, and pricing of the Consumer Rate Relief Bonds. This Financing Order grants authority to issue the Consumer Rate Relief Bonds and to impose, charge, and collect Consumer Rate Relief Charges only if the final structure of the Securitization and the procedures followed comply with the criteria and procedures established in this Financing Order. Finally, in accordance with the Act and without impacting the validity or finality of this Financing Order, the Commission's approval to proceed with an issuance of Consumer Rate Relief Bonds granted in this Financing Order is effective only upon the completion of the Issuance Advice Letter Procedure.

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[8] W. Va. Code § 24-2-4h(e)(4).

II. DISCUSSION AND STATUTORY OVERVIEW

During the 2023 legislative session, the West Virginia Legislature passed House Bill 3308, effective February 28, 2023, and codified as W. Va. Code § 24-2-4h. Among other things, this legislation authorized the Commission to approve the recovery of certain costs requested by an electric utility, or two or more affiliated electric utilities, through the issuance of consumer rate relief bonds. The legislation outlines the types of costs eligible for securitization, recovery of corresponding financing costs and consumer rate relief costs related to the issuance and servicing of consumer rate relief bonds, the application process for seeking a financing order from the Commission, and the elements that must be considered in connection with, and contained within, such order. In passing the legislation, the West Virginia Legislature recognized that securitization has "proven to be highly effective in mitigating the rate impacts upon affected utility customers in the limited situations previously authorized."[9]

As a precondition to the use of securitization, the Legislature required that the qualifying utility demonstrate that the issuance of the consumer rate relief bonds satisfies the Lowest Cost Objective.[10] Consequently, a basic purpose of securitization financing is conditioned upon providing benefits to retail customers of electricity in the State of West Virginia.

To allow for recovery of a qualifying utility's consumer rate relief costs, the Commission authorizes the creation of "consumer rate relief property" (as defined in the Act) and issuance of securities known as "consumer rate relief bonds." The consumer rate relief property created by this Financing Order includes the right to impose, charge, and collect the Consumer Rate Relief Charges from all existing and future customers that receive electric service within the Applicants' geographic service territory (retail customers) notwithstanding any change in West Virginia law regarding the ability of retail customers of an electric utility to choose a provider of generation or transmission service from a party other than the Applicants in the future. The property, rights and interests of the Applicants under this Financing Order, including such consumer rate relief property, are collectively referred to herein as the Consumer Rate Relief Property. Each Applicant's interest in the Consumer Rate Relief Property is equal to (a) the amount of consumer rate relief charges necessary to charge and collect from retail customers to recover, in full, all principal of, and interest on the Consumer Rate Relief Bonds issued by its

9 W. Va. Code § 24-2-4h(a)(4).
10 W. Va. Code § 24-2-4h(d)(8).

applicable BondCo plus (b) the related ongoing financing costs incurred by, or allocable to, such BondCo. In connection with each issuance of Consumer Rate Relief Bonds, each Applicant will transfer its interest in the Consumer Rate Relief Property to its applicable BondCo. The net proceeds from the issuance of the Consumer Rate Relief Bonds must be used directly or indirectly to recover, finance, or refinance the APCo Total Securitization Amount, in the case of APCo, or the WPCo Total Securitization Amount, in the case of WPCo. Consumer rate relief bonds are generally defined in the Act as including evidences of indebtedness that are issued pursuant to a financing order and are secured by consumer rate relief property and payable from revenues from consumer rate relief charges arising from consumer rate relief property.[11] If consumer rate relief bonds are approved and issued, retail customers must pay the principal of and interest on the Consumer Rate Relief Bonds and related ongoing financing costs of the consumer rate relief bonds through consumer rate relief charges. Consumer Rate Relief Charges are the nonbypassable amounts, within the meaning of W. Va. Code § 24-2-4h(I), authorized by the Commission in this Financing Order, to be collected from the Qualifying Utility's retail customers (which, in the case of joint applicants, as is the case here, includes the retail customers of both such Applicants) in order to pay the debt service payments of Consumer Rate Relief Bonds and related ongoing financing costs.[12] With respect to each Applicant's retail customers, the Consumer Rate Relief Charges will be collected by (i) such Applicant, as servicer, or such Applicant's successor or assignee, as servicer, or by other collection agents, as provided for in this Financing Order.[13] Consumer Rate Relief Charge collections from each Applicant's retail customers shall be used to pay the debt service payments of Consumer Rate Relief Bonds issued by, and related Ongoing Financing Costs of, all BondCos that are a part of a Dual Issuance, including each BondCo that is owned by the other Applicant.

The Commission may issue a financing order only if it finds the issuance of consumer rate relief bonds and the imposition of consumer rate relief charges authorized by such financing order satisfy the Lowest Cost Objective. In this proceeding, the Applicants presented evidence that the issuance of the Consumer Rate Relief Bonds, based upon current market conditions and the structuring assumptions contained in the Applicants' testimony, will achieve measurable cost savings to West Virginia retail customers when compared to traditional financing mechanisms, and, thus, the Securitization as proposed satisfies the Lowest Cost Objective.[14]

11 W. Va. Code § 24-2-4h(b)(4).
12 W. Va. Code § 24-2-4h(b)(7).
13 W. Va. Code § 24-2-4h(I)(1)-(2).
14 Tr. at Cos. Exh. JJS-D at Bates 217-230.

Because the actual structure and pricing of the Consumer Rate Relief Bonds will not be known at the time this Financing Order is issued, the Applicants will be required, under W. Va. Code § 24-2-4h(e)(9), and under this Financing Order, to jointly submit to the Commission and the Commission Financial Advisor, if any, an Issuance Advice Letter for each Dual Issuance which indicates the final structure and terms of the Consumer Rate Relief Bonds for such Dual Issuance, provides the Applicants' best available estimate of financing costs, calculates the initial Consumer Rate Relief Charges in accordance with the true-up methodology described below, and provides such other information required by this Financing Order and W. Va. Code § 24-2-4h(e)(9);[15] pursuant to which the Applicants may proceed with the issuance of the Consumer Rate Relief Bonds unless, prior to noon on the fourth business day after the Commission receives the Issuance Advice Letter, the Commission issues a disapproval letter directing that the Consumer Rate Relief Bonds as proposed shall not be issued and containing the basis for such disapproval. The Commission is authorized under the Act to provide additional provisions relating to the Issuance Advice Letter Procedure as the Commission deems appropriate and has done so in this Financing Order.[16]

In this Financing Order, in addition to the information required by the Act, we require the Applicants to jointly calculate in the Issuance .Advice Letter, for informational purposes only, the net present value [17] savings expected to be realized through the Securitization. The Issuance Advice Letter shall contain or have attached certifications from the Applicants that, based upon the actual market conditions at the time of pricing, the proposed structure and pricing of the Consumer Rate Relief Bonds, collectively, satisfies the Lowest Cost Objective. The form of the Issuance Advice Letter, including the certification that must be submitted by the Applicants, is set out in Appendix B to this Financing Order.

15 W. Va. Code § 24-2-4h(e)(9).

16 W. Va. Code § 24-2-4h(e)(9).

17 Net present value discount rate used shall be the average weighted cost of capital plus income taxes plus depreciation and amortization on securitized depreciable and amortizable assets.

Under the Act, the rights to impose, charge, and collect consumer rate relief charges constitute existing, present property rights which will be created simultaneously when such rights are first transferred to an "assignee" (as such term is defined in the Act) and pledged in connection with the issuance of consumer rate relief bonds.[18] Upon the transfer and pledge of those rights, they become consumer rate relief property and, as such, are afforded certain statutory protections.[19]

The Act provides that the Consumer Rate Relief Charges authorized by this Financing Order are nonbypassable, within the meaning of W. Va. Code § 24 2-4h(I), and apply to all existing and future West Virginia retail customers of the Applicants as the Qualifying Utility or its successors and must be paid by any retail customer that receives electric service from the Applicants' notwithstanding any change in West Virginia law regarding the ability of retail customers of an electric utility to choose a provider of generation or transmission service from a party other than the Qualifying Utility in the future.[20]

The Act also requires that an adjustment mechanism requiring that consumer rate relief charges be reviewed and adjusted, without any caps, at least annually, and more often as provided in a financing order, to correct any overcollections or undercollections of consumer rate relief charges and to otherwise ensure the timely and complete payment of consumer rate relief bonds and the ongoing financing costs by each assignee through the Qualifying Utility's collection of consumer rate relief charges.[21] In this Financing Order, and pursuant to the Qualifying Utility's Adjustment Mechanism that we are approving on tariff sheets (in the forms of the CRRC Schedule attached hereto as Appendix C) to be placed in each Applicant's tariff, the Consumer Rate Relief Charges are required to be reviewed and adjusted, without any caps, annually. In addition, the Consumer Rate Relief Charges are to be reviewed and adjusted semi-annually if a Servicer (as defined below) forecasts a shortfall in collections for one or more series of Consumer Rate Relief Bonds of a Dual Issuance or to replenish either BondCo's capital subaccount, and beginning 12 months prior to the scheduled final payment date of the latest maturing tranche of each series, quarterly, to ensure that the amount of the Consumer Rate Relief Charges collected is sufficient to satisfy in a timely manner the Periodic Payment Requirement (as defined in Appendix H) for the Consumer Rate Relief Bonds of the BondCos of a Dual Issuance. In addition, this Financing Order, and the Adjustment Mechanism we are approving, authorizes more frequent true-up adjustments at any time, as well as the implementation of nonstandard true-up adjustments under the circumstances set forth in Appendix H of this Financing Order in accordance with the Act. In all cases, those adjustments will be implemented without any caps. These provisions will help to ensure that all Consumer Rate Relief Bonds, together with the Ongoing Financing Costs, will be paid in full on a timely basis, and will obtain the desired highest rating.

18 W. Va. Code § 24-2-4h(e)(7).
19 W. Va. Code §§ 24-2-4h(p) and (s).
20 W. Va. Code § 24-2-4h(I)(1).
21 W. Va. Code § 24-2-4h(k)(1).

The State of West Virginia, pursuant to W. Va. Code § 24-2-4h(s), has pledged that it will not take or permit any action described in that section of the Act, including an action that would impair the value of Consumer Rate Relief Property under this Financing Order, or revise the consumer rate relief costs for which recovery is authorized or, except pursuant to the Adjustment Mechanism, reduce, alter, or impair the Consumer Rate Relief Charges to be imposed, charged, collected, or remitted for the benefit of the bondholders, assignees and financing parties (as defined in W. Va. Code § 24-2-4h(b)(16)), until any principal of, interest on, redemption premium, if any, in respect of the Consumer Rate Relief Bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid or performed in full.[22]

Once an interest in the Consumer Rate Relief Property is transferred to an assignee and pledged in connection with the issuance of the Consumer Rate Relief Bonds (as will happen in the Securitization pursuant to the Act), such interest in the Consumer Rate Relief Property will constitute an existing, present property right and will continue to exist regardless of whether the Consumer Rate Relief Charges have been billed, have accrued, or have been collected, and notwithstanding any requirement that the value or amount of such interest in the Consumer Rate Relief Property is dependent on the future provision of service to retail customers by the Qualifying Utility.[23] Consumer rate relief charges shall continue to be collected (as a charge that is separate and apart from each Applicant's base rates) from the retail customers of both Applicants until all Consumer Rate Relief Bonds issued under this Financing Order and the Ongoing Financing Costs have been paid in full.[24] In addition, the interests of an assignee or pledgee in any portion of Consumer Rate Relief Property (as well as the revenues and collections arising from the Consumer Rate Relief Property) are not subject to set off, counterclaim, surcharge, or defense by the electric utility or any other person or in connection with the bankruptcy, reorganization, or other insolvency proceedings of the applicable electric utility or any other entity.[25]

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22 W. Va. Code § 24-2-4h(s)(1).
23 W. Va. Code § 24-2-4h(f)(4).
24 W. Va. Code § 24-2-4h(I)(2).
25 W. Va. Code § 24-2-4h(m)(3).

Further, transactions involving the transfer of ownership of any portion of consumer rate relief property and the receipt of consumer rate relief charges are exempt from state income, sales, franchise, gross receipts, business and occupation, and other taxes or similar charges; provided, that neither this exemption nor any other provision of W. Va. Code § 24-2-4h(q)(1) shall preclude any municipality from taxing consumer rate relief charges under the authority granted to municipalities pursuant to W. Va. Code § 8-13-5 and § 8-13-5a. [26] The creation, granting, perfection, and enforcement of liens and security interests in a portion of Consumer Rate Relief Property are governed by the laws of the State of West Virginia, except as provided in the Act.[27]

III. DESCRIPTION OF PROPOSED TRANSACTION

A description of the Securitization proposed by the Applicants is contained in the Application. To facilitate compliance and consistency with applicable statutory provisions, this Financing Order adopts the definitions set forth in the Act.

To facilitate the proposed Securitization, APCo and WPCo will each form one or more BondCos, to which each such Applicant will transfer its interest in the Consumer Rate Relief Property as described herein. Upon each such transfer, such interest in the Consumer Rate Relief Property will become "consumer rate relief property" as provided by, and defined in, the Act.[28] If Consumer Rate Relief Bonds are issued in more than one series, then the portion of Consumer Rate Relief Property transferred as a result of each issuance shall be only those rights associated with that portion of the APCo Total Securitization Amount or WPCo Total Securitization Amount, as applicable, including APCo Upfront Financing Costs or WPCo Upfront Financing Costs, as applicable, and Ongoing Financing Costs authorized to be recovered by this Financing Order which is securitized by a particular bond issuance. The rights to impose, charge, and collect the Consumer Rate Relief Charges, along with the other rights arising pursuant to this Financing Order as they relate to any portion of the Total Securitization Amount (including the applicable portion of the Upfront Financing Costs) that remains unrecovered and of the related Ongoing Financing Costs, shall remain with the Applicants, and any such portion shall not become "consumer rate relief property" under the Act until transferred by an Applicant to a BondCo or another assignee in connection with a subsequent issuance of Consumer Rate Relief Bonds.

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26 W. Va. Code § 24-2-4h(q)(1).

27 W. Va. Code § 24-2-4h(t)(1).

28 W. Va. Code § 24-2-4h(e)(7).

The rights, obligations, structure, and restrictions described in this Financing Order with respect to the BondCos are applicable to each such assignee of Consumer Rate Relief Property (or any portion thereof) to the extent of the Consumer Rate Relief Property (or any portion thereof) transferred to it and the Consumer Rate Relief Bonds issued by it. Each BondCo will issue a series consisting of one or more tranches of Consumer Rate Relief Bonds and will disburse (or cause to be disbursed) the net proceeds from the issuance of such series of Consumer Rate Relief Bonds to the applicable Applicant in consideration for the corresponding transfer of such Applicant's interest in the Consumer Rate Relief Property. Each Applicant will apply the net proceeds as provided in this Financing Order.

Each BondCo will be organized and managed in a manner designed to achieve the objective of maintaining such BondCo as a bankruptcy-remote entity that would not be affected by the bankruptcy of either Applicant or any affiliate, or any of their respective successors and assignees. In addition, each BondCo will have at least one independent manager whose approval will be required for certain major actions or organizational changes by such BondCo. For each Dual Issuance, each BondCo that is a part of such Dual Issuance will, to the extent reasonably practicable, have the same independent manager.

At the time of each Dual Issuance, each Applicant will capitalize the applicable BondCo owned by such Applicant, from such Applicant's own capital, in an amount anticipated to be 0.50 percent of the original principal balance of the Consumer Rate Relief Bonds issued by such BondCo. The capital contributions will be held in a capital subaccount of the payment account established under the applicable Indenture (as defined below) pursuant to which the Consumer Rate Relief Bonds are issued. Each Applicant will earn a rate of return on this initial capital contributed to the applicable BondCo equal to such Applicant's pre-tax weighted average cost of capital established in such Applicant's most recent base rate case, to be paid from Consumer Rate Relief Charges as an Ongoing Financing Cost.

Each series forming part of a Dual Issuance of Consumer Rate Relief Bonds will be issued pursuant to a separate indenture (each, an Indenture) administered by an indenture trustee (each, an Indenture Trustee). Each Indenture Trustee for such a series will initially be the same trustee entity. Each series of Consumer Rate Relief Bonds will be secured by and payable solely out of the portion of Consumer Rate Relief Property created pursuant to this Financing Order that is transferred pursuant to the applicable Sale Agreement to the corresponding BondCo and other collateral described in the Application and specified in the applicable Indenture. The applicable interest in the Consumer Rate Relief Property and such other collateral will be pledged pursuant to the applicable Indenture to the applicable Indenture Trustee for the benefit of the holder of the Consumer Rate Relief Bonds issued by the applicable BondCo to secure payment of such Consumer Rate Relief Bonds.

Pursuant to each Servicing Agreement, APCo and WPCo jointly will act as servicers (in each case, a Servicer) for the Consumer Rate Relief Property transferred to a BondCo (regardless of whether such BondCo is owned by APCo or WPCo) and will be responsible for metering, calculating, billing, collecting and remitting to the Joint Collection Account (as described below) the Consumer Rate Relief Charges collected by such Servicer and for making all required or allowed true-up adjustments of the Consumer Rate Relief Charges and for preparing and filing any other reports with the Commission, the Indenture Trustees, the applicable Rating Agencies or the other applicable financing parties. Neither APCo nor WPCo may voluntarily resign from their duties as Servicer. Except as specifically agreed, Servicers shall take action jointly, but if joint action is not possible or agreed, APCo shall direct the actions of both Servicers. If a Servicer defaults on its obligation as servicer, then the Indenture Trustees may, upon the instruction of a majority of the holders of the Consumer Rate Relief Bonds, appoint a successor servicer acceptable to the Indenture Trustees. No entity may serve as a successor Servicer if the replacement would cause any of the then-current credit ratings of the Consumer Rate Relief Bonds to be suspended, withdrawn or downgraded.

Each Servicer shall remit the Consumer Rate Relief Charges collected from its retail customers to a joint collection account (the Joint Collection Account) created for the benefit of each BondCo into which Consumer Rate Relief Charge collections shall be remitted by each Servicer. As of any date of determination, each BondCo shall have a percentage interest in the Joint Collection Account equal to (a) the interest and scheduled principal on its Consumer Rate Relief Bonds payable on the upcoming payment date and such BondCo's Ongoing Financing Costs payable on or prior to such payment date divided by (b) the interest and scheduled principal on all Consumer Rate Relief Bonds payable on such upcoming payment date and all Ongoing Financing Costs payable on or prior to such payment date. In the event the amount in the Joint Collection Account is insufficient to pay such amounts on the next payment date, each BondCo shall be entitled to draw amounts from the Joint Collection Account on a pro rata basis based on the principal of each series of Consumer Rate Relief Bonds that is outstanding at the time. Each BondCo's rights in the Joint Collection Account shall be subject to a lien in favor of each Indenture Trustee, for the applicable BondCo's respective interests in the funds in the Joint Collection Account allocable to the interests of their respective bondholders and to pay such BondCo's financing costs. In the lntercreditor Agreement described in Section V.I. of this Financing Order, each Indenture Trustee will appoint the trustee entity serving as Indenture Trustee, or another third-party entity, as control agent on behalf of such Indenture Trustee for purposes of perfection and control of the Joint Collection Account under the Uniform Commercial Code as in effect in the applicable jurisdiction.

On or prior to the dates when such payments are due with respect to the Consumer Rate Relief Bonds, funds in the Joint Collection Account will be disbursed at the direction of each Servicer (or, if joint action is not possible or agreed, at the direction of APCo) to the applicable Indenture Trustee for deposit into a payment account created at such respective BondCo to be used to make payments of interest, scheduled principal and Ongoing Financing Costs of such BondCo as more specifically described in the lntercreditor Agreement and each Indenture.

As compensation for its duties as a Servicer, each Applicant will receive a servicing fee equal to 0.10 percent per annum of the original principal balance of the Consumer Rate Relief Bonds issued by the BondCo owned by such Applicant, plus such Applicant's out-of-pocket expenses, such as those of accountants and counsel. The servicing fee is based on current market rates on similar transactions. In the event a substitute, non-affiliated third-party servicer is required to be appointed, the annual servicing fee may be increased without further approval by the Commission but shall not exceed 0.25 percent of the original principal balance of such Consumer Rate Relief Bonds issued by the applicable BondCo unless otherwise approved by the Commission.

Each Applicant will also provide certain administrative services for its corresponding BondCo, and for such services such Applicant will receive an annual fee of $50,000 plus out-of-pocket expenses such as those of accountants and counsel.

The Consumer Rate Relief Charges, as adjusted from time to time pursuant to the Adjustment Mechanism, will be calculated to ensure the collection from the Applicants' collective retail customers are sufficient to pay on a timely basis the collective debt service on the Consumer Rate Relief Bonds issued by both BondCos and related Ongoing Financing Costs. To the extent there is a shortfall in collections such that collections are insufficient to pay all such amounts, amounts in the Joint Collection Account will be allocated to each series of Consumer Rate Relief Bonds on a pro rata basis based on the principal of each series of Consumer Rate Relief Bonds that is outstanding at the time.

The Consumer Rate Relief Charges by CRR Rate Class (as defined below) for both Applicants will be calculated pursuant to the approved Adjustment Mechanism and allocations reflected in Appendix E to this Financing Order. In addition to the annual true-up required by the Act, true-ups shall be performed semi-annually (or, beginning 12 months prior to the scheduled final payment date for the latest maturing tranche of each series, quarterly) if a Servicer forecasts a shortfall in collections for one or more series of the Dual Issuance or to replenish either BondCo's capital subaccount. To ensure that the amount collected from Consumer Rate Relief Charges is sufficient to satisfy on a timely basis the Periodic Payment Requirement, an adjustment and true-up may be performed at other times as provided in this Financing Order and the Adjustment Mechanism. A nonstandard true-up will be allowed for other circumstances as provided in this Financing Order and the Act. The methodology for making true-ups and allocation adjustments and the circumstances under which each will be made are described in this Financing Order and the Act, which is consistent with Applicants' testimony. In all cases those adjustments will be implemented without any caps. These true-up provisions will help to ensure that the Consumer Rate Relief Bonds, together with Ongoing Financing Costs, will be paid in full on a timely basis, and will obtain the desired highest rating. The Consumer Rate Relief Charges for retail customers of both Applicants will remain in effect until each BondCo has received collections sufficient to pay in full its series of Consumer Rate Relief Bonds and its allocable portion of the Ongoing Financing Costs.

The Applicants have proposed a structure for the Consumer Rate Relief Bonds that is designed to produce substantially level annual debt service and revenue requirements over the life of the Consumer Rate Relief Bonds. The Commission determines that the final bond structure should attempt to achieve a substantially level annual debt service and revenue requirements over the life of the Consumer Rate Relief Bonds. Each series of Consumer Rate Relief Bonds will have a scheduled term of not more than 33 years and a final maturity date no later than 35 years, with the actual dates to be determined by the Applicants and reported in the Issuance Advice Letter. The Commission finds that the Applicants and their underwriters should evaluate and provide scheduled and final maturities for the tranches of Consumer Rate Relief Bonds of not more than 33 and 35 years, respectively.

IV. UPFRONT AND ONGOING FINANCING COSTS ELIGIBLE FOR RECOVERY

The Applicants propose that two general categories of financing costs be recovered from the proceeds of the Consumer Rate Relief Bonds or the collection of Consumer Rate Relief Charges: Upfront Financing Costs and Ongoing Financing Costs.

A. Upfront Financing Costs

"Upfront Financing Costs" are the "financing costs" (as defined W. Va. Code § 24-2-4h(b)(13)) that are incurred prior to or in connection with a Dual Issuance that can be financed with the proceeds of the Consumer Rate Relief Bonds. These Upfront Financing Costs shall be allocated between APCo and WPCO and include counsel fees, the Applicants' advisor fees, fees for the Commission Financial Advisor, if any, underwriting discounts and fees, Rating Agency fees, accountants' fees, U.S. Securities and Exchange Commission (SEC) registration fees, printing and marketing expenses and other fees and expenses as more particularly described in Appendix A to this Financing Order. The Applicants estimated in their Application that the Upfront Financing Costs would be approximately $16.3 million (allocated as $10.1 million in estimated APCo Upfront Financing Costs and $6.2 million in estimated WPCo Upfront Financing Costs).

The Commission's analysis begins with the finding that the Applicants' Upfront Financing Costs are permitted to be securitized. The Commission finds that the Applicants should be permitted to securitize their Upfront Financing Costs in accordance with the terms of this Financing Order. Upfront Financing Costs are estimated to be $16.3 million, plus (i) if applicable, the cost of original issue discount, credit enhancements and other arrangements to enhance marketability as discussed in this section, plus (ii) the cost of the Commission Financial Advisor, if any, and any additional costs incurred by the Applicants to comply with the requests and recommendations of the Commission Financial Advisor, if any, plus (iii) any costs incurred by the Applicants if this Financing Order is appealed. In the Issuance Advice Letter, the Applicants will jointly report the updated Upfront Financing Costs being securitized. Through the Issuance Advice Letter Procedure set forth in Appendix H, the Applicants will be required to provide to the Commission the Issuance Advice Letter not later than the close of business on the first business day after the pricing of the Consumer Rate Relief Bonds, which will include an updated estimate of the Upfront Financing Costs incurred in connection with the issuance of the Consumer Rate Relief Bonds. The Applicants may submit a single Issuance Advice Letter covering both series forming part of a Dual Issuance. The Commission finds that the estimated Upfront Financing Costs as proposed herein by the Applicants are reasonable and, subject to review and approval pursuant to the Issuance Advice Letter Procedure as described in this Financing Order, are authorized and eligible for recovery under the Act in the amount to be securitized.

The Applicants should jointly submit a single Issuance Advice Letter for a Dual Issuance to the Commission following the determination of the final terms of each series of Consumer Rate Relief Bonds forming part of such Dual Issuance no later than one business day after the pricing of such series of Consumer Rate Relief Bonds. The Issuance Advice Letter will: (a) report the initial Consumer Rate Relief Charges and other information specific to the Consumer Rate Relief Bonds as required by the Commission; (b) indicate the final structure of the Consumer

Rate Relief Bonds; and (c) provide the best available estimate of total Ongoing Financing Costs. The Issuance Advice Letter should evidence the actual dollar amount of the initial Consumer Rate Relief Charges and other information specific to the Consumer Rate Relief Bonds to be issued. In addition, if original issue discount, additional credit enhancements, or arrangements to enhance marketability are used, the Issuance Advice Letter will include such information. All amounts which require computation will be computed using the mathematical formulas contained in the form of the Issuance Advice Letter in Appendix B to this Financing Order. Electronic spreadsheets with formulas supporting the schedules contained in the Issuance Advice Letter will be included with the Issuance Advice Letter. The Commission's review of the Issuance Advice Letter should be limited to the arithmetic accuracy of the calculations and to compliance with the Act, this Financing Order, and the specific requirements that are included in the Issuance Advice Letter. The initial Consumer Rate Relief Charges and the final terms of the Consumer Rate Relief Bonds set forth in the Issuance Advice Letter will become effective on the date of issuance of the Consumer Rate Relief Bonds (which shall not occur prior to the sixth business day after pricing) unless prior to noon on the fourth business day after the Commission receives the Issuance Advice Letter, the Commission issues a disapproval order, directing that the Consumer Rate Relief Bonds, as proposed, not be issued and stating the basis for the disapproval. Each applicant may use an original issue discount in connection with the issuance and pricing of the applicable Consumer Rate Relief Bonds subject the Issuance Advice Letter Procedure.

B. Ongoing Financing Costs

"Ongoing Financing Costs" are the "financing costs" (as defined W. Va. Code § 24-2-4h(b)(13)) that are incurred following a Dual Issuance or are otherwise not included in the Upfront Financing Costs and include costs of servicing both series of Consumer Rate Relief Bonds forming part of such Dual Issuance over their life, and include administration fees, servicer fees, the level of funding of any over-collateralization subaccount (if such an account is determined to be required), replenishment of each capital subaccount (if required), trustee, legal, accounting and Rating Agency fees, and miscellaneous fees and expenses relating to servicing the Consumer Rate Relief Bonds.

The Applicants are authorized to recover directly through the Consumer Rate Relief Charges, their actual ongoing costs of servicing the Consumer Rate Relief Bonds and providing administrative services to the BondCos. For each Dual Issuance, the annual servicing fee for the Servicers to cover all ordinary ongoing servicing and administrative functions is collectively expected to be 0.10 percent of the original principal amount of the Consumer Rate Relief Bonds issued by the BondCos comprising such Dual Issuance plus out of pocket third-party costs. The

annual administrative fees for such Applicant are expected to be $50,000 per annum per BondCo, plus out of pocket third-party costs. The estimated Ongoing Financing Costs should be updated in the Issuance Advice Letter to reflect more current information then available to the Applicants. In accordance with the terms of this Financing Order, the Commission will permit a successor Servicer to recover a higher servicing fee if a Servicer ceases to service the Consumer Rate Relief Property. The Commission finds that these fees are consistent with the market and are appropriate. Further, as set forth in Appendix H, the annual servicing fee payable to any other servicer not affiliated with either Applicant may be increased without further Commission approval but may not at any time exceed 0.25 percent of the original principal balance of the Consumer Rate Relief Bonds issued by the applicable BondCo unless such higher rate is approved by the Commission pursuant to Appendix H. Although the debt service schedule for each issuance of Consumer Rate Relief Bonds will be established at the time of pricing and will be subject to review before the issuance of the Consumer Rate Relief Bonds pursuant to the Issuance Advice Letter Procedure, the actual debt service paid over the life of such Consumer Rate Relief Bonds may vary. For example, Ongoing Financing Costs will vary during the term of the applicable Consumer Rate Relief Bonds and are not determinable on or before the issuance of such Consumer Rate Relief Bonds. Additionally, if an undercollection of Consumer Rate Relief Charges were to cause a delay in the scheduled amortization of such Consumer Rate Relief Bonds, the amount not paid in a timely manner would continue to bear interest until paid. Accordingly, the Applicants have requested that each Applicant or its assignee or pledgees be entitled to recover the actual Ongoing Financing Costs as incurred, or as otherwise provided in the approved Adjustment Mechanism. The Commission finds that recovery of actual Ongoing Financing Costs as described above, including the requirement that all Ongoing Financing Costs be recoverable in full, is reasonable and consistent with obtaining the desired highest rating on the Consumer Rate Relief Bonds, and should be approved. The projected Ongoing Financing Costs for the first twelve months following issuance of the applicable bonds will be subject to review pursuant to the Issuance Advice Letter Procedure.

C. Commission Financial Advisor

In consideration of the matters pending in this proceeding and the provisions of W. Va. Code § 24-2-4h regarding the securitization of utility assets, the Commission finds it appropriate to retain a Financial Advisor as that term is defined in the Act and this Financing Order (Commission Financial Advisor) to assist the Commission in the evaluation and implementation of the securitization transaction approved herein.

The Commission will have the sole authority to select and retain the Commission Financial Advisor and, if needed, terminate and replace the Commission Financial Advisor.

The costs for the Commission Financial Advisor will be paid from the proceeds of the Certificates and the Bonds issued pursuant to the Securitization transaction and discussed in section II.A, Upfront Financing Costs.

To proceed with the selection of a Financial Advisor, we will require APCo to issue the request for proposals (RFP) as contained in Appendix F. The RFP should be mailed to the firms listed on Appendix G. In addition, APCo shall provide notice of this RFP to be published no later than thirty days prior to the proposal submittal date in one or more business publications that generally cover corporate bond markets and bond market debt financing.

V. AFFILIATE AGREEMENTS

Pursuant to W. Va. Code § 24-2-12, the Commission must approve an Applicant's entry into certain contracts with affiliates "upon proper showing that the terms and conditions thereof are reasonable and that no party thereto is given an undue advantage over the other, and they do not adversely affect the public in this state."[29] In connection with the Securitization, the Applicants propose to enter into the following affiliate agreements, which require such approval of the Commission (the Affiliate Agreements).

A. AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of the APCo BondCo to be entered by APCo, as sole member, and by the managers of APCo BondCo (the APCo BondCo LLC Agreement), for the governance of the APCo BondCo;

B. AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of the WPCo BondCo to be entered by WPCo, as sole member, and by the managers of WPCo BondCo (the WPCo BondCo LLC Agreement and, together with the APCo BondCo LLC Agreement, the LLC Agreements), for the governance of the APCo BondCo;

C. CRR PROPERTY PURCHASE AND SALE AGREEMENT to be entered between APCo and APCo BondCo (the APCo Sale Agreement), for the sale of APCo's interest in the Consumer Rate Relief Property from APCo to APCo BondCo;

29 W. Va. Code § 24-2-12.

D. CRR PROPERTY PURCHASE AND SALE AGREEMENT to be entered between WPCo and WPCo BondCo (the WPCo Sale Agreement and, together with the APCo Sale Agreement, the Sale Agreements), for the sale of WPCo's interest in the Consumer Rate Relief Property from WPCo to WPCo BondCo;

E. CRR PROPERTY SERVICING AGREEMENT to be entered among APCo, WPCo and APCo BondCo (the APCo BondCo Servicing Agreement), for the joint servicing by APCo and WPCo of APCo BondCo's Consumer Rate Relief Property and Consumer Rate Relief Bonds;

F. CRR PROPERTY SERVICING AGREEMENT to be entered among WPCo, APCo and WPCo BondCo (the WPCo BondCo Servicing Agreement and, together with the APCo BondCo Servicing Agreement, the Servicing Agreements), for the joint servicing by APCo and WPCo of WPCo BondCo's Consumer Rate Relief Property and Consumer Rate Relief Bonds;

G. ADMINISTRATION AGREEMENT to be entered between APCo and APCo BondCo (the APCo Administration Agreement), for the provision of administrative services from APCo to the APCo BondCo;

H. ADMINISTRATION AGREEMENT to be entered between WPCo and WPCo BondCo (the WPCo Administration Agreement and, together with the APCo Administration Agreement, the Administration Agreements), for the provision of administrative services from WPCo to the WPCo BondCo; and

I. INTERCREDITOR AGREEMENT to be entered among APCo, WPCo, each BondCo and each Indenture Trustee (the lntercreditor Agreement), for the allocation of rights and responsibilities of the parties thereto in respect of the Joint Collection Account and other shared collateral.

On April 14, 2025, the Applicants filed the unexecuted Affiliate Agreements required in order to effectuate the proposed Securitization. In their cover letter submitting those Affiliate Agreements, the Applicants explained that the Affiliate Agreements are subject to further revisions that may be required by the Indenture Trustees, the rating agencies, the SEC, and other parties after issuance of this Financing Order but prior to the issuance of the Consumer Rate Relief Bonds (Required Modifications). As examples, the Applicants further explained that such Required Modifications are likely to pertain to (i) the rights, obligations and liability of the Indenture Trustees, (ii) additional bondholder protections required by the rating agencies to achieve the desired highest rating on the Consumer Rate Relief Bonds and (iii) changes to conform the Affiliate Agreements with SEC comments to the registration statements for the Consumer Rate Relief Bonds. The Act contemplates that certain necessary activities must occur after issuance of the Financing Order that are in accord with the Financing Order, but that cannot be known with certainty until just prior to the issuance of the Consumer Rate Relief Bonds; for example, as evidenced by the Issuance Advice Letter Procedure. The Required Modifications are also a reasonable part of the necessary activities to occur after issuance of the Financing Order. In order to obtain approval from the Commission of the Affiliate Agreements pursuant to W. Va. Code § 24-2-12, the Applicants, within 30 days after the filing of the Application, submitted drafts of the Affiliate Agreements for such Commission approval. Consequently, it is reasonable for the Commission to grant its prior consent and approval for the Applicants to enter into the Affiliate Agreements and the Required Modifications in order to effectuate the Securitization; provided, that the Required Modifications are consistent with the terms of this Financing Order and the Act. As described further below, the Commission herein makes the findings required by W. Va. Code § 24-2-12 that the terms and conditions of the Affiliate Agreements, subject to the Required Modifications, in the context of the approved Securitization, are reasonable, that no party thereto has an undue advantage over the other parties thereto, and do no adversely affect the public in this state. We direct the Applicants to file the final executed copies of the Affiliate Agreements as a closed case entry in this proceeding.

VI. FINDINGS OF FACT

1. The Applicants filed an application pursuant to W. Va. Code § 24-2-4h seeking securitization of certain sums as described herein.

2. The Applicants also seek approval pursuant to W. Va. Code § 24-2-12 for nine affiliate agreements as described herein.

3. The Commission granted intervention to the Consumer Advocate Division, West Virginia Energy Users Group, SWVA, Inc., and the West Virginia Coal Association.

4. The Applicants proposed a Financing Order, revised Financing Order, and corrected revised Financing Order.

5. The Commission held an evidentiary hearing and all parties had an opportunity to be heard.

6. Retail customers taken as a whole will realize net present value savings from the securitization.[30]

VII. CONCLUSIONS OF LAW

1. The Application complies with W. Va. Code § 24-2-4h(d).

2. The findings of fact, conclusions of law, and ordering paragraphs proposed by the Applicants in the corrected revised Financing Order are attached to this Financing Order as Appendix H and should be adopted and incorporated herein as further support that the Financing Order satisfies the requirements of W. Va. Code § 24-2-4h.

3. The Commission should issue this financing order because the issuance of the consumer rate relief bonds and the consumer rate relief charges authorized by this Order are just and reasonable and are reasonably expected to achieve the lowest reasonably attainable cost in order to produce cost savings to customers and to mitigate rate impacts on customers as compared to traditional financing mechanisms or traditional cost-recovery methods available to the Applicants.

4. The estimated Upfront Financing Costs as set forth in Appendix H are reasonable and, subject to review and approval pursuant to the Issuance Advice Letter Procedure are authorized and eligible for recovery under the Act in the amount to be securitized.

5. If a Servicer ceases to service the Consumer Rate Relief Property, a successor Servicer may service the Consumer Rate Relief Property at a higher servicing fee consistent with the market.

6. Recovery of actual Ongoing Financing Costs as described in this Order including the requirement that Ongoing Financing Costs be recoverable in full is reasonable and consistent with obtaining the desired highest rating on the Consumer Rate Relief Bonds.

7. Because the terms and conditions of the nine affiliate agreements are reasonable, and that no party thereto is given an undue advantage over other parties and do not adversely affect the public in West Virginia, the Commission should approve the affiliate agreements without approving the terms and conditions thereof.[31]

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30 Tr. at Cos. Exh. JJS-D at Bates 217-230.

31 W. Va. Code § 24-2-12.

ORDER

IT IS THEREFORE ORDERED that the Commission approves the application for a financing order as modified and conditioned in this Order. The Companies shall develop the securitization structure, the securitization bond tranches and issue advice letter as described herein.

IT IS FURTHER ORDERED that this Order is a final financing order as that term is defined in W. Va. Code §24-2-4h.

IT IS FURTHER ORDERED that the Companies shall proceed with the request for proposal for a Commission Financial Advisor as described herein.

IT IS FURTHER ORDERED that the Commission approves the Affiliate Agreements described herein, pursuant to W. Va. Code § 24-2-12 without approving the terms or conditions thereof.

IT IS FURTHER ORDERED that the Commission Executive Secretary serve a copy of this order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,

/s/ Karen Buckley
Karen Buckley, Executive Secretary

SMS/pkb
250310ce

Maximum Securitization Amount[1]

	APCO WV Jurisdictional Share $ 000,000	WPCO WV Jurisdictional Share $ 000,000	Maximum Authorized Securitized $ 000,000
Undepreciated Plant Balances as of 12/31/22	**$ 1,145.5**	**$ 558.7**	**$ 1,704.2**
CCR and ELG Investments (1)	**$ 87.6**	**$ 149.2**	**$ 236.7**
Deferred Storm Expense	**$ 155.0**	**$ 29**	**$ 157.9**
ENEC Under Recovery (2)	**$ 215.8**	**$ 276.4**	**$ 492.2**
Upfront Financing Costs	**$ 10.4**	**$ 5.9**	**$ 16.3**
Totals	**$ 1,614.3**	**$ 993.1**	**$ 2,607.4**

(1) CCR and ELG investments do not reflect any Kentucky Power Purchase.

(2) The ENEC component includes $397.6 million ENEC under-recovery balance as of 2/28/2025, plus the $18.4 million of projected ENEC under-recovery approved for the forecast period in Case No. 25-0413-E-ENEC. The Commission further reflected the $76.2 million annual rate increase approved in Case No. 24-0669-E-42Twhich is recovered with an offset to ENEC revenue. The Commission estimates that the offset will continue through August 2026, which is when we expect the Companies to issue securitization bonds. The Commission therefore included an additional $76.2 million of ENEC under-recovery for the period 9/1/25 through 8/31/26. The $76.2 million is currently under reconsideration by the Commission and this amount may be modified upward or downward by a corrective Order if the rate increase and ENEC offset is modified due to reconsideration in Case No. 24-0669-E-42T.

1 To the extent not fixed by statute, these amounts may be reasonable estimates by the Commission as of the date of this Order. The Commission will continue to monitor allowable cost components and may update the estimates prior to the final securitization bond marketing.

ESTIMATED UPFRONT FINANCING COSTS

	Total Upfront Financing Costs
Legal Fees (Applicants' and BondCos' Counsel and Underwriters' Counsel)	$ 2,500,000
Fees for Commission Financial Advisor and Applicants' Structuring Advisor	$ 750,000
Printing/Edgarizing Expenses	$ 75,000
Miscellaneous Administrative Costs	$ 48,131
Rating Agency Fees	$ 2,150,000
Accountant Fees	$ 150,000
Servicer Set-Up Costs	$ 125,000
Indenture Trustee's, Securities Intermediary's and Indenture Trustee Counsel's Fees and Expenses	$ 25,000
Underwriting Fee	$10,109,118
SEC Fees	$ 366,795
TOTAL ESTIMATED UPFRONT FINANCING COSTS SECURITIZED	**$16,299,044**

ESTIMATED ANNUAL

ONGOING FINANCING COSTS

	Annual Ongoing Financing Costs
Servicer Fees (Applicants or affiliate as Servicers) (at 0.10% of the initial principal balance)	$2,607,000
Administration Fees	$ 100,000
Accountant's Fees	$ 75,000
Legal Fees (Applicants and BondCos)	$ 50,000
Indenture Trustee's, Securities Intermediary's and Indenture Trustee Counsel's Fees and Expenses	$ 10,000
Independent Managers' Fees	$ 2,750
Rating Agency Fees	$ 75,000
Return on Capital Contributions	$1,128,672
Miscellaneous	$ 25,000
TOTAL ESTIMATED ONGOING FINANCING COSTS (APPLICANTS AS SERVICER$)	**$4,073,422**
Servicer Fees (if third party is the Servicer) (at 0.25% of the initial principal balance)	$6,518,000
TOTAL ESTIMATED ONGOING FINANCING COSTS (THIRD PARTY AS SERVICER)	**$7,984,444**

FORM OF ISSUANCE ADVICE LETTER

(*See attached.*)

FORM OF

ISSUANCE ADVICE LETTER

____day, _____ , 20____

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

SUBJECT: ISSUANCE ADVICE LETTER FOR CONSUMER RATE RELIEF BONDS

Pursuant to the Financing Order dated _____, 20____and adopted in Application for Commission Approval to Securitize Costs Pursuant to W. Va. Code § 24-2-4h and to Enter Into Affiliate Agreements Pursuant to W. Va. Code § 24-2-12, Case No. ____-____ -E-____ (the **Financing Order),** APPALACHIAN POWER COMPANY **(APCo)** and WHEELING POWER COMPANY **(WPCo** and, together with APCo, the **Companies)** hereby submit the information referenced below. This Issuance Advice Letter is for the Dual Issuance of (a) [APCo BondCo] consumer rate relief bonds series [__] (the **APCo Bonds),** and (b) [WPCo BondCo] consumer rate relief bonds series [__] (the **WPCo Bonds** and, together with the APCo Bonds, the **Consumer Rate Relief Bonds).** Any capitalized terms not defined in this letter shall have the meanings ascribed to them in the Financing Order. Pursuant to the W. Va. Code § 24-2-4h (the **Act)** and the Financing Order, the Companies are irrevocably authorized to proceed with the issuance of the Consumer Rate Relief Bonds based upon the terms set forth in this final Issuance Advice Letter, unless, prior to noon on [date][1], the Commission issues a disapproval letter directing that the bonds as proposed not be issued and the basis for such disapproval.

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[1] **Note to Form:** Assuming the Commission receives this Issuance Advice on the date of this Issuance Advice Letter, to be the fourth business day after such date.

PURPOSE

This filing provides the following information:

PART I	Calculation of Total Fixed Securitization Amount and Upfront Financing Costs;
PART II	The final terms and structure of the Consumer Rate Relief Bonds issued;
PART Ill	An updated schedule of the Upfront Financing Costs and Ongoing Financing Costs;
PART IV	The initial Consumer Rate Relief Charges for retail customers;
PART V	Savings calculation (for informational purposes only);
PART VI	Certification;
Attachment 1	Payment Schedules; and
Attachment 2	Savings Workpapers

PART I:
CALCULATION OF
TOTAL FIXED SECURITIZATION AMOUNT AND
AND UPFRONT FINANCING COSTS

APCo Bonds:

(a) APCo Fixed Securitization Amount (including APCo Carrying Charges through the date of issuance)	$_____
(b) Estimated APCo Upfront Financing Costs (See Part III)	$_____
(c) APCO TOTAL SECURITIZATION AMOUNT (a + b)	$_____

WPCo Bonds:

(d) WPCo Fixed Securitization Amount (including WPCo Carrying Charges through the date of issuance)	$_____
(e) Estimated WPCo Upfront Financing Costs (See Part III)	$_____
(f) WPCO TOTAL SECURITIZATION AMOUNT	$_____

All Consumer Rate Relief Bonds:

(g) Total Eligible Costs to be Securitized (a + d)	$_____
(h) Estimated Upfront Financing Costs (b + e)	$_____
(i) TOTAL SECURITIZATION AMOUNT (c + f)	$_____

PART II:
FINAL TERMS AND STRUCTURE OF CONSUMER RATE RELIEF BONDS

APCo Bonds:

APCo Bond Series: _____

APCo Bond Issuer: **[APCo BondCo]**

Indenture Trustee: _____

Issuance Date: _____

Bond Ratings: S&P: [AAA]; Moody's: [Aaa]

Amount Issued: $_____

Up-Front Financing Costs: (See Part III)

Ongoing Financing Costs: (See Part III)

Tranche	Coupon Rate	Scheduled Final Payment	Legal Final Maturity
	____ %	____	____
	____ %	____	____

Effective Annual Weighted Average Interest Rate of the APCo Bonds:	[____]%
Life of Series:	____years
Weighted Average Life of Series:	____years
Target Amortization Schedule:	See Attachment 1, Schedule A
Scheduled Final Payment Dates:	See Attachment 1, Schedule A
Legal Final Maturity Dates:	See Attachment 1, Schedule A
Payments to Investors:	Semiannually Beginning: ____, 20__

WPCo Bonds:

WPCo Bond Series: _____

WPCo Bond Issuer: **[WPCo BondCo]**

Indenture Trustee: _____

Issuance Date: _____

Bond Ratings: S&P: [AAA]; Moody's: [Aaa]

Amount Issued: $_____

Up-Front Financing Costs: (See Part Ill)

Ongoing Financing Costs: (See Part Ill)

Tranche	Coupon Rate	Scheduled Final Payment	Legal Final Maturity
	____ %	____	____
	____ %	____	____

Effective Annual Weighted Average Interest Rate of the WPCo Bonds:	[____]%
Life of Series:	____years
Weighted Average Life of Series:	____years
Target Amortization Schedule:	See Attachment 1, Schedule B
Scheduled Final Payment Dates:	See Attachment 1, Schedule B
Legal Final Maturity Dates:	See Attachment 1, Schedule B
Payments to Investors:	Semiannually Beginning: ____, 20____

PART III:
ESTIMATED UPFRONT FINANCING COSTS

	APCo Upfront Financing Costs	WPCO Upfront Financing Costs	Total Upfront Financing Costs
Legal Fees (Companies and BondCos)	$	$	$
Legal Fees (Underwriter's Counsel)	$	$	$
Underwriters' Fees	$	$	$
Rating Agencies' Fees	$	$	$
Applicant Structuring Advisor's Fees	$	$	$
Commission Financial Advisor's Fee (if any)	$	$	$
SEC Registration Fee	$	$	$
Printing/Edgarizing Expenses	$	$	$
Miscellaneous Administrative Costs	$	$	$
Accountant's Fees	$	$	$
Servicer's Set-Up Costs	$	$	$
BondCo Set-Up Costs	$	$	$
Indenture Trustee's, Securities Intermediary's and Indenture Trustee Counsel's Fees and Expenses	$	$	$
TOTAL ESTIMATED UPFRONT FINANCING COSTS SECURITIZED	**$**	**$**	**$**

Note: Differences that result from the estimated Upfront Financing Costs securitized being more or less than the actual Upfront Financing Costs incurred will be resolved through the true-up adjustment mechanism as described in the Financing Order.

ESTIMATED ONGOING FINANCING COSTS

	APCo Ongoing Financing Costs	WPCO Ongoing Financing Costs	Total Ongoing Financing Costs
Ongoing Servicer Fees (Applicants or affiliate as Servicers)	$	$	$
Administration Fees	$	$	$
Accountant's Fees	$	$	$
Legal Fees (Applicants and BondCos)	$	$	$
Indenture Trustee's, Securities Intermediary's and Indenture Trustee Counsel's Fees and Expenses	$	$	$
Independent Managers' Fees	$	$	$
Rating Agency Fees	$	$	$
Printing/Edgarizing Expenses	$	$	$
Return on Capital Contributions	$	$	$
Miscellaneous	$	$	$
TOTAL ESTIMATED ONGOING FINANCING COSTS (APPLICANTS AS SERVICERS)	**$**	**$**	**$**
Ongoing Servicer Fees (if third party is the Servicer)	$	$	$
Other Servicer Fees (if third party is the Servicer)	$	$	$
TOTAL ESTIMATED ONGOING FINANCING COSTS (THIRD PARTY AS SERVICER)	**$**	**$**	**$**

Note: The amounts shown for each category of operating expense on these attachments are the expected expenses for the first year of the Consumer Rate Relief Bonds. The Consumer Rate Relief Charges will be adjusted at least annually to reflect any changes in Ongoing Financing Costs through the true-up adjustment mechanism described.in the Financing Order.

PART IV

INTIAL CONSUMER RATE RELIEF CHARGES

Table 1 shows the current assumptions for each of the variables used in the calculation of the initial Consumer Rate Relief Charges.

TABLE 1
Input Values for Initial Consumer Rate Relief Charges

Applicable period: from____ to____

Forecasted retail kWh/kW sales for the applicable period:	_____
APCo Bond debt service for the applicable period:	$_____
WPCo Bond debt service for the applicable period:	$_____
Percent of billed amounts expected to be charged-off:	_____%
Forecasted % of billing paid in the applicable period:	_____%
Forecasted retail kWh/kW sales billed and collected for the applicable period:	_____
Forecasted annual ongoing transaction expenses (excluding Consumer Rate Relief Bond principal and interest):	$_____
Initial outstanding principal balance of APCo Bonds:	$_____
Initial outstanding principal balance of WPCo Bonds:	$_____
Initial outstanding principal balance of all Consumer Rate Relief Bonds:	$_____
Target Consumer Rate Relief Bond outstanding balance as of ____/____/____:	$_____
Total Periodic Billing Requirement for applicable period:	$_____

Based on the foregoing, the initial Consumer Rate Relief Charges calculated for retail customers are as set forth below on Table II:

PART IV

INITIAL CONSUMER RATE RELIEF CHARGES
(continued)

TABLE II

CRR Revenue Groups	CRR Rate Classes	Initial Consumer Rate Relief Charge Energy	Initial Consumer Rate Relief Charge Demand
Residential	RS, RS-TOD	$ ____/kWh	
Commercial	SWS	$ ____/kWh	
	SGS, SGS-TOD	$ ____/kWh	
	SS Secondary	$ ____/kWh	$ ____/kW
	SS Primary	$ ____/kWh	$ ____/kW
	SS AF	$ ____/kWh	
	GS-TOD & LGS-TOD On-Peak	$ ____/kWh	
	GS-TOD & LGS-TOD Off-Peak	$ ____/kWh	
	GS Secondary	$ ____/kWh	$ ____/kW
	GS Primary	$ ____/kWh	$ ____/kW
	GS-Subtransmission	$ ____/kWh	$ ____/kW
	GS-Transmission	$ ____/kWh	$ ____/kW
	GS-AF	$ ____/kWh	
	OL & SL	$ ____/kWh	

Industrial	LCP & IP Secondary	$____/kWh	$____/kW
	LCP & IP Primary	$____/kWh	$____/kW
	LCP & IP Subtransmission	$____/kWh	$____/kW
	LCP & IP Transmission	$____/kWh	$____/kW
	Special Contract K	$____/kWh	$____/kW
	Special Contract J	$____/kWh	$____/kW
	Special Contract C	$____/kWh	
	Special Contract D	$____/kWh	$____/kW
	Special Contract I	$____/kWh	$____/kW

IDENTIFICATION OF BONDCO

The owners of the Consumer Rate Relief Property will be:

(1) [APCo **BondCo],** a Delaware limited liability company; and

(2) [WPCo **BondCo],** a Delaware limited liability company.

PART IV

INITIAL CONSUMER RATE RELIEF CHARGES
(continued)

EFFECTIVE DATE

In accordance with the Financing Order:

(1) the Consumer Rate Relief Charges shall be automatically effective with respect to **[APCo BondCo]** upon APCo's receipt of payment in the amount of $ _____ from **[APCo BondCo],** following APCO's execution and delivery to **[APCo BondCo]** of the Bill of Sale transferring APCO's interest in the Consumer Rate Relief Property described in the Financing Order; and

(2) the Consumer Rate Relief Charges shall be automatically effective with respect to **[WPCo BondCo]** upon WPCo's receipt of payment in the amount of $_____ from **[WPCo BondCo],** following WPCO's execution and delivery to **[WPCo BondCo]** of the Bill of Sale transferring WPCO's interest in the Consumer Rate Relief Property described in the Financing Order.

PART V:

ESTIMATED SAVINGS

Estimated savings for retail customers (calculated at an assumed discount rate of [__] %) are projected to be the following, the detail for which is shown on the workpapers included as **Attachment 2.**

	Cost Savings
Net Present Value	$ _____

PART VI:

CERTIFICATION

APCo and WPCo hereby jointly certify the following:

Based upon information known or reasonably available to APCo and WPCo, their officers, agents, and employees, and upon the actual market conditions at the time of pricing, the structuring and pricing of the Consumer Rate Relief Bonds and the imposition of the proposed Consumer Rate Relief Charges, taken as a whole across both APCo and WPCo, are just and reasonable, and are reasonably expected to achieve the lowest reasonably attainable cost in order to produce cost savings to APCo's and WPCo's customers and to mitigate rate impacts on such customers, as compared to traditional financing mechanisms or traditional cost recovery methods available to APCo and WPCo.

NOTICE

This letter is submitted for informational purposes only.

AUTHORIZED OFFICER

The undersigned are officers of APCo and WPCo, respectively, and are authorized to deliver this Issuance Advice Letter on behalf of APCo and WPCo, respectively.

Respectfully submitted,

APPALACHIAN POWER COMPANY

By: _____
Name: _____
Title: _____

WHEELING POWER COMPANY

By: _____
Name: _____
Title: _____

ATTACHMENT 1:

PAYMENT SCHEDULES

SCHEDULE A
(APCO BONDS)

TARGET AMORTIZATION SCHEDULES:

[NAME OF APCO BONDS], SERIES _____, TRANCHE _____

Payment Date	Principal Balance	Interest	Principal	Total Payment
_____	$_____	$_____	$_____	$_____
_____	$_____			
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____

Scheduled Final Payment Date: *[Date]*
Legal Final Maturity Date: *[Date]*

[NAME OF APCO BONDS], SERIES _____, TRANCHE _____

Payment Date	Principal Balance	Interest	Principal	Total Payment
_____	$_____	$_____	$_____	$_____
_____	$_____			
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____

Scheduled Final Payment Date: *[Date]*
Legal Final Maturity Date: *[Date]*

ATTACHMENT 1:

PAYMENT SCHEDULES
(continued)

SCHEDULE B
(WPCO BONDS)

TARGET AMORTIZATION SCHEDULES:

[NAME OF WPCO BONDS], SERIES _____, TRANCHE _____

Payment Date	Principal Balance	Interest	Principal	Total Payment
_____	$_____	$_____	$_____	$_____
_____	$_____			
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____

Scheduled Final Payment Date: *[Date]*
Legal Final Maturity Date: *[Date]*

[NAME OF WPCO BONDS], SERIES _____, TRANCHE _____

Payment Date	Principal Balance	Interest	Principal	Total Payment
_____	$_____	$_____	$_____	$_____
_____	$_____			
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____
_____	$_____	$_____	$_____	$_____

Scheduled Final Payment Date: *[Date]*
Legal Final Maturity Date: *[Date]*

ATTACHMENT 2:

SAVINGS WORKPAPERS

(See *attached.*)

Workpapers will be attached to final Issuance Advice Letter

FORM OF CRRC SCHEDULE

(*See attached.*)

APPALACHIAN POWER COMPANY
WHEELING POWER COMPANY
(See Sheet Nos. 2-1 through 2-7 for Applicability)

Original Sheet No. 35-A

P.S.C. W.VA. TARIFF NO. 16 (APPALACHIAN POWER COMPANY)
P.S.C. W.VA. TARIFF NO. 21 (WHEELING POWER COMPANY)
(N) Consumer Rate Relief Charges II
(CRRC II)

A Consumer Rate Relief Charge II (CRRC II) will be applied to customers' bills rendered on or after _____, 2026 under the applicable Schedules as set forth in the table below.

Schedule	Energy (¢/kWh)	Demand ($/kW)
RS	1.786	
RS-TOD		
On-peak	1.786	
Off-peak	1.786	
SWS	2.073	
SGS	1.406	
SGS-LM-TOD		
On-peak	1.406	
Off-peak	1.406	
SS		
Secondary	1.478	0.336
Primary	1.426	0.327
AF	1.597	
GS		
Secondary	0.701	2.050
Primary	0.676	1.991
Subtransmission	0.662	1.637
Transmission	0.658	1.610
AF	1.334	
GS-TOD		
On-peak Secondary	1.334	
Off-peak Secondary	1.334	
On-peak Primary	1.287	
Off-peak Primary	1.287	
LGS-TOD		
On-peak Secondary	1.334	
Off-peak Secondary	1.334	
On-peak Primary	1.287	
Off-peak Primary	1.287	
LCP		
Secondary	0.147	4.826
Primary	0.142	4.687
Subtransmission	0.140	4.333
Transmission	0.138	4.261
IP		
Secondary	0.147	4.826
Primary	0.142	4.687
Subtransmission	0.140	4.333
Transmission	0.138	4.261
OL	1.426	
SL	0.261	

(C) Indicates Change, (D) Indicates Decrease, (I) Indicates Increase, (N) Indicates, New (O) Indicates Omission, (T) Indicates Temporary

Issued Pursuant to
P.S.C. West Virginia
Case No. 25-0310-E-PC
Order Dated

Issue By
Aaron D. Walker, President & COO
Charleston, West Virginia

Effective: Services rendered on or after

CRR REVENUE GROUPS

AND

CRR RATE CLASSES

CRR Revenue Groups	CRR Rate Classes
Residential	RS, RS-TOD
Commercial	SWS
	SGS, SGS-TOD
	SS Secondary
	SS Primary
	SS AF
	GS-TOD & LGS-TOD On-Peak
	GS-TOD & LGS-TOD Off-Peak
	GS Secondary
	GS Primary
	GS-Subtransmission
	GS-Transmission
	GS-AF
	OL & SL
Industrial	LCP & IP Secondary
	LCP & IP Primary
	LCP & IP Subtransmission
	LCP & IP Transmission
	Special Contract A
	Special Contract B
	Special Contract G
	Special Contract K
	Special Contract J
	Special Contract C
	Special Contract D
	Special Contract I

COST CLASSIFICATION

AND

ALLOCATION METHODOLOGY

(*See attached.*)

$ in Millions				Plant $	Deferred Storms $	ENEC $			Total $					Debt Service $
Allocator	Production Demand	Distribution Demand	ENEC	Production Demand	Distribution Demand	ENEC	27% ENEC Demand	73% ENEC Energy		Total % Allocation	Production Demand	Distribution Demand	Energy	$209,675,164 $215,965,419
Balance				$ 1,941.0	$ 158.0	$ 412.4	$ 88.1	$233.0	$2,511.3					$ 0.0%
RS	42.43%	69.39%	35.06%	$ 823.5	$ 109.6	$ 144.6	$ 39.7	$104.9	$1,077.7	42.91%	80.1%	10.2%	9.7%	$ 92,678,465
SGS	1.66%	2.43%	1.70%	$ 32.2	$ 3.8	$ 7.0	$ 1.9	$ 5.1	$ 43.0	1.71%	79.3%	8.9%	11.8%	$ 3,701,547
GS-SEC	13.08%	17.87%	14.87%	$ 253.8	$ 28.2	$ 61.3	$ 16.8	$ 44.5	$ 343.4	13.67%	78.8%	8.2%	13.0%	$ 29,527,165
GS-PRI	1.79%	1.55%	1.85%	$ 34.8	$ 2.5	$ 7.6	$ 2.1	$ 5.5	$ 44.9	1.79%	82.2%	5.5%	12.4%	$ 3,858,508
GS-SUB	0.19%	0.00%	0.27%	$ 3.7	$ —	$ 1.1	$ 0.3	$ 0.8	$ 4.8	0.19%	82.9%	0.0%	17.1%	$ 413,934
GS-TRAN	0.04%	0.00%	0.05%	$ 0.8	$ —	$ 0.2	$ 0.1	$ 0.1	$ 1.0	0.04%	85.6%	0.0%	14.4%	$ 87,714
LCP-SEC	0.45%	0.56%	0.54%	$ 8.8	$ 0.9	$ 2.2	$ 0.6	$ 1.6	$ 11.9	0.47%	78.9%	7.5%	13.6%	$ 1,021,107
LCP-PRI	5.30%	4.58%	5.63%	$ 102.9	$ 7.2	$ 23.2	$ 6.4	$ 16.8	$ 133.3	5.31%	81.9%	5.4%	12.6%	$ 11,465,867
LCP-SUB	7.26%	0.00%	7.87%	$ 140.9	$ —	$ 32.4	$ 8.9	$ 23.5	$ 173.4	6.90%	86.4%	0.0%	13.6%	$ 14,909,385
LCP-TRA	22.35%	0.00%	24.06%	$ 433.8	$ —	$ 99.2	$ 27.2	$ 72.0	$ 533.0	21.22%	86.5%	0.0%	13.5%	$ 45,837,495
IP-SEC	0.00%	0.00%	0.00%	$ —	$ —	$ —	$ —	$ —	$ —	0.00%	0.0%	0.0%	0.0%	$ —
IP-PRI	0.03%	0.03%	0.04%	$ 0.6	$ 0.0	$ 0.1	$ 0.0	$ 0.1	$ 0.8	0.03%	81.7%	5.3%	13.0%	$ 69,809
IP-SUB	0.00%	0.00%	0.53%	$ —	$ —	$ 2.2	$ 0.6	$ 1.6	$ 2.2	0.09%	27.5%	0.0%	72.6%	$ 187,202
IP-TRA	0.82%	0.00%	2.31%	$ 16.0	$ —	$ 9.5	$ 2.6	$ 6.9	$ 25.5	1.02%	72.9%	0.0%	27.1%	$ 2,194,304
SWS	0.67%	0.98%	0.55%	$ 13.0	$ 1.6	$ 2.2	$ 0.6	$ 1.6	$ 16.8	0.67%	81.1%	9.2%	9.7%	$ 1,447,618
SS-Sec	1.52%	1.95%	1.51%	$ 29.6	$ 3.1	$ 6.2	$ 1.7	$ 4.5	$ 38.9	1.55%	80.4%	7.9%	11.6%	$ 3,344,712
SS-Pri	0.30%	0.22%	0.20%	$ 5.9	$ 0.4	$ 0.8	$ 0.2	$ 0.6	$ 7.0	0.28%	86.6%	5.0%	8.3%	$ 602,782
OL	0.02%	0.21%	0.34%	$ 0.4	$ 0.3	$ 1.4	$ 0.4	$ 1.0	$ 2.1	0.09%	36.0%	15.7%	48.3%	$ 183,629
SL	0.01%	0.08%	0.13%	$ 0.2	$ 0.1	$ 0.5	$ 0.1	$ 0.4	$ 0.8	0.03%	36.4%	16.1%	47.3%	$ 70,300
SC	2.07%	0.14%	2.48%	$ 40.3	$ 0.2	$ 10.2	$ 2.8	$ 7.4	$ 50.7	2.02%	84.9%	0.4%	14.6%	$ 4,363,875
Total	100.00%	100.00%	100.00%	$ 1,941.0	$ 158.0	$ 412.4	$ 113.2	$299.2	$2,511.3	100.00%				**$215,965,419**

* Gross update based on collection experience (estimated at 3%)

Request for Proposals for Financial Advisor

1. Purpose and Background

The Public Service Commission of West Virginia (Commission) is seeking proposals from qualified firms to see as financial advisor to the Commission in connection with the potential securitization of certain assets or regulatory assets of Appalachian Power Company (APCo) and Wheeling Power Company (WPCo) (jointly Companies) pursuant to W. Va. Code § 24-2-4h (the Act) and related Commission proceedings.

The selected financial advisor will assist the Commission in evaluating proposed securitization structures, financing mechanisms, and potential customer savings, and will provide expert financial and transactional advice throughout the process.

2. Contracting and Payment Arrangement

The financial advisor selected by the Commission will enter into a contract with the Companies subject to Commission approval. Although the advisor will contract with and be paid by the Companies, the advisor shall act under the direction and supervision of the Commission and serve solely as financial advisor to the Commission.

All reasonable fees and expenses paid to the financial advisor shall be paid by the Companies and such costs may be included as upfront financing costs recoverable by the Companies through the securitization.

3. Scope of Services.

The financial advisor will be expected to perform services that may include but are not limited to:

a. Advising the Commission on the structure, timing, and terms of potential securitization financing;

b. Advising the financing parties on behalf of the Commission on matters relating to the structuring, marketing, and pricing of the bonds to be secured pursuant to the Financing Order approved by the Commission this date, in Case No. 25-0310-E-P;

c. Reviewing and analyzing securitization proposals, and financing models submitted by the Companies;

d. Evaluating the reasonableness of proposed financing costs, savings to customers, and transaction expenses;

e. Providing independent analysis of alternative financing approaches or structures, as appropriate;

f. Reviewing Commission orders related to securitization financing;

g. Providing other related financial or advisory services as reasonably requested by the Commission;

h. Participate with the Companies on a cooperative basis to educate and expand the market among underwriters and investors to create the greatest possible competition among underwriters and investors in order to achieve the Lowest Cost Objective, as defined in the Act;

i. Notify the Applicants and the Commission no later than 12:00 p.m. Eastern Time on the third day after the Commission receipt of an advance Pricing Advice Letter whether the structuring, marketing, and pricing of the series of Bonds appear to be reasonable and further the Lowest Cost Objective, the requirements of the Act, and all other criteria established by the Commission, if any; and

j. Notify the Companies and the Commission no later than 12:00 p.m. Eastern Time on the second day after the Commission's receipt of the final Pricing Advice letter whether the structuring, marketing, and pricing of the series of bonds comply with the Lowest Cost Objective, the requirements of the Act, and all other criteria established by the Commission, if any.

4. Minimum Qualifications

Proposing firms must demonstrate:

a. Experience providing financial advisory services directly for or related to public utility securitization transactions in the United States;

b. Expertise in structured finance, bond issuance, and rating agency engagement;

c. Familiarity with regulatory frameworks for utility cost recovery in the form of rate increments and terms and conditions; and

d. Capacity to perform the required services within the expected timelines.

5. Proposal Requirements

Each proposal must include the following:

a. Cover letter summarizing the firm's qualifications and understanding of the engagement;

b. Description of relevant experience including examples of prior utility securitization or comparable transactions;

c. Proposed project team with resumes of key personnel;

d. Proposed work plan addressing key phases of the securitization process;

e. Proposed fee structure, including hourly rates, fixed fees, or other arrangements, with disclosure of any reimbursable expenses;

f. References from previous clients for whom similar services have been provided; and

g. Disclosure of potential conflicts of interest, including any current or recent engagements with the Companies or their affiliates or parents, or potential underwriters.

6. Submission Instructions

Proposals must be submitted electronically, in PDF format, to:
Public Service Commission of West Virginia
Attn: Executive Secretary
Email: [insert PSC RFP email or general contact email]
Subject Line: RFP – Financial Advisor for Case No. 25-0310-E-P

Proposals must be received no later than [insert date and time]. Late submissions may not be considered.

7. Evaluation and Selection

Proposals will be evaluated solely by the Commission based on the following criteria:

a. Demonstrated experience with securitization and structured finance;

b. Understanding of regulatory and utility financing requirements and processes;

c. Qualifications and availability of proposed personnel; and

d. Proposed cost of services.

The Commission reserves the right to request additional information, conduct interviews, or negotiate terms with one or more but not all firms. Final selection of the financial advisor will be made by the Commission.

8. General Provisions

This RFP does not obligate the Commission or the Companies to award a contract or to pay any costs incurred in preparing or submitting proposals.

The Commission reserves the right to reject any or all proposals, to waive minor irregularities in any proposal, and to modify or cancel this RFP at any time.

All proposals submitted will become the property of the Commission and may be subject to public disclosure under the West Virginia Freedom of Information Act, W. Va. Code § 29B-1-1, et seq., subject to applicable confidentiality protections.

List of Companies or Individuals to Receive Appendix F of the Financing Order

Firms to receive direct mail of the RFP

Saber Partners, LLC
260 Madison Avenue, 8th Floor
New York, NY 10016
Contact: Joseph S. Fichera
Phone: 212-461-2370

Brubaker and Associates Inc. (BAI)
16690 Swingley Ridge Road
Suite 140
Chesterfield, MO 63017
Contact: Greg Meyer
Phone: (636) 898-6725

Drexel Hamilton, LLC
110 E. 42nd Street
New York, NY 10017
Contact: Jeremy Traska
(646) 412-1525

Energy and Environmental Economics, Inc.
Contact: Zachary Ming
(405) 615-1218

Rothschild Financial Consulting
15 Lake Road
Ridgefield, CT 06877
Contact: Aaron Rothschild
(203) 241-7824

J.Kennedy and Associates
570 Colonial Park Drive, Suite 305
Roswell, GA 30075
Contact: Lane Kollen
(770) 992-2027

Synapse Energy Economics
485 Massachusetts Avenue
Suite 3
Cambridge, MA 02139
(617) 661-3248

Proposed Findings of Fact,

Conclusions of Law, and Ordering Paragraphs Filed by Applicants

I. PROPOSED FINDINGS OF FACT

A. Identification of Applicants and Procedural History

1. APCo is a corporation organized under the laws of the Commonwealth of Virginia and provides electric service to retail customers in West Virginia and Virginia. WPCo is a corporation organized under the laws of West Virginia and provides electric service to retail customers in West Virginia.

2. Each Applicant is both individually and jointly with the other Applicant a "Qualifying Utility" within the meaning of the Act and is engaged "in the delivery of utility service to customers in this state."[1]

3. On January 9th, 2024, the Commission issued its order in Case No. 23-0377-E-ENEC approving for recovery the ENEC under-recovery balance of approximately $321.1 million. The West Virginia jurisdictional share of the undepreciated generation utility plant balances as of December 31, 2022 of the Amos, Mountaineer and Mitchell power plants, repeatedly approved for recovery in several proceedings, is estimated at approximately $1,704.2 million; the environmental control costs related to CCR and ELG approved for recovery in Case No. 20-1040-E-CN are estimated at approximately $236.7 million; and a major storm costs prudency determination was requested by the Companies in Case No. 24-0854-E-42T estimated at approximately $118 million. In addition, the Applicants have included (i) Carrying Charges, (ii) Upfront Financing Costs, estimated to be approximately $16.3 million, and (iii) annual Ongoing Financing Costs, estimated to be approximately $3.8 million.

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[1] W. Va. Code § 24-2-4h(b)(21).

B. Application History

4. On March 13, 2025, the Applicants filed an application to (a) recover using securitization: the ENEC under-recovery balance approved for recovery by the Commission in Case No. 23-0377-E-ENEC; the West Virginia jurisdictional share of the undepreciated generation utility plant balances as of December 31, 2022 of the Amos, Mountaineer and Mitchell power plants, repeatedly approved for recovery in several proceedings; the environmental control costs related to CCR and ELG approved for recovery in Case No. 20-1040-E-CN; certain major storm costs approved for recovery, including those included in the revenue requirement in Case No. 24-0854-E-42T; Carrying Charges and Upfront Financing Costs; in each case, pursuant to W. Va. Code § 24-2-4h; (b) to obtain approval of the Affiliate Agreements pursuant to W. Va. Code § 24-2-12 (drafts of which agreements were to be submitted within thirty days after the filing on March 13, 2025); and (c) to obtain the other Financing Order Approvals described herein. Included with the Application were the direct testimony and exhibits of three witnesses, John J. Scalzo, Jason E. Baker, and Steven Moffitt.

5. A procedural schedule was established by order issued on April 16, 2025.

6. The following parties requested and were granted intervention: Consumer Advocate Division, West Virginia Energy Users Group, SWVA Inc., and West Virginia Coal Association.

7. On April 14, 2025, the Applicants filed drafts of the following Affiliate Agreements:

A. the APCo BondCo LLC Agreement;

B. the WPCo BondCo LLC Agreement;

C. the APCo Sale Agreement;

D. the WPCo Sale Agreement;

E. the APCo BondCo Servicing Agreement;

F. the WPCo BondCo Servicing Agreement;

G. the APCo Administration Agreement;

H. the WPCo Administration Agreement; and

I. the lntercreditor Agreement;

and also submitted a draft of each bond Indenture, which does not require approval, but which contain definitions of various terms used in the corresponding Affiliate Agreements.

8. An evidentiary hearing was held on July 1, 2025.

9. On September 8, 2025, in response to the Interim Order issued by the Commission on August 29, 2025 in Case No. 25-0310-E-PC, the Applicants filed a proposed revision to the draft Financing Order that was provided with their original application on March 13, 2025. The revision expands, as contemplated by the Interim Order, the scope of costs to be recovered through securitization to include, in addition to the items previously identified in the original application, (a) the additional ENEC under-recovery balance approved for recovery by the Commission in Case No. 25-0413-E-ENEC and any subsequent ENEC projected under-recovery balance approved by the Commission prior to the Applicant's submission of the final Issuance Advice Letter and (b) the additional Deferred Storm Expenses incurred after May 31, 2024, in the amount of $40 million.

C. Costs to be Securitized

10. The aggregate costs to be securitized through the issuance of Consumer Rate Relief Bonds authorized in the Financing Order will equal the Total Securitization Amount.

11. "Financing Costs" as defined in the Act include, among other things, all of the following items: (a) principal, interest and redemption premiums that are payable on Consumer Rate Relief Bonds; (b) any amounts required to be paid pursuant to ancillary agreements; (c) any amounts required to fund or replenish a reserve account or another account established under any indenture, ancillary agreement or other financing document relating to the Consumer Rate Relief Bonds or the payment of any return on the capital contribution made by a Qualifying Utility to an assignee; (d) certain other costs incurred to obtain modifications of or amendments to any indenture, financing agreement, security agreement or similar agreement or instrument relating to any existing secured or unsecured obligation of the Applicants in connection with the issuance of the Consumer Rate Relief Bonds; (e) any taxes, franchise fees, or license fees imposed on Consumer Rate Relief Charges; (f) any costs related to issuing or servicing Consumer Rate Relief Bonds or related to obtaining a financing order, including servicing fees and expenses, trustee fees and expenses, legal, accounting or other professional fees and expenses, administrative fees, placement fees, underwriting fees, capitalized interest and equity, rating-agency fees and taxes imposed on a BondCo or Applicant related to the issuance of the Consumer Rate Relief Bonds or to the other transactions contemplated by this Financing Order; and (g) the cost of the Commission Financial Advisor, if any, with respect to the Consumer Rate Relief Bonds.

12. The Upfront Financing Costs as described in the Application are "financing costs" eligible to be securitized under the Act. The APCo Upfront Financing Costs are eligible to be included in the principal balance of the Consumer Rate Relief Bonds to be issued by APCo BondCo. The WPCo Upfront Financing Costs are eligible to be included in the principal balance of the Consumer Rate Relief Bonds to be issued by WPCo BondCo. The Upfront Financing Costs are estimated in Appendix A to this Financing Order.

13. It is appropriate for the Applicants to recover the Ongoing Financing Costs, including the annual ongoing servicing fees and the annual fixed operating costs, directly through Consumer Rate Relief Charges. The annual Ongoing Financing Costs are estimated in Appendix A to this Financing Order. It is also appropriate for (a) the initial annual servicing fee incurred when an Applicant serves as servicer to be 0.10% of the initial principal balance of the Consumer Rate Relief Bonds to be issued by the BondCo owned by such Applicant plus out of pocket third-party costs and (b) for the initial administrative fees incurred when the Applicants are the administrators to be $50,000 per year for each BondCo plus out of pocket third-party costs. The annual servicing fee payable to a servicer not affiliated with the Applicants may be increased without further Commission approval but shall not at any time exceed 0.25% of the initial principal balance of the Consumer Rate Relief Bonds issued by the applicable BondCo unless such higher rate is approved by the Commission. The servicing and administrative fees collected by the Applicants, or any affiliate of the Applicants, acting as servicer or administrator under a Servicing Agreement or Administration Agreement shall be included as a revenue credit of the applicable Applicant and reduce revenue requirements in each subsequent rate case of such Applicant. The expenses incurred by an Applicant or such affiliate to perform obligations under a Servicing Agreement or Administration Agreement should be included in such Applicant's base rate case.

D. Amount Authorized to Be Securitized

14. APCo is authorized to cause Consumer Rate Relief Bonds to be issued in the amount of (a) the APCo Base Securitization Amount of $1,603.9 million, plus (b) the APCo Carrying Charges, plus (c) the APCo Upfront Financing Costs (which are estimated to be $10.4 million).

15. WPCo is authorized to cause Consumer Rate Relief Bonds to be issued in the amount of (a) the WPCo Base Securitization Amount of $987.2 million, plus (b) the WPCo Carrying Charges, plus (c) the WPCo Upfront Financing Costs (which are estimated to be $5.9 million).

E. Rate of Return

16. APCo is authorized to recover a rate of return on its capital contribution to APCo BondCo calculated at a rate equal to the then applicable APCo's pre-tax weighted average cost of capital established in APCo's most recent base rate case, with such recovery to be paid from Consumer Rate Relief Charges as an Ongoing Financing Cost. WPCo is authorized to recover a rate of return on its capital contribution to WPCo BondCo calculated at a rate equal to the then applicable WPCo's pre-tax weighted average cost of capital established in WPCo's most recent base rate case, with such recovery to be paid from Consumer Rate Relief Charges as an Ongoing Financing Cost. The Commission finds that each Applicant's proposed methodology for calculating a rate of return on its capital contribution is reasonable.

F. Issuance Advice Letter Procedure; Provision of Information to Commission

17. Because the actual structure and pricing of the Consumer Rate Relief Bonds will not be known at the time this Financing Order is issued, following determination of the final terms of the Consumer Rate Relief Bonds and prior to issuance of the Consumer Rate Relief Bonds, the Applicants will jointly provide to the Commission and to the Commission Financial Advisor, if any, for both series of a Dual Issuance, the Issuance Advice Letter no later than the end of the first business day after the pricing date for each series forming part of a

Dual Issuance. The Issuance Advice Letter will report the initial Consumer Rate Relief Charges and other information specific to the Consumer Rate Relief Bonds, including the final structure, terms of the Consumer Rate Relief Bonds issuance, actual Carrying Charges and best available estimates of total Ongoing Financing Costs for such issuance. The estimated total Upfront Financing Costs in the Issuance Advice Letter will be included in the principal amounts securitized. All amounts that require computation will be computed using the mathematical formulas contained in the form of the Issuance Advice Letter in Appendix B to this Financing Order and the form of CRRC Schedule. The initial Consumer Rate Relief Charges and the final terms of the Consumer Rate Relief Bonds set forth in the Issuance Advice Letter will become effective on the date of issuance of the Consumer Rate Relief Bonds, unless, prior to noon on the fourth business day after the Commission receives the Issuance Advice Letter, the Commission issues a disapproval letter directing that the Consumer Rate Relief Bonds as proposed not be issued and containing the basis for that disapproval.

18. The Applicants shall, submit for feedback a draft or outline of the component parts of the proposed Issuance Advice Letter to the Commission and the Commission Financial Advisor, if any, as soon as practicable prior to the Applicant's submission of the actual Issuance Advice Letter. If the Applicants provide a draft or outline of the Issuance Advice Letter to the Commission and the Commission Financial Advisor, if any, for review no later than two weeks prior to the expected date of commencement of marketing a Dual Issuance or such shorter period as is approved by the Commission, then within one week after receipt of such draft, the Commission, acting directly or through the Commission Financial Advisor, if any, will provide the Applicants any comments and recommendations regarding the adequacy of the information provided and as may be necessary to assure the accuracy of the calculations and that the requirement of the Act and of this Financing Order have been met.

19. If the actual Upfront Financing Costs are less than the Upfront Financing Costs included in the principal amounts securitized, (a) the unused funds will be deposited into the applicable excess funds subaccount to be available for payment of debt service on the applicable Consumer Rate Relief Bonds and (b) the Periodic Billing Requirement as defined below for the first annual true-up adjustment shall be reduced by the amount of such unused funds (together with

interest, if any, earned on the investment of such funds). If the actual Upfront Financing Costs are more than the Upfront Financing Costs included in the principal amounts securitized, the Periodic Billing Requirement for the first annual true-up adjustment of the Consumer Rate Relief Charge may be increased by the amount of such unrecovered Upfront Financing Costs, and such unrecovered Upfront Financing Costs will thereafter be payable as an Ongoing Financing Cost to the applicable Applicant on the next payment date.

20. The completion and submission to the Commission and the Commission Financial Advisor, if any, of an Issuance Advice Letter in the form of the Issuance Advice Letter attached as Appendix B, is necessary to ensure that any securitization actually undertaken by the Applicants complies with the terms of this Financing Order and the Act.

G. Financial Benefit

21. The Commission finds that the Issuance Advice Letter Procedure and the other requirements, criteria and procedures set forth in this Financing Order will ensure that each Dual Issuance and the imposition of the Consumer Rate Relief Charges will ensure that the Lowest Cost Objective required by the Act is satisfied.

22. The Applicants submitted evidence demonstrating that the Securitization satisfies the Lowest Cost Objective in the Act. The Commission finds that, based on the NPV analysis presented in the Direct Testimony of John J. Scalzo[2], each Dual Issuance pursuant to the terms hereof and in compliance with the Issuance Advice Letter Procedure will result in overall costs to the Applicants' retail customers in West Virginia that, taken as a whole across both Applicants, are just and reasonable and are reasonably expected to achieve the lowest reasonably attainable cost in order to produce cost savings to customers and to mitigate rate impacts on customers as compared to traditional financing mechanisms or traditional cost-recovery methods available to the Applicants. See W. Va. Code §-24-2-4h(e)(4).

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2 Tr. at Cos. Exh. JJS-D at Bates Nos. 217-230.

23. The Consumer Rate Relief Bonds are hereby authorized for issuance, so long as the Lowest Cost Objective continues to be satisfied, as conclusively evidenced by the submission of the Issuance Advice Letter and the failure of the Commission to issue a disapproval letter.

H. Structure of the Proposed Securitization

24. For purposes of this securitization, each Applicant will create one or more BondCos, each of which will be a Delaware limited liability company with such Applicant as its only member. If more than one series of Consumer Rate Relief Bonds are issued by an Applicant, such Applicant may create a separate BondCo for the issuance of a particular series of Consumer Rate Relief Bonds and the rights, structure and restrictions described in this Financing Order with respect to a BondCo will be applicable to each such purchaser of Consumer Rate Relief Property to the extent of the Consumer Rate Relief Property sold to it and the Consumer Rate Relief Bonds issued by it. Neither APCo BondCo nor WPCo BondCo will be permitted to engage in any other activities or have any assets other than its applicable share of the Consumer Rate Relief Property and related assets to support its obligations under its corresponding Consumer Rate Relief Bonds. These restrictions on the activities of a BondCo and restrictions on the ability of an Applicant to take action on a BondCo's behalf are imposed to achieve the objective that such BondCo will be bankruptcy remote and not affected by a bankruptcy of either of the Applicants. Each BondCo will be managed by a board of managers with rights and duties similar to those of board of directors of a corporation. As long as the Consumer Rate Relief Bonds issued by a BondCo remain outstanding, such BondCo will have at least one independent manager with no organizational affiliation with the Applicants other than acting as independent manager for any other bankruptcy-remote subsidiary of an Applicant or its affiliates. Each BondCo will, to the extent reasonably practicable, have the same independent manager. No BondCo will be permitted to amend the provisions of its LLC Agreement that relate to bankruptcy-remoteness of such BondCo without the consent of the independent manager. Similarly, no BondCo will be permitted to institute bankruptcy or insolvency proceedings or to consent to the institution of bankruptcy or insolvency proceedings against it, or to dissolve, liquidate, consolidate, convert, or merge without the consent of the independent manager. Other restrictions to facilitate bankruptcy-remoteness may also be included in the organizational documents of such BondCo, including in its LLC Agreement, as required by the rating agencies.

25. The initial capital of each BondCo is expected to be 0.5% of the original principal balance of the Consumer Rate Relief Bonds issued by such BondCo. Adequate funding of the BondCo at this level is intended to protect the bankruptcy remoteness of such BondCo. A sufficient level of capital is necessary to minimize this risk and, therefore, assist in achieving the Lowest Cost Objective.

26. The Commission authorizes one or more Dual Issuances, including the right of each Applicant to cause Consumer Rate Relief Bonds to be issued in one or more tranches for each Dual Issuance, subject to the terms and conditions of this Financing Order. Each BondCo will pledge to the applicable Indenture Trustee, as collateral for payment of the Consumer Rate Relief Bonds issued by such BondCo, all right, title and interest of such BondCo in and to (i) its interest in the Consumer Rate Relief Property (which may relate to the entire amount authorized to be securitized or, a portion of the total amount authorized to be securitized), (ii) the transaction documents to which such BondCo is a party, (iii) the Joint Collection Account, including all subaccounts thereunder (if any), and the payment account for such BondCo, including the general subaccount, the capital subaccount, the excess funds subaccount and all other subaccounts (if any) established in the applicable Indenture (discussed below) under which such Consumer Rate Relief Bonds will be issued, (iv) all other property (if any) owned by each BondCo (with limited exceptions as may be appropriate), and (v) all proceeds of each of the foregoing. The Consumer Rate Relief Bonds will be non-recourse to the Applicants and their assets (i.e. neither Applicant will have any obligation to pay any of the principal of, interest on and other amounts payable on the Consumer Rate Relief Bonds or the Ongoing Financing Costs); provided, however, that an Applicant could be liable to holders of Consumer Rate Relief Bonds in the event that it breached representations, warranties or covenants made by it in connection with its Sale Agreement or otherwise to such holders in connection with the Securitization.

27. Concurrent with a Dual Issuance, each Applicant will transfer to the applicable BondCo its applicable interest in the Consumer Rate Relief Property (i.e., the APCo interest in the Consumer Rate Relief Property in the case of an APCo BondCo and the WPCo interest in the Consumer Rate Relief Property in the case of a WPCo BondCo), including all of its rights under this Financing Order and specifically the right to impose, collect and receive the Consumer Rate Relief Charges approved in this Financing Order. Each transfer will be structured so that it will qualify as a "true sale" within the meaning of W. Va. Code § 24-2-4h(p)(1). By virtue of each transfer, the applicable BondCo will acquire all of the right, title and interest of such Applicant's applicable interest in the Consumer Rate Relief Property arising under this Financing Order.

28. The use and proposed structure of the BondCos and the limitations related to each BondCo's organization and management are necessary to satisfy the statutory requirement that the issuance satisfies the Lowest Cost Objective. Therefore, the use and proposed structure of the BondCos should be approved.

I. Credit Enhancement and Arrangements to Enhance Marketability

29. The Applicants should be permitted to recover the ongoing costs of credit enhancements and arrangements to enhance the marketability, provided that such enhancements and arrangements provide benefits greater than their tangible and intangible costs. If the use of original issue discount, credit enhancements, or other arrangements is proposed by the Applicants, the Applicants shall provide the Commission of all cost/benefit analyses performed by or for the Applicants that support the request to use such arrangements. If the use of credit enhancements or other arrangements is proposed by the Applicants, the Applicants must reflect the costs of any of those credit enhancements in the Issuance Advice Letter. This finding does not apply to the Joint Collection Account, the payment accounts or any of their respective subaccounts, which are approved in this Financing Order.

30. The Applicants' proposed use of credit enhancements and other arrangements to enhance credit quality and/or marketability is reasonable and should be approved, provided that the enhancements or arrangements provide benefits greater than their cost.

J. Consumer Rate Relief Property

31. Pursuant to W. Va. Code § 24-2-4h(e)(7), the Applicants have requested that this Financing Order provide that the creation of the Consumer Rate Relief Property will be simultaneous with the transfer of the respective interest in the Consumer Rate Relief Property to each BondCo and the pledge of such interest in the Consumer Rate Relief Property to the payment of the issuance of the corresponding Consumer Rate Relief Bonds, and the Commission so determines.

32. Each BondCo's interest in the Consumer Rate Relief Property and all other collateral will be pledged to, and administered by, the Indenture Trustees pursuant to each of their respective Indentures, as described in the Application and below. This proposal will help ensure the Consumer Rate Relief Bonds will obtain the desired highest ratings and thus lower the cost to retail customers and should be approved.

K. Servicers and the Servicing Agreements

33. Both Applicants will enter into a servicing agreement with each BondCo (each, a "Servicing Agreement"), under which (a) both Applicants jointly will serve as initial Servicers of the corresponding BondCo's Consumer Rate Relief Property and Consumer Rate Relief Bonds, and (b) except as specifically agreed, the Servicers shall take action jointly, but if joint action is not possible or agreed, APCo shall direct the actions of the Servicers. Each Servicing Agreement may be amended, renewed or replaced by another servicing agreement subject to the amendment requirements described in Ordering Paragraph 39. The entity responsible for carrying out the servicing obligations under any respective servicing agreement shall be a Servicer. The Applicants will jointly be the initial Servicers for each series, but each Applicant may be succeeded as a Servicer by another entity under certain circumstances detailed in the applicable Servicing Agreement and as authorized by the Commission. Pursuant to each Servicing Agreement, the Servicers are required, among other things, to impose and collect the Consumer Rate Relief Charges for the benefit and account of the BondCos, to make the periodic true-up adjustments of the Consumer Rate Relief Charges required or allowed by this Financing Order, and to account for and remit the applicable charge to the Joint Collection Account in accordance with the remittance procedures contained in such

Servicing Agreement and the lntercreditor Agreement without any charge, deduction or surcharge of any kind (other than the servicing fee specific in such Servicing Agreement). Under the terms of each Servicing Agreement, if the servicer fails to perform its servicing obligations resulting in a servicer default, the applicable Indenture Trustee acting under the authorization from the bondholders of an applicable series shall appoint an alternative party to replace the defaulting servicer, in which case the replacement servicer will perform the obligations of the applicable servicer under such Servicing Agreement. The obligations of the servicer under each Servicing Agreement and the circumstances under which an alternate servicer may be appointed are more fully described in such Servicing Agreement. The rights of each BondCo under the applicable Servicing Agreement will be included in the collateral pledged to the applicable Indenture Trustee under the applicable Indenture for the benefit of holders of the applicable Consumer Rate Relief Bonds.

34. The obligations to continue to provide service and to collect and account for the Consumer Rate Relief Charges will be binding upon each Applicant and any other entity that provides electrical services to a person that was, or becomes, a retail customer of such Applicant or notwithstanding, any change in West Virginia law regarding the ability of a retail customer of an electric utility to choose a provider of generation or transmission service from a party other than the Applicants in the future. The Commission will enforce the obligations imposed by this Financing Order, its applicable substantive rules, and statutory provisions.

35. To the extent that any interest in the consumer rate relief property created by this Financing Order is transferred to an assignee,[3] the applicable Applicant will enter into a contract with that assignee that will require such Applicant to continue to operate its transmission and distribution system in order to provide electric service to such Applicant's retail customers. This provision does not prohibit any Applicant from selling, assigning or otherwise divesting its transmission and distribution system or any part thereof so long as the entity acquiring such facilities agrees to continue operating the facilities to provide electric services to such Applicant's retail customers.

[3] The term "assignee" "means a person, corporation, limited liability company, trust, partnership or other entity to which has an interest in consumer rate relief property is assigned, sold, or transferred, other than as security. The term also includes any entity to which an assignee assigns, sells, or transfers, other than as security, the assignee's interest in or right to consumer rate relief property." W. Va. Code § 24-2-4h(b)(3).

36. The Commission finds that the proposals described above should be approved because they are reasonable, will reduce risk associated with the proposed securitization and will, therefore, result in lower costs and greater benefits to retail customers, meeting the Lowest Cost Objective.

L. Consumer Rate Relief Bonds

37. Each BondCo will issue and sell Consumer Rate Relief Bonds in a series consisting of one or more tranches. The legal final maturity date of any tranche of such Consumer Rate Relief Bonds will not exceed 35 years from the date of issuance of such Consumer Rate Relief Bonds. The legal final maturity date of each tranche within a series and amounts in a series will be finally determined by the Applicants consistent with market conditions, except that, in the case of a Dual Issuance, the legal final maturity date of each tranche issued by an APCo BondCo will have the same legal final maturity date of the corresponding tranche issued by a WPCo BondCo, and indications of the rating agencies, at the time the corresponding Consumer Rate Relief Bonds are priced, but subject to ultimate Commission review through the Issuance Advice Letter Procedure. The Applicants will retain sole discretion regarding whether or when to transfer any rights concerning consumer rate relief property arising under this Financing Order, subject to the right of the Commission to issue a disapproval order in connection with the Issuance Advice Letter Procedure. Each BondCo will issue the corresponding Consumer Rate Relief Bonds unless, prior to noon on the fourth business day after the Commission receives the Issuance Advice Letter, the Commission issues a disapproval order directing that such Consumer Rate Relief Bonds as proposed shall not be issued and stating the basis for such disapproval.

38. The Commission finds that the proposed structure, which provides for substantially levelized annual revenue requirements over the expected life of the Consumer Rate Relief Bonds, is in the public interest and should be used. This structure offers the benefit of not relying upon customer growth and will allow the resulting Consumer Rate Relief Charges to remain level or decline over time, if billing determinants remain level or grow. The approved structure is reasonable and should be approved.

M. Security for Consumer Rate Relief Bonds

39. The payment of the Consumer Rate Relief Bonds issued by a BondCo and related charges authorized by this Financing Order is to be secured by the interest in the Consumer Rate Relief Property created by this Financing Order and sold to such BondCo and by certain other collateral as described in the Application. Each BondCo will issue Consumer Rate Relief Bonds pursuant to an Indenture administered by the applicable Indenture Trustee. Each Servicer will initially deposit or cause to be deposited all Consumer Rate Relief Charge collections in the Joint Collection Account, which will be subject to a lien in favor of each Indenture Trustee, for the applicable BondCo's respective interests in the funds in the Joint Collection Account allocable to the interests of their respective bondholders and to pay such BondCo's financing costs. Each Indenture will include provisions for a payment account for the corresponding series and subaccounts for the administration of the Consumer Rate Relief Charges and payment or funding of the principal and interest on the applicable Consumer Rate Relief Bonds and other Ongoing Financing Costs, in connection with such Consumer Rate Relief Bonds, as described in the Applicants' application. Pursuant to each Indenture, the applicable BondCo will establish a payment account as a trust account to be held by the applicable Indenture Trustee or a securities intermediary as collateral to facilitate the payment of the principal of, interest on and other Ongoing Financing Costs approved in this Financing Order related to the applicable Consumer Rate Relief Bonds in full and on a timely basis. Each payment account will include a general subaccount, a capital subaccount, and an excess funds subaccount, and may include other subaccounts.

i. Joint Collection Account

40. Each Servicer will deposit the Consumer Rate Relief Charges it receives into the Joint Collection Account on a daily basis. On or prior to the dates when payments are due with respect to the Consumer Rate Relief Bonds, funds in the Joint Collection Account will be disbursed at the direction of the Servicers (or in the case of conflicting instructions or a failure to agree on joint action, at the direction of APCo) to each applicable Indenture Trustee for deposit into the respective BondCo's payment account to be used as described below.

ii. Payment Account – The General Subaccount

41. On or before each payment date or, to the extent funds are available, upon certain Ongoing Financing Costs becoming due and payable, each Indenture Trustee will deposit the Consumer Rate Relief Charges it receives from the Joint Collection Account for the account of the applicable BondCo as directed by the Servicers (or in the case of conflicting instructions or a failure to agree on joint action, at the direction of APCo). Such Indenture Trustee will on a periodic basis apply moneys in such subaccount, according to the priorities set forth in the applicable Indenture, to pay expenses of such BondCo, to pay principal of and interest on the applicable Consumer Rate Relief Bonds, if necessary replenish the capital subaccounts of the applicable payment account. The funds in the Joint Collection Account and each payment account's general subaccount will be invested by each Indenture Trustee or by a securities intermediary in short-term high-quality investments, and such funds will be applied by such Indenture Trustee to pay principal of and interest on the Consumer Rate Relief Bonds and all other components of the Periodic Payment Requirement and otherwise in accordance with the terms of the applicable Indenture.

iii. Payment Account – The Capital Subaccount

42. When a series of Consumer Rate Relief Bonds is issued, the applicable Applicant will make a capital contribution to the applicable BondCo for that series, which BondCo will deposit into the respective payment account's capital subaccount. The amount of the capital contribution is expected to be not less than 0.5% of the original principal amount of the series of Consumer Rate Relief Bonds issued by such BondCo, although the actual amount will depend on tax and rating agency requirements. Each capital subaccount represents the equity capital of the applicable BondCo. Such capital subaccount will serve as collateral to facilitate the timely payment of principal of and interest on the applicable Consumer Rate Relief Bonds and all other components of the Periodic Payment Requirement. Any funds drawn from such capital subaccount to pay these amounts due to a shortfall in the Consumer Rate Relief Charge remittances will be replenished

through future Consumer Rate Relief Charge remittances. The funds in such subaccount will be invested by each Indenture Trustee or a securities intermediary in short-term high-quality investments, and, if necessary, such funds will be used by such Indenture Trustee to pay principal of and interest on the applicable Consumer Rate Relief Bonds and all other components of the Periodic Payment Requirement. For any capital contributions made by an Applicant into a capital subaccount, such Applicant will be authorized to receive an annual return at the authorized pre-tax weighted average cost of capital established in such Applicant's most recent base rate case on the remainder of the capital contribution for such series. The required revenue, in any, to provide the annual return at the pre-tax weighted average cost of capital established in such Applicant's most recent base rate case is an Ongoing Financing Cost. Upon payment of the principal amount of all Consumer Rate Relief Bonds issued by a BondCo, all amounts in the capital subaccounts will be released to such BondCo for payment to the applicable Applicant.

iv. Payment Account – The Excess Funds Subaccount

43. Each payment account's excess funds subaccount will hold any Consumer Rate Relief Charge remittances and investment earnings on such payment account (other than earnings attributable to the corresponding capital subaccount and released under the terms of the corresponding Indenture) in excess of the amount needed to pay current principal of and interest on the corresponding Consumer Rate Relief Bonds and all other components of the Periodic Payment Requirement. Any balance in or amounts allocated to an excess funds subaccount on a true-up adjustment date will be subtracted from the Periodic Billing Requirement for the purposes of the true-up adjustment. The money in each excess funds subaccount will be invested by the applicable Indenture Trustee or a securities intermediary in short-term, high-quality investments, and such money will be used by such Indenture Trustee to pay principal of and interest on the applicable Consumer Rate Relief Bonds and all other components of the Periodic Payment Requirement.

v. Other Subaccounts

44. Other credit enhancements, in the form of subaccounts to a payment account or to the Joint Collection Account, such as collateralization subaccounts under the payment accounts or a joint overcollateralization subaccount under the Joint Collection Account, may be utilized for the Securitization, provided that such enhancements provide benefits greater than their tangible and intangible costs.

vi. General Provisions

45. The Joint Collection Account, each payment account and the subaccounts described above are intended to provide for full and timely payment of the scheduled principal of and interest on the Consumer Rate Relief Bonds and all other components of the Periodic Payment Requirement. If the amount of Consumer Rate Relief Charges remitted from the Joint Collection Account to the applicable payment account's general subaccount is insufficient to pay on a timely basis all interest and scheduled payments of principal on the applicable Consumer Rate Relief Bonds and to make, on a timely basis, payment on all of the other components of the Periodic Payment Requirement, the applicable excess funds subaccount and the applicable capital subaccount will be drawn upon, in that order, to make those payments. Any deficiency in the applicable capital subaccount due to such withdrawals must be replenished to the capital subaccount through the true-up process. In addition to the foregoing, there may be such additional accounts and subaccounts as are necessary to segregate amounts received from various sources, or to be used for specified purposes. Such accounts will be administered and utilized as set forth in the applicable Servicing Agreement and the applicable Indenture. Upon the maturity of the Consumer Rate Relief Bonds issued by a BondCo and the discharge of all obligations in respect thereof, remaining amounts in the Joint Collection Account, each payment account, other than amounts that were in the corresponding capital subaccount, will be released to each BondCo to be distributed to the applicable Applicant and equivalent amounts will be credited by the applicable Applicant to its retail customers as provided in Ordering Paragraph 25.

46. The use of the Joint Collection Account and the payment accounts and subaccounts in the manner described above will lower the risks associated with the Securitization and thus lower the costs to retail customers and is therefore approved.

N. Consumer Rate Relief Charges: Imposition and Collection and Nonbypassability

47. The Commission hereby authorizes the Applicants, on behalf of each BondCo to impose, charge, and collect Consumer Rate Relief Charges from their retail customers, in the manner provided in this Financing Order, the approved Adjustment Mechanism, and the CRRC Schedule approved hereby, in an amount sufficient to provide for the timely payment of principal of and interest on the Consumer Rate Relief Bonds issued by both BondCos and all Ongoing Financing Costs.

48. Consumer rate relief charges will be imposed, charged, and collected until the Consumer Rate Relief Bonds (including each series of Consumer Rate Relief Bonds issued concurrently as part of a Dual Issuance) are paid in full and the Ongoing Financing Costs have been paid in full.

49. The Consumer Rate Relief Charges will be collected by each Servicer through a "consumer rate relief charge" (as defined in the Act) that is separate and apart from each Applicant's other rates, in the manner described in the Applicants' testimony and in the CRRC Schedule and otherwise as provided in the Servicing Agreements. Consumer rate relief charges will appear as a separate line-item on retail customer bills.

50. Annually, each servicer shall provide to retail customers a plain-English explanation of the Consumer Rate Relief Charges approved in this Financing Order in the manner described in the Applicants' testimony.[4]

51. For so long as the Consumer Rate Relief Bonds are outstanding and the related consumer rate relief costs and Ongoing Financing Costs have not been paid in full, the Consumer Rate Relief Charge will be "nonbypassable" and must be paid by all existing and future retail customers that receive electric delivery service from the Applicants (or any successors), subject to the provisions in this Order.

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4 Tr. at Cos. Exhs. JJS-D at Bates Nos. 213-214 and JJS-D, Attachment 5, at Bates Nos. 233.

52. Under the Act, a "successor" includes any entity that succeeds by operation of law to the rights and obligations of an Applicant pursuant to bankruptcy, reorganization, restructuring, or other insolvency proceeding, any merger, acquisition, or consolidation or any sale or transfer of assets, regardless of whether any of these occur as a result of restructuring of the electric utility industry or otherwise.

53. A retail customer of either Applicant that may subsequently receive electric delivery service from another public utility or from any other successor to either Applicant, including any electric cooperative or municipally-owned electric utility, must pay the Consumer Rate Relief Charge.

54. **A** retail customer of either Applicant that may subsequently receive electricity supply that bypasses the delivery systems listed above must pay the Consumer Rate Relief Charge on its average historical usage level as determined over the most recent three-year period preceding the bypass.

55. If a retail customer's self-generation of electric energy, or any portion thereof, is transmitted on an Applicant's (or its successor's) delivery system, including self-generation from retail customers utilizing net metering services, such self-generation (or such portion thereof) will be subject to the Consumer Rate Relief Charge applicable to the CRR Rate Class to which such retail customer belongs or would otherwise belong for standard rate schedule billing purposes. Electric energy from self-generation or third-party generation that is both produced by a retail customer, former retail customer, or third-party and consumed by a retail customer or former retail customer of an Applicant (or its successor's) behind any such retail customer's or former retail customer's electricity meter (and thus not transmitted on an Applicant's (or its successor's) delivery system) is subject to a Consumer Rate Relief Charge but only to the extent that such off-system generation exceeds the customers average usage as determined over the most recent three year period preceding the behind the meter self or third-party generation.

56. The Commission finds that (i) regardless of who is responsible for billing of Applicant's bills for services, the retail customers, or former retail customers, if applicable, of the Applicants shall continue to be responsible for the Consumer Rate Relief Charges; (ii) if a third party meters and bills for the Consumer Rate Relief Charges, the applicable Applicant (as servicer) must have access to information on billing and usage by retail customers to provide for proper

reporting to the applicable BondCo and for such Applicant to perform its obligations as servicer; (iii) in the case of a third party default, billing responsibilities must be promptly transferred to another party to minimize potential losses; and (iv) the failure of retail customers to pay Consumer Rate Relief Charges will allow service termination by such Applicant on behalf of such BondCo of the retail customers failing to pay Consumer Rate Relief Charges in accordance with Commission-approved service termination rules and orders. In addition, the Commission herein provides that, in the event that there is a change in the manner of regulation of public utilities, which allows third parties other than the Servicers to bill and collect Consumer Rate Relief Charges, the Consumer Rate Relief Charges shall be billed, collected and remitted to the Servicers in a manner that will not cause any of the then current credit ratings of the Bonds to be suspended, withdrawn or downgraded.

57. In order to ensure that each issuance of the Consumer Rate Relief Bonds receive the desired highest rating, the Commission finds that the Consumer Rate Relief Charges will be collected in a manner that will not adversely affect the then-current credit ratings on the Consumer Rate Relief Bonds.

58. Subject to the terms of any required intercreditor arrangements, if any retail customer does not pay the full amount of any bill including Consumer Rate Relief Charges, the shortfall in such collections will be allocated as between Consumer Rate Relief Charges and other charges pro-rata based upon the amounts billed with respect to each item; provided, to the extent there is a shortfall in collections such that collections from the Applicants' collective retail customers are insufficient to pay on a timely basis the collective debt service on the Consumer Rate Relief Bonds issued by both BondCos and related Ongoing Financing Costs, amounts in the Joint Collection Account will be allocated to each series of Consumer Rate Relief Bonds on a pro rata basis based on the principal of each series of Consumer Rate Relief Bonds that is outstanding at the time. Late fees and late charges may be allocated to the Servicers pro rata based on the principal of each series of Consumer Rate Relief Bonds that is outstanding at the time, to the extent consistent with the Terms and Conditions of Service included in the applicable Applicant's tariff. The Servicers shall calculate such allocations, and make the relevant instructions to the Indenture Trustees, jointly, but if joint action is not possible or agreed, APCo shall be responsible for such calculations and instructions.

59. The Applicants' proposal related to imposition, billing, charging and collection of Consumer Rate Relief Charges is reasonable and necessary to ensure collection of Consumer Rate Relief Charges sufficient to support recovery of the consumer rate relief costs and financing costs approved in this Financing Order and should be approved. It is reasonable to approve the form of each Applicant's CRRC Schedule in this Financing Order and require that these tariff provisions be filed before any Consumer Rate Relief Bonds are issued pursuant to this Financing Order.

O. Allocation and Calculation of Consumer Rate Relief Charges

60. The "Periodic Payment Requirement" means the required periodic payment for a given set of collection periods, generally twelve collection periods, in amounts sufficient to pay on a timely basis all interest and scheduled payments of principal (or deposits to sinking funds in respect of principal and interest) on the Consumer Rate Relief Bonds issued by both BondCos in a Dual Issuance and all other Ongoing Financing Costs (including without limitation amounts ultimately required to be remitted or allocated to the payment accounts or any subaccounts, trustee indemnities, payments due in connection with any expenses incurred by the Indenture Trustees or the servicers to enforce bondholder rights and all other payments that may be required pursuant to the priority of payments set forth in the Indentures). Each Periodic Payment Requirement includes: (a) the principal amortization of the Consumer Rate Relief Bonds (including each series of a Dual Issuance) in accordance with the expected amortization schedules (including deficiencies of previously scheduled principal for any reason); (b) periodic interest on the Consumer,Rate Relief Bonds (including any accrued and unpaid interest), including for each series in a Dual Issuance; (c) the Ongoing Financing Costs related to each series of Consumer Rate Relief Bonds, including the costs, if any, of maintaining any credit enhancement; and (d) funds needed to replenish an applicable capital subaccount. The first Periodic Payment Requirement established through the Issuance Advice Letter Procedure may be calculated based upon a set of collection periods greater or less than twelve collection periods. Notwithstanding the foregoing, in the event that any Consumer Rate Relief Bonds are outstanding following the last scheduled payment date for such series, the Periodic Payment Requirement will be calculated so that collections are sufficient to make all payments on those Consumer Rate Relief Bonds and in respect of Ongoing Financing Costs no later than the immediately following payment date.

61. The "Periodic Billing Requirement" means the aggregate dollar amount of Consumer Rate Relief Charges that must be billed during the next twelve collection periods following the proposed true-up adjustment effective date so that the Consumer Rate Relief Charge collections will be sufficient to meet the sum of all required periodic payments for that period, given: (i) forecasted energy usage data for the period; (ii) forecasted uncollectibles for the period; and (iii) projected lags in collection of billed Consumer Rate Relief Charges for the period. The first Periodic Billing Requirement established through the Issuance Advice Letter Procedure may be calculated based upon a set of collection periods greater or less than twelve collection periods, and the Periodic Billing Requirements calculated in the event any Consumer Rate Relief Bonds remain outstanding after the last scheduled payment date of a series may be calculated based upon a set of collection periods less than twelve collection periods.

62. The consumer rate relief costs and financing costs which will be recovered through the Consumer Rate Relief Charges authorized by this Financing Order are allocated among the customer rate classes specified on Appendix D covering both Applicants' customers ("CRR Rate Classes") and revenue groups specified on Appendix E for each such CRR Rate Classes ("CRR Revenue Groups") as set forth on Appendix E attached to this Financing Order, which reflects the cost classification and allocation methodology of the Periodic Billing Requirement among the CRR Rate Classes and CRR Revenue Groups. In addition, special contract customers of each Applicant are allocated Consumer Rate Relief Charges as set forth on Appendix E.

63. The Commission finds the cost classification and allocation methodology proposed by the Applicants in this Order, and the method for calculation of the Consumer Rate Relief Charges proposed in this Order to be reasonable and appropriate.

P. True-Up Adjustment Mechanism and Tariff Sheets

vii. True-Up Introduction

64. The Applicants have proposed a formula based "adjustment mechanism" as defined in W. Va. Code § 24-2-4h(b)(1) and as required by W. Va. Code § 24-2-4h(k)(4), pursuant to which the Servicers jointly will make periodic true-up adjustments to the Consumer Rate Relief Charges as required by W. Va. Code § 24-2-4h(k)(1), as described in the Direct Testimony of John J. Scalzo and in this Order (the "Adjustment Mechanism").[5]

65. Pursuant to W. Va. Code § 24-2-4h(b)(1) and (k)(1), the Applicants have requested and are authorized to make two types of periodic adjustments: (a) standard adjustments to the Consumer Rate Relief Charges that are limited to relatively stable conditions of operations, and (b) nonstandard adjustments that may be necessary to reflect significant changes from historical conditions of operations, such as the addition or loss of significant electrical load. The Applicants have also requested that standard adjustments consist of both annual, semi-annual and interim adjustments as described below.

viii. Standard True-Up Adjustments

66. The Applicants, as Servicers, or a successor Servicer, will make annual adjustments to the Consumer Rate Relief Charges to: correct any undercollections or overcollections during the preceding set of collection periods; and ensure the billing of Consumer Rate Relief Charges necessary to generate the collection of amounts sufficient to pay in full the Periodic Payment Requirements for the upcoming set of collection periods on a timely basis.

67. True-Up adjustment filings will be based upon the cumulative differences, regardless of the reason, between the Periodic Payment Requirement and the amount of actual Consumer Rate Relief Charges expected to be allocated during the upcoming set of collection periods using the Applicants' most recent forecast of electricity deliveries (i.e., forecasted billing units) for each CRR Revenue Group and estimated Ongoing Financing Costs. The calculation of the Consumer Rate Relief Charges will also reflect actual collections in hand, projected collections, projected uncollectible Consumer Rate Relief Charges and projected payment lags between the billing and collection of Consumer Rate Relief Charges based upon the Applicants' most recent experience regarding collection of Consumer Rate Relief Charges.

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5 Tr. at Cos. Exh. JJS-D at Bates Nos. 200-203.

68. The Applicants jointly will make true-up adjustments to be filed at least thirty days prior to the first day of the monthly billing cycle in which the revised Consumer Rate Relief Charges will become effective in the following manner, known as the annual "standard true-up adjustment" procedure, provided that a later filing will be accepted and processed by the Commission as expeditiously as possible:

a) Calculate undercollections or overcollections of Consumer Rate Relief Charges from the previous set of collection periods (generally, twelve collection periods) by subtracting the Periodic Payment Requirement for the previous set of collection periods from that period's Consumer Rate Relief Charges collected, taking into account actual collections and collections projected to be received prior to the upcoming true-up adjustment effective date;

b) Calculate the Periodic Billing Requirement for the next set of collection periods following the proposed adjustment date;

c) Sum the amounts in steps (a) and (b) to determine an adjusted Periodic Billing Requirement for the next set of collection periods;

d) Multiply the sum calculated in step (c) by the allocation percentages then assigned to each CRR Rate Class as initially established pursuant to the Application and/or the nonstandard true-up procedure; and

e) Divide the amount assigned to each CRR Rate Class in step (d) above by the forecasted energy (kWh) billing units or demand ($/kW), as applicable, for such class to determine the Consumer Rate Relief Charge for each such CRR Rate Class for the upcoming set of collection periods.

69. In addition to the annual standard true-up adjustments, the Applicants jointly will make a mandatory interim standard true-up adjustment semi-annually (or, beginning twelve months prior to the scheduled final payment date for the latest maturing tranche of each series, quarterly):

a) if a Servicer projects that Consumer Rate Relief Charge collections on one or both series of a Dual Issuance will be insufficient to make all scheduled payments of principal of, interest on and other amounts in respect of the Consumer Rate Relief Bonds issued by both BondCos and Ongoing Financing Costs on a timely basis during the current or next succeeding set of collection periods; and/or

b) to replenish any draws upon the capital subaccounts.

70. In the event an interim standard true-up is necessary, the interim true-up adjustment will use the allocation factors utilized in the most recent annual true-up adjustment and will be filed not less than 15 days prior to the first day of the monthly billing cycle in which the revised Consumer Rate Relief Charges will become effective.

71. As provided in W. Va. Code § 24-2-4h(k)(3), the Commission's review of any standard true-up adjustment is limited to a determination of whether there is a mathematical error in the application of the Adjustment Mechanism, and no hearing will be required for a standard adjustment. A standard true-up adjustment as calculated by the Applicants, as Servicers (or a successor Servicer), but incorporating any correction for a mathematical error as determined by the Commission, will be automatically effective on the first day of the monthly billing cycle next following such true-up adjustment filing, but in any event no earlier than 15 days following the date of such filing.

72. On the same day that the Applicants, as Servicers (or a successor Servicer), file for a standard or nonstandard true-up adjustment, but only if the adjustment would result in an increase to the amount of the Consumer Rate Relief Charges, the Applicants will give public notice through publication of a Class I legal advertisement in Kanawha County as required by W. Va. Code § 24-2-4h(k)(2). Provided that the Commission may authorize the true-up to go into effect on the date requested subject to refund if it later determines that the true-up is correctly calculated and necessary to make all scheduled payments on a timely basis during the current or next succeeding set of collection periods and/or to replenish any draws upon the capital subaccounts and simultaneously require notice.

73. The initial standard true-up adjustment, whether annual or interim, will be made not later than twelve months after the issuance date for the Consumer Rate Relief Bonds.

ix. Nonstandard True-Up Adjustment

74. The Applicants, as Servicers, or the successor servicers, must file for a nonstandard true-up adjustment if they jointly determine that as a result of significant changes from historical conditions of operation, such as the addition or loss of significant electric load or a merger of an Applicant with another utility and a resulting expansion of an Applicant's retail customer base, it is necessary to adjust the allocation percentages for any CRR Revenue Group. Specifically, if the Applicants collectively experience or project an increase or decrease in the billing determinants that are the basis for the allocation factor for any CRR Revenue Groups of 10% or more as calculated by comparing the difference between the revised forecasted allocator for such CRR Revenue Group and the then applicable Threshold Forecasted allocator, then the Applicants will initiate a proceeding with the Commission to determine new allocation factors. The "Threshold Forecasted allocator" means, with respect to any CRR Revenue Group, (a) prior to the implementation of the first non-standard true-up adjustment, the initial forecasted allocator for such CRR Revenue Group specified in the applicable Servicing Agreement and (b) thereafter, the revised forecasted allocator for such CRR Revenue Group that triggered the immediately prior non-standard true-up adjustment.

75. Consistent with W. Va. Code § 24-2-4h(k)(4), a proceeding for the purpose of approving a nonstandard true-up adjustment should be conducted in the following manner:

i. The Applicants jointly will make a nonstandard true-up adjustment filing with the Commission at least 60 days before the date of the proposed true-up adjustment. The filing may contain proposed changes to the allocation percentages determined pursuant to this Order, the resulting changes to Consumer Rate Relief Charge rates, the justification for such changes as necessary to address the specific cause(s) of the proposed nonstandard true-up adjustment, and a statement of the proposed effective date;

ii. On the same day that the Applicants jointly file for a true-up adjustment, but only if the true-up adjustment would result in an increase to the amount of the Consumer Rate Relief Charges, the servicers will give public notice through the publication of a Class I Legal advertisement in Kanawha County as required by W. Va. Code § 24-2-4h(k)(2).

iii. The Commission will allow financing parties to comment on a servicer's filing and will hold a hearing, if it deems necessary, within 40 days of such servicer's filing, in accordance with W. Va. Code § 24-2-4h(k)(4);

iv. The nonstandard true-up adjustment filing, as modified by the Commission, if necessary, shall become effective within 60 days of the servicer's filing; and

v. Once a nonstandard true-up adjustment filing has become effective, the modified allocation percentages set forth therein shall remain effective for all future standard true-up adjustment filings unless and until a subsequent nonstandard true-up adjustment filing is initiated in accordance with this Order.

76. The scope of the Commission's review of any nonstandard true-up adjustment filing must be consistent with W. Va. Code § 24-2-4h(k)(4).

77. As required by W. Va. Code § 24-2-4h(k)(4) any procedure for a nonstandard true-up adjustment must also be consistent with assuring the full and timely payment of the Consumer Rate Relief Bonds (including any Consumer Rate Relief Bonds concurrently issued as part of a Dual Issuance) and the Ongoing Financing Costs.

x. True-Up Adjustments Generally

78. There is no limit on the amount of the Consumer Rate Relief Charges which may be imposed as a result of any true-up adjustment.

79. The Adjustment Mechanism and the true-up adjustment procedures described in the Applicants' testimony and in this Financing Order are reasonable and will reduce risks related to the Consumer Rate Relief Bonds, resulting in lower Consumer Rate Relief Charges and greater benefits to Applicants' retail customers, taken as a whole, and should be approved.

Q. Commission Financial Advisor

80. The Commission may be advised by a financial advisor (the "Commission Financial Advisor") contracted with the Commission to assist the Commission in its consideration of the Application and the subsequent issuance of Consumer Rate Relief Bonds.

81. The Commission Financial Advisor shall have no authority to direct how the Applicants place the Consumer Rate Relief Bonds to market, but shall have authority to advise the Applicants as described in the RFP.

R. Lowest Consumer Rate Relief Charges

82. The Applicants have proposed a transaction structure that is expected to include (but is not limited to):

i. The use by each Applicant of a BondCo as issuer of the Consumer Rate Relief Bonds limiting the risks to holders of the Consumer Rate Relief Bonds of any adverse impact resulting from a bankruptcy proceeding of such Applicant, it's parent or any affiliate;

ii. The right to impose, charge, and collect Consumer Rate Relief Charges that are nonbypassable, and which must be trued-up at least annually, but may be trued-up more frequently under certain circumstances, in order to assure the timely payment of the debt service and other Ongoing Financing Costs;

iii. Additional collateral in the form of a payment account for each BondCo that includes a capital subaccount funded by cash in from the applicable Applicant in an amount equal to not less than 0.5% of the original principal amount of the Consumer Rate Relief Bonds issued by such BondCo and other subaccounts resulting in greater certainty of payment of interest and principal to investors and that are consistent with the IRS requirements that must be met to receive the desired federal income tax treatment for the Consumer Rate Relief Bond transaction;

iv. Protection of holders of Consumer Rate Relief Bonds against potential defaults by the applicable Applicant as a Servicer or any successor Servicer;

v. Benefits for federal income tax purposes including (i) the transfer by each Applicant of its rights under this Financing Order to a BondCo not resulting in gross income to the applicable Applicant and the future revenue under the Consumer Rate Relief Charges being included in such Applicant's gross income under its usual method of accounting, (ii) no issuance of the Consumer Rate Relief Bonds, and no transfer of the proceeds of such Consumer Rate Relief Bonds, to an Applicant resulting in gross income to such Applicant, and (iii) the Consumer Rate Relief Bonds constituting obligations of the applicable Applicant for federal income tax purposes; and

vi. The Consumer Rate Relief Bonds will be marketed using proven underwriting and marketing processes, through which market conditions and investors' preferences, with regard to the timing of the issuance, the terms and conditions, related maturities, and other aspects of the structuring and pricing will be determined, evaluated and factored into the structuring and pricing of the Consumer Rate Relief Bonds.

vii. Furnishing timely information to the Commission acting directly or through its designated representative or the Commission Financial Advisor, to allow the Commission before and through the Issuance Advice Letter Procedure to insure that the structuring and pricing of the consumer rate relief bonds satisfied the Lowest Cost Objective.

83. The Applicants' proposed transaction structure is necessary to enable the Consumer Rate Relief Bonds to obtain the highest possible bond credit rating and ensures that the structuring and pricing of the Consumer Rate Relief Bonds comprising a Dual Issuance satisfies the Lowest Cost Objective.

84. To ensure that retail electric utility customers receive the economic benefits due from the proposed Securitization and so that the proposed Consumer Rate Relief Bond transaction satisfies the Lowest Cost Objective, it is necessary that (i) the scheduled final payment date of the last tranche of Consumer Rate Relief Bonds of each series be not later than 33 years from the date of issuance (although the legal final maturity date of the Consumer Rate Relief Bonds of each series may extend to 35 years from the date of issuance), (ii) the amortization of the Consumer Rate Relief Bonds is structured to be consistent with this Order and (iii) the Applicants otherwise confirm the benefit of the Securitization through the Issuance Advice Letter Procedure described in this Financing Order.

85. To allow the Commission to fulfill its obligations under the Act and to assure compliance with the Lowest Cost Objective, (a) it is necessary for the Applicants to certify to the Commission, pursuant to the Issuance Advice Letter Procedure, that the structuring and pricing of each series comprising the Dual Issuance satisfies the Lowest Cost Objective consistent with market conditions at the time the Consumer Rate Relief Bonds are priced and the terms of this Financing Order, and (b) if additional credit enhancements or arrangements to enhance marketability were used, it is necessary for the Applicants to certify that they are expected to provide benefits in excess of their cost as provided in this Financing Order.

S. Use of Proceeds

86. Upon the issuance of Consumer Rate Relief Bonds by a BondCo, such BondCo will use the net proceeds from such issuance of the Consumer Rate Relief Bonds (after payment of the applicable portion of Upfront Financing Costs) to pay to the corresponding Applicant the respective purchase price for the corresponding interest in the Consumer Rate Relief Property.

87. Each Applicant will use the proceeds from the transfer of its interest in the Consumer Rate Relief Property (net of its portion of the Upfront Financing Costs), to recover the Eligible Costs, including to redeem, repay or retire existing debt and/or equity that was incurred to finance or refinance the Eligible Costs.

T. Distribution Following Repayment

88. Upon the full repayment of the Consumer Rate Relief Bonds and the Ongoing Financing Costs, each Indenture Trustee will release to the applicable BondCo all remaining amounts in the corresponding accounts. Each BondCo will dividend to the corresponding Applicant all amounts so received and any amounts remitted to such Applicant in excess of the amount of capital contributed (and required but unpaid return) by such Applicant will be credited to retail customers based upon the most recent allocation percentages in effect at such time for recovery of Consumer Rate Relief Charges from such retail customers, or as otherwise ordered by the Commission.

U. Economic Assurances

89. Applicants have given, on behalf of themselves and their parent, the assurance that they will comply with the conditions described in W. Va. Code § 24-3-4h(e)(12).[6] This commitment satisfies the provisions of W. Va. Code § 24-2-4h(e)(12). Consistent with the irrevocable nature of the Consumer Rate Relief Property and this Financing Order, however, any breach of such commitments (a) will not impair the Consumer Rate Relief Property and (b) any failure to comply with such economic commitments will not adversely affect the consumer rate relief property or the irrevocability of this Financing Order.

90. Based upon the Applicants' testimony that they will not lend money, directly or indirectly, to, nor guarantee any obligations of, a registered holding company[7], which testimony shall be binding in the future and is a condition required by this order, or a nonutility affiliate, which if attempted would require prior Commission approval pursuant to 24-2-12 the payment obligations of retail customers in respect of the Consumer Rate Relief Bonds will be unaffected should either Applicant in the future seek Commission approval to lend money to, or otherwise guarantee obligations of, its affiliates, the Commission finds that the Applicants have given the economic assurances described in W. Va. Code § 24-2-4h(e)(12) and, therefore, all conditions in such section to the effectiveness of this Financing Order have been satisfied.

II. PROPOSED CONCLUSIONS OF LAW

1. The Applicants' Application for a Financing Order, pursuant to W. Va. Code § 24-2-4h, and exhibits and attachments thereto, and Petition for approval of affiliate agreements, pursuant to W. Va. Code § 24-2-12, are complete and satisfy the requirements for such applications and petitions, and are a sufficient basis and evidence for issuance of this Financing Order and the approvals and authorizations contained herein.

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6 Tr. at Cos. Exh. JJS-D at Bates No. 214.

7 Id.

2. The Affiliate Agreements, subject to the Required Modifications, are required by the Applicants to effectuate the Securitization, are consistent with the Act, and, pursuant to W. Va. Code § 24-2-12 the terms and conditions thereof are reasonable, no party thereto is given an undue advantage over the other, and they do not adversely affect the public in this state.

3. Each Applicant is both individually and jointly with the other Applicant a "Qualifying Utility" as defined in W. Va. Code § 24-2-4h(b)(21).

4. The Applicants are authorized to jointly file an application for a financing order under W. Va. Code § 24-2-4h(c).

5. The Commission has jurisdiction and authority over the Application pursuant to W. Va. Code § 24-2-4h(c)(1).

6. The Commission has authority to issue this Financing Order under W. Va. Code § 24-2-4h(e).

7. Pursuant to W. Va. Code § 24-2-4h(b)(3), each BondCo will be "an assignee" as defined in the Act when an interest in the applicable Consumer Rate Relief Property is transferred to such BondCo as described herein.

8. Each Indenture Trustee will be a "financing party," as defined in W. Va. Code § 24-2-4h(b)(16).

9. Each BondCo may issue consumer rate relief bonds in accordance with this Financing Order and W. Va. Code § 24-2-4h(b)(4) and § 24-2-4h(p).

10. The use of the proceeds of the Consumer Rate Relief Bonds for the purposes of recovering consumer rate relief costs and paying Upfront Financing Costs as well as the Ongoing Financing Costs is consistent with the Act.

11. The proposed Securitization of the Eligible Costs approved in this Financing Order, including the Upfront Financing Costs, Ongoing Financing Costs, the Securitization structure, the implementation and management of the Securitization pursuant to the terms of the Affiliate

Agreements (subject to Required Modifications), the Adjustment Mechanism and the issuance of the Consumer Rate Relief Bonds, satisfies the Lowest Cost Objective, as required by W. Va. Code § 24-2-4h(e)(5)(G). The Applicants have satisfied their obligation to provide the economic assurances described in W. Va. Code § 24-2-4h(e)(12).

12. The Issuance Advice Letter Procedure described in this Financing Order satisfies the requirements of W. Va. Code § 24-2-4h(e)(9).

13. The amounts comprising the Total Securitization Amount as approved for recovery in this Financing Order constitute: the ENEC Under-Recovery Balance; the West Virginia jurisdictional share of the undepreciated generation utility plant balances as of December 31, 2022 of the Amos, Mountaineer and Mitchell power plants, repeatedly approved for recovery in several proceedings; the environmental control costs related to CCR and ELG approved for recovery in Case No. 20-1040-E-CN; the Deferred Storm Expenses specified on Appendix A, including but not limited to those included in the revenue requirement in the Applicants' pending base rate case (Case No. 24-0854-E-42T) and the Interim Order (Case No.25-0310-E-PC); the APCo Carrying Charges and the WPCo Carrying Charges; to the extent all have been authorized for recovery by an order of the commission and such amounts comprising the Total Securitization Amount are eligible for recovery through securitization in accordance with W. Va. Code § 24-2-4h(e)(5)(A).

14. This Financing Order adequately details the amount to be recovered and the period over which the Applicants will be permitted to recover nonbypassable consumer rate relief charges in accordance with the requirements of W. Va. Code § 24-2-4h(e)(5)(C).

15. The methodology and calculations in Appendix E approved in this Financing Order for collecting and allocating the Consumer Rate Relief Charges between and within tariff schedules and to special contract customers are reasonable and satisfy the requirement of W. Va. Code § 24-2-4h(e)(5)(D).

16. The Adjustment Mechanism, including the standard and nonstandard true-up adjustment procedures as approved by this Financing Order to assure that the full and timely payment of Consumer Rate Relief Bonds and related ongoing financing costs, is reasonable and satisfies the requirements of W. Va. Code § 24-2-4h(e)(5)(E).

17. The Consumer Rate Relief Property created by this Financing Order, including the right to impose, charge, and collect the Consumer Rate Relief Charges authorized in this Financing Order, is transferable, and the creation of the Consumer Rate Relief Property will be simultaneous with, the transfer of each interest in the Consumer Rate Relief Property from the applicable Applicant to the applicable BondCo and the pledge of such Consumer Rate Relief Property to secure Consumer Rate Relief Bonds issued by such BondCo, as provided for under W. Va. Code §§ 24-2-4h(e)(5)(B) and (7).

18. This Financing Order constitutes a "final financing order" as defined in W. Va. Code § 24-2-4h(b)(15).

19. The servicing arrangements approved in this Financing Order comply with the Act, including without limitation, W. Va. Code § 24-2-4h(m)(2).

20. Pursuant to W. Va. Code § 24-2-4h(g), this Financing Order is irrevocable and the Commission may not impair, postpone, or terminate the Consumer Rate Relief Charges, or impair the Consumer Rate Relief Property or the collection or recovery of the Consumer Rate Relief Charges.

21. The rights, interests and property conveyed to each BondCo under the applicable Sale Agreement and the related bill of sale, including the irrevocable right to impose, charge, and collect Consumer Rate Relief Charges, and the receipts, collections, rights, payments, moneys, claims or other proceedings arising from the rights and interests created hereunder, from Consumer Rate Relief Charges constitute "consumer rate relief property" within the meaning of W. Va. Code § 24-2-4h(b)(9) and W. Va. Code § 24-2-4h(e)(5)(B).

22. Upon its transfer to the BondCos, the Consumer Rate Relief Property will constitute an existing, present property right, even through the imposition, charging and collection of the Consumer Rate Relief Charges depend on further acts by the Applicants or others that have not yet occurred, as provided by W. Va. Code § 24-2-4h(f)(4).

23. Pursuant to W. Va. Code § 24-2-4h(f)(5), Consumer Rate Relief Property will continue to exist until the Consumer Rate Relief Bonds authorized under this Financing Order and the Ongoing Financing Costs have been paid in full.

24. Pursuant to W. Va. Code § 24-2-4h(p), upon the transfer by each Applicant of the corresponding Consumer Rate Relief Property to the BondCos, each BondCo will have all of the rights, title and interest of such Applicant with respect to the Applicant's interest in the Consumer Rate Relief Property including the right to impose, collect and receive the Consumer Rate Relief Charges authorized by the Financing Order.

25. As provided in W. Va. Code § 24-2-4h(f)(3), any transfer, grant of security interest or pledge of an interest in Consumer Rate Relief Property authorized by this Financing Order does not require the prior consent and approval of the Commission under W. Va. Code § 24-2-12.

26. All Consumer Rate Relief Bonds issued pursuant to this Financing Order will be "bonds" within the meaning of W. Va. Code § 24-2-4h and those Consumer Rate Relief Bonds and holders thereof are entitled to all of the protections provided under the Act, including without limitation, the pledge of the State of West Virginia embodied in W. Va. Code § 24-2-4h(s).

27. The Consumer Rate Relief Charges will be "consumer rate relief charges," as defined in W. Va. Code § 24-2-4h(b)(7), and include amounts which are authorized by the Commission in this Financing Order to be collected by the Applicants from retail customers in order to pay and secure the debt service payments of Consumer Rate Relief Bonds and related ongoing financing costs.

28. As provided in W. Va. Code § 24-2-4h(m)(2), retail customers of each Applicant will be held harmless by such Applicant for the failure to remit any required payment of Consumer Rate Relief Charges collected, but such failure does not affect the Consumer Rate Relief Property or the right to impose, charge, and collect the Consumer Rate Relief Charges under the Act. The provisions of the proposed Servicing Agreement proposed by the Applicants satisfy this statutory requirement.

29. As provided in W. Va. Code § 24-2-4h(m)(3), the interests of an assignee, the holders of Consumer Rate Relief Bonds and each Indenture Trustee in Consumer Rate Relief Property and in the revenues and collections arising from that property are not subject to setoff, counterclaim, surcharge or defense by any Applicant or any affiliate thereof.

30. If and when an Applicant transfers to a BondCo the right to impose, charge, and collect the Consumer Rate Relief Charges and to issue the Consumer Rate Relief Bonds, the corresponding servicer will be able to recover the Consumer Rate Relief Charges associated with such Consumer Rate Relief Property only for the benefit of such interest in the Consumer Rate Relief Property and only for the benefit of such BondCo and the holders of the Consumer Rate Relief Bonds in accordance with the applicable Servicing Agreement.

31. If and when an Applicant transfers its rights under this Financing Order to a BondCo under the applicable Sale Agreement that expressly states that the transfer is a sale or other absolute transfer in accordance with the true-sale provIsIons of W. Va. Code § 24-2-4h(p), then, pursuant to that statutory provision, that transfer will be a true sale of an interest in Consumer Rate Relief Property and not a secured transaction or other financing arrangement and title, legal and equitable, to the Consumer Rate Relief Property will pass to such BondCo.

32. As provided in W. Va. Code § 24-2-4h(p)(2), the characterization of a transfer by an Applicant of Consumer Rate Relief Property (or any portion thereof) created under this Financing Order to a BondCo as a true sale or other absolute transfer will be effective and perfected against all third parties and will not be affected or impaired by, among other things, the occurrence of any of the following:

(1) Commingling of amounts arising with respect to the collected Consumer Rate Relief Charges with other amounts; or

(2) The retention by the applicable Applicant of (i) a partial or residual interest in the interest in the Consumer Rate Relief Property, whether direct or indirect, or whether subordinate or otherwise, or (ii), the right to recover costs associated with taxes, franchise fees or license fees imposed on the collection of Consumer Rate Relief Charges; or

(3) Any recourse that a BondCo or any assignee may have against the applicable Applicant; or

(4) Any indemnification rights, obligations or repurchase rights made or provided by the applicable Applicant; or

(5) The obligation of the applicable Applicant to collect the Consumer Rate Relief Charges on behalf of a BondCo or any assignee; or

(6) The treatment of the transfer for tax, financial reporting or other purposes; or

(7) Any application of the Adjustment Mechanism approved under this Financing Order; or

(8) Transfer of the other Applicant's interest in the Consumer Rate Relief Property to a separate BondCo resulting in the BondCos having partial ownership of such Consumer Rate Relief Property.

33. Pursuant to W. Va. Code § 24-2-4h(o), except as provided by the Act, the creation, perfection and enforcement of security interests in Consumer Rate Relief Property created under this Financing Order are governed by the Act.

34. As provided in W. Va. Code § 24-2-4h(o), a valid and enforceable security interest in the Consumer Rate Relief Property created under this Financing Order in favor of the holders of the Consumer Rate Relief Bonds or an Indenture Trustee on their behalf will be created, valid and binding upon the latest of the date the applicable Indenture (as a security agreement) is executed and delivered or the date that the applicable BondCo receives the net proceeds from the issuance of the Consumer Rate Relief Bonds, which receipt will constitute value for purposes of W. Va. Code § 24-2-4h(o)(3). The security interest will attach without any physical delivery of collateral or other act and, upon the filing of a financing statement with the Office of the Secretary of State of the State of West Virginia, (i) the lien of the security interest will be valid, binding and perfected against all parties having claims of any kind in tort, contract or otherwise against the applicable BondCo, regardless of whether the parties have notice of the lien and (ii) the transfer of an interest in the Consumer Rate Relief Property will be perfected against all parties having claims of any kind, including any judicial lien or other lien creditors or any claims of the applicable Applicant or creditors of such Applicant. This security interest will constitute a continuously perfected security interest and will have priority over any other lien, created by operation of law or otherwise, that may subsequently attach to the Consumer Rate Relief Property or those rights or interests unless each Indenture Trustee has agreed in writing otherwise.

35. As provided in W. Va. Code § 24-2-4h(o)(7) and(8), the application of the Adjustment Mechanism to the Consumer Rate Relief Charges as approved in this Financing Order will have no effect on the validity, perfection or priority of security interest in, or in the transfer of any Consumer Rate Relief Property created by this Financing Order, nor will the priority of the security interest in any Consumer Rate Relief Property be affected by the commingling of Consumer Rate Relief Charges with other funds, and any other security interest that may apply to those comingled funds will be terminated when the funds are disbursed to a segregated account for an assignee or a financing party.

36. As provided in W. Va. Code § 24-2-4h(m), if an Applicant defaults on a required payment of Consumer Rate Relief Charges collected, a court, upon application by a financing party, or the Commission, upon application to the Commission or upon its own motion, and without limiting any other remedies available to the applying party, will order the sequestration and payment of the applicable Consumer Rate Relief Charges collected for the benefit of bondholders, assignees and financing parties. The order will remain in full force and effect notwithstanding a bankruptcy, reorganization or other insolvency proceedings with respect to such Applicant or any affiliate thereof.

37. As provided by W. Va. Code § 24-2-4h(q)(2), the Consumer Rate Relief Bonds issued under this Financing Order do not constitute a debt or a pledge of the faith and credit or taxing power of the State of West Virginia or of any county, municipality or any other political subdivision of the State of West Virginia. Bondholders will have no right to have taxes levied by the State of West Virginia or the taxing authority of any county, municipal corporation or any other political subdivision of the State of West Virginia for the payment of the principal of or interest on the Consumer Rate Relief Bonds. The issuance of Consumer Rate Relief Bonds does not, directly, indirectly or contingently, obligate the State of West Virginia or any county, municipality or political subdivision of the State of West Virginia to levy any tax or make any appropriation for payment of the principal of or interest on the Consumer Rate Relief Bonds. The foregoing does not, however, exempt the State of West Virginia or any such county, municipality or political subdivision from any obligation to pay Consumer Rate Relief Charges in its capacity as a consumer of electricity.

38. Pursuant to W. Va. Code § 24-2-4h(s), the State of West Virginia has pledged for the benefit and protection of all bondholders, assignees and financing parties under this Financing Order, that it will not take or permit any action that would impair the value of Consumer Rate Relief Property, or, except as allowed under W. Va. Code § 24-2-4h(k), reduce, alter or impair the Consumer Rate Relief Charges to be imposed, charged, collected, or remitted for the benefit of the holders of Consumer Rate Relief Bonds, assignees and any financing parties, until the principal of, and interest on and redemption premium, if any, and Ongoing Financing Costs and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid or performed in full. Each BondCo, in issuing Consumer Rate Relief Bonds, is authorized pursuant to this Financing Order to include this pledge in any documentation relating to the corresponding Consumer Rate Relief Bonds.

39. As provided in W. Va. Code § 24-2-4h(q)(1), the imposition, billing, collection and receipt of Consumer Rate Relief Charges under the Act are exempt from state income, sales, franchise, gross receipts, business and occupation and other taxes or similar charges; provided, however, that neither this exemption nor any other provision of W. Va. Code § 24-2-4h(q), will preclude any municipality from taxing Consumer Rate Relief Charges under the authority granted to municipalities pursuant to W. Va. Code §§ 8-13-5 and 5a.

40. As provided in W. Va. Code § 24-2-4h(g), this Financing Order will remain in full force and effect and unabated notwithstanding the bankruptcy of either Applicant or any affiliates of either Applicant or the commencement of any judicial or nonjudicial proceeding involving this Financing Order.

41. In accordance with W. Va. Code § 24-2-4h(e)(11), this Financing Order sets forth procedures requiring the Applicants to adjust their rates or provide credits in a manner that would return to retail customers any overpayments resulting from the Securitization in excess of actual prudently incurred costs as subsequently determined by the Commission.

42. As provided in W. Va. Code § 24-2-4h(i)(1), the Commission, in exercising its powers and carrying out its duties regarding regulation and ratemaking, may not do any of the following: (a) consider the Consumer Rate Relief Bonds issued pursuant to this Financing Order to be the debt of an Applicant; (b) consider the Consumer Rate Relief Charges imposed, charged or collected under this Financing Order to be revenue of an Applicant; or (c) consider the Consumer Rate Relief Charges or financing costs authorized under this Financing Order to be the costs of an Applicant.

43. As provided in W. Va. Code § 24-2-4h(i)(4), if any Applicant elects not to finance its consumer rate relief costs through the issuance of Consumer Rate Relief Bonds after the issuance of this Financing Order, those costs will be recoverable by such Applicant as authorized by the Commission previously or in subsequent proceedings.

44. This Financing Order is final, is not subject to rehearing by the Commission, and is not subject to review or appeal except as expressly provided in W. Va. Code § 24-2-4h(e)(10). The finality of this Financing Order is not impaired in any manner by the participation of the Commission, acting directly or with the assistance of a Commission Financial Advisor, in any decisions related to issuance of the Consumer Rate Relief Bonds or by the Commission's review of the Issuance Advice Letter required to be submitted to the Commission by this Financing Order.

45. This Financing Order meets the requirements for a financing order under W. Va. Code § 24-2-4h.

46. The Adjustment Mechanism and all other obligations of the State of West Virginia and the Commission set forth in this Financing Order, are direct, explicit, irrevocable and unconditional upon issuance of the Consumer Rate Relief Bonds and are legally enforceable against the State of West Virginia and the Commission.

47. The APCo and WPCo tariff sheets in the forms of CRRC Schedule attached hereto as Appendix C containing the Consumer Rate Relief Charges are consistent with the terms of this Financing Order and the Act.

48. As provided in W. Va. Code § 24-2-4h(I), the Consumer Rate Relief Charges authorized under this Financing Order are "nonbypassable" (as defined in W. Va. Code § 24-2-4h(b)(18)), and apply to all existing and future West Virginia retail customers of the Applicants or any successors and must be paid by any such retail customer that receives electric delivery service from the Applicants or their successors (subject to this Order).

49. As provided in W. Va. Code § 24-2-4h(n), any successor to an Applicant will be bound by this Financing Order and will perform and satisfy all obligations of such Applicant under this Financing Order, in the same manner and to the same extent as such Applicant, including the obligation to collect and pay Consumer Rate Relief Charges to the person or persons entitled to receive those revenues. Any such successor will also have the same rights of such Applicant under this Financing Order in the same manner and to the same extent as are granted in favor of such Applicant.

50. If any provision of W. Va. Code § 24-2-4h is held to be invalid or is superseded, replaced, repealed or expires for any reason, that occurrence will not affect any action allowed under this Financing Order in reliance on those sections that is taken prior to that occurrence by the Commission, the Applicants, a BondCo, any other assignee, collection agent, financing party, bondholder or party to an ancillary agreement. Any such action will remain in full force and effect.

51. This Financing Order will be operative and in full force and effect from the date of issuance by the Commission.

52. The Financing Order is fair and reasonable.

III. PROPOSED ORDERING PARAGRAPHS

A. Approvals

1. **Approval of Application.** The Application and the proposed Securitization as well as all of its proposed structure, transactions, and terms and conditions are approved and adopted, as provided in this Financing Order. The Applicants are granted all required and necessary approvals and applications to effectuate the proposed Securitization in accordance with the terms of this Financing Order and the Act.

2. **Approval of Affiliate Agreements.** The Affiliate Agreements, subject to the Required Modifications, are approved and required by the Applicants and other parties to effectuate the approved Securitization.

3. **Authority to Securitize.** The Applicants are authorized in accordance with this Financing Order and the Act to securitize and to cause the issuance of Consumer Rate Relief Bonds in the following amounts:

   (a) with respect to APCo, in an aggregate amount equal to the APCo Total Securitization Amount, which consists of (a) the APCo Base Securitization Amount of $1,603.9 million, plus (b) the APCo Carrying Charges, plus (c) APCo Upfront Financing Costs (estimated to be $10.4 million) equal to the sum of (i) (x) the APCo Proportion multiplied by (y) the fees charged and costs incurred by the Commission Financial Advisor, if any, and (ii) actual aggregate amount of the other Upfront Financing Costs (i.e., other than the fees and costs of the Commission Financial Advisor, if any) actually incurred by APCo; and

   (b) with respect to WPCo, in an aggregate amount equal to the WPCo Total Securitization Amount, which consists of (a) the WPCo Base Securitization Amount of $987.2 million, plus (b) the WPCo Carrying Charges, plus (c) WPCo Upfront Financing Costs (estimated to be $5.9 million) equal to the sum of (i) (x) the WPCo Proportion multiplied by (y) the fees charged and costs incurred by the Commission Financial Advisor, if any, and (ii) actual aggregate amount of the other Upfront Financing Costs (i.e., other than the fees and costs of the Commission Financial Advisor, if any) actually incurred by WPCo.

   Upfront Financing Costs and Carrying Charges are subject to update, adjustment and approval pursuant to the terms of this Financing Order and the Issuance Advice Letter Procedure authorized by this Financing Order.

4. **Recovery of Consumer Rate Relief Charges.** Each Applicant and each BondCo is hereby authorized to, and each Applicant as servicer shall, impose, charge, and collect from such Applicant's existing and future retail customers Consumer Rate Relief Charges on behalf of the applicable BondCo in an amount (when taken together with the other Applicant's collections of Consumer Rate Relief Charges on its existing and future retail customers) sufficient to provide for the timely recovery of principal of, and interest on and redemption premium, if any, on the Consumer Rate Relief Bonds together with the Ongoing Financing Costs as approved in this Financing Order.

5. **Approval of Tariffs.** The form of the CRRC Schedule attached hereto as Appendix C, and to be included in each of P.S.C. W.VA. Tariff No. 16 (APCo) and P.S.C. W.VA. Tariff No. 21 (WPCo), is hereby approved.

6. **Rate of Return on Capital Investment.** Each Applicant is authorized to recover an annual rate of return on its capital contribution to a BondCo calculated at a rate equal to the authorized pre-tax weighted average cost of capital established in such Applicant's most recent base rate case, with such recovery to be paid from Consumer Rate Relief Charges as an Ongoing Financing Cost.

B. Provision of Information; Issuance Advice Letter Procedure and Related Matters

7. **Provision of Information.** The Applicants shall provide to the Commission and the Commission Financial Advisor, if any, timely information that is necessary for the Commission to fulfill its obligations hereunder.

8. **Review of Draft Issuance Advice Letter.** The Applicants may, in their discretion, submit for feedback a draft of the proposed Issuance Advice Letter to the Commission and the Commission Financial Advisor, if any, prior to the Applicant's submission of the actual Issuance Advice Letter to the Commission and the Commission Financial Advisor, if any. If the Applicants provide a draft of the Issuance Advice Letter to the Commission and the Commission Financial Advisor, if any, for review no later than two weeks prior to the expected date of commencement of marketing a Dual Issuance or such shorter period as is approved by the Commission, then within one week after receipt of the Issuance Advice Letter, the Commission, acting directly or through the Commission Financial Advisor, if any,

will provide the Applicants any comments and recommendations regarding the adequacy of the information provided and as may be necessary to assure the accuracy of the calculations and that the requirement of the Act and of this Financing Order have been met. The Commission, acting directly or through the Commission Financial Advisor, if any, may agree to waive the proscribed time period for the submission and review of such draft of the Issuance Advice Letter and any failure to provide written comments to such draft of the Issuance Advice Letter within the proscribed time period will conclusively evidence a waiver by the Commission of any objections.

9. **Issuance Advice Letter.** The Applicants shall jointly submit a single Issuance Advice Letter for a Dual Issuance to the Commission following the determination of the final terms of each series of Consumer Rate Relief Bonds forming part of such Dual Issuance no later than one business day after the pricing of such series of Consumer Rate Relief Bonds. The Issuance Advice Letter shall: (a) report the initial Consumer Rate Relief Charges and other information specific to the Consumer Rate Relief Bonds as required by the Commission; (b) indicate the final structure of the Consumer Rate Relief Bonds; and (c) provide the best available estimate of total Ongoing Financing Costs. The Issuance Advice Letter shall evidence the actual dollar amount of the initial Consumer Rate Relief Charges and other information specific to the Consumer Rate Relief Bonds to be issued. In addition, if original issue discount, additional credit enhancements, or arrangements to enhance marketability are used, the Issuance Advice Letter shall include such information. All amounts which require computation shall be computed using the mathematical formulas contained in the form of the Issuance Advice Letter in Appendix B to this Financing Order. Electronic spreadsheets with formulas supporting the schedules contained in the Issuance Advice Letter shall be included with the Issuance Advice Letter. The Commission's review of the Issuance Advice Letter shall be limited to the arithmetic accuracy of the calculations and to compliance with the Act, this Financing Order, and the specific requirements that are included in the Issuance Advice Letter. The initial Consumer Rate Relief Charges and the final terms of the Consumer Rate Relief Bonds set forth in the Issuance Advice Letter shall become effective on the date of issuance of the Consumer Rate Relief Bonds (which shall not occur prior to the sixth business day after pricing) unless prior to noon on the fourth business day after the Commission receives the Issuance Advice Letter, the Commission issues a disapproval order, directing that the Consumer Rate Relief Bonds, as proposed, not be issued and stating the basis for the disapproval.

10. **Approval to Proceed.** The Applicants are irrevocably authorized to proceed with the issuance of the Consumer Rate Relief Bonds based upon the terms set forth in the Issuance Advice Letter, unless, prior to noon on the fourth business day after the Commission receives the Issuance Advice Letter, the Commission issues a disapproval letter directing that the Consumer Rate Relief Bonds as proposed not be issued and the basis for such disapproval. In such event, the Applicants may elect to seek recovery of the Total Securitization Amount as previously authorized by the Commission or as otherwise authorized by the Commission in subsequent proceedings.

11. **Initial Consumer Rate Relief Charges.** If the Commission does not issue its letter of disapproval, the initial Consumer Rate Relief Charges set forth in the Issuance Advice Letter shall become final and effective on the date of issuance of the Consumer Rate Relief Bonds without any further Commission action.

12. **Future Adjustments for Upfront Financing Costs.** If the actual Upfront Financing Costs are less than the estimated Upfront Financing Costs included in the principal amount securitized, those unused funds shall be deposited into the applicable payment accounts to be available for payment of debt service on the Consumer Rate Relief Bonds, and the Periodic Billing Requirement for the first annual true-up adjustment of the Consumer Rate Relief Charge will be reduced by the amount of such unused funds (together with interest earned thereon through investment by each Indenture Trustee in eligible investments). If the actual Upfront Financing Costs are more than the Upfront Financing Costs included in the principal amounts securitized, the Periodic Billing Requirement for the first annual true-up adjustment of the Consumer Rate Relief Charge may be increased by the amount of such unrecovered Upfront Financing Costs and such unrecovered Upfront Financing Costs will thereafter be payable as an Ongoing Financing Cost to the applicable Applicant on the next payment date.

C. Consumer Rate Relief Charges

13. Imposition and Collection, Nonbypassability. The Applicants are authorized to impose Consumer Rate Relief Charges on, and the Applicants as servicer are authorized to collect from, all of the Applicants' existing, future, and former, if applicable, retail customers (subject to Findings of Fact Nos. 53 through 56), (a) in an amount sufficient to provide for the timely payment of principal of and interest on the Consumer Rate Relief Bonds issued by both BondCos and all Ongoing Financing Costs and (b) otherwise as provided in the Servicing Agreements. Consumer rate relief charge collections from each Applicant's retail customers shall be used to pay the debt service payments of Consumer Rate Relief Bonds issued by, and related ongoing financing costs of, all BondCos that are a part of a Dual Issuance, including any BondCo that is owned by the other Applicant. The Consumer Rate Relief Charges imposed by each Applicant shall be nonbypassable as provided in Findings of Fact Nos. 51 through 56.

14. BondCo's Rights and Remedies. Upon the transfer by each Applicant of the applicable Consumer Rate Relief Property to the applicable BondCo, all of the rights, title and interest of such Applicant under this Financing Order shall become Consumer Rate Relief Property and such BondCo shall have all of the rights, title and interest of such Applicant with respect to such Consumer Rate Relief Property, including, without limitation, the right to impose, charge, and collect the Consumer Rate Relief Charges authorized by the Financing Order and to exercise any and all rights and remedies with respect thereto, including the right to authorize disconnection of electric service and to assess and collect any amounts payable by any retail customer in respect of the Consumer Rate Relief Property. The Consumer Rate Relief Property shall upon its creation constitute an existing, present property right and interest which shall continue to exist regardless of whether Consumer Rate Relief Charges have been billed, have accrued or have been collected and notwithstanding any requirement that the value or the amount of the property is dependent on the future provision of service to retail customers, and shall continue to exist until the Consumer Rate Relief Bonds and the Ongoing Financing Costs are paid in full.

15. **Collector of Consumer Rate Relief Charges.** Each Applicant and any successor Servicer of the Consumer Rate Relief Property shall bill a retail customer for the Consumer Rate Relief Charges attributable to that retail customer as a charge that is separate and apart from such Applicant's base rates, in the manner described in the Applicants' testimony and the form of CRRC Schedule or as otherwise provided in the Servicing Agreements.

16. **Term of Charges.** The Consumer Rate Relief Charges shall be imposed, charged and collected until all of the Consumer Rate Relief Bonds of each series and the Ongoing Financing Costs have been paid in full.

17. **Allocation.** The Applicants shall classify and allocate the Consumer Rate Relief Charges among the CRR Rate Classes of both Applicants in the manner reflected in Appendix E and described in Finding of Fact No. 61, subject to adjustment through the nonstandard true-up adjustment described in Findings of Fact Nos. 74 through 77.

18. **True-Up Adjustment Mechanism.** The Adjustment Mechanism is approved and adopted as provided in this Financing Order. Periodic true-up adjustments of the Consumer Rate Relief Charges shall be undertaken and conducted as described in this Financing Order as reflected in Findings of Fact Nos. 64 through 79 or as otherwise provided in the Servicing Agreements.

19. **Ownership Notification.** Each Applicant shall annually provide its retail customers with the notice described in Finding of Fact No. 50.

D. Consumer Rate Relief Property

20. **Creation of Consumer Rate Relief Property.** Creation of the Consumer Rate Relief Property (or any portion thereof) is hereby approved but is conditioned upon, and shall be simultaneous with, the transfer of such Consumer Rate Relief Property (or portion thereof) from the Applicants to the BondCos and the pledge by each BondCo of its interest in the Consumer Rate Relief Property to secure the corresponding Consumer Rate Relief Bonds.

E. Consumer Rate Relief Bonds

21. **Issuance.** Each BondCo is authorized to issue consumer rate relief bonds as specified in this Financing Order.

22. **Collateral.** All Consumer Rate Relief Property and other collateral shall be held and administered by the Indenture Trustees pursuant to the Indentures as described in Findings of Fact Nos. 39 through 46.

23. **Upfront Financing Costs.** Each Applicant may recover its respective portion of Upfront Financing Costs as approved in this Financing Order and through the Issuance Advice Letter Procedure. Any over-recovery of such costs from the Securitization shall be addressed as described in this Order. For convenience purposes any of these costs may be paid by the applicable BondCo.

24. **Ongoing Financing Costs.** Each Applicant, and its assignees and pledgees, may recover its actual Ongoing Financing Costs through the Consumer Rate Relief Charges. Ongoing Financing Costs, other than administrative fees and the servicing fees while such Applicant is serving as servicer, are not fixed by this Financing Order. Ongoing Financing Costs also include a return on such Applicant's capital contributions as described herein. The initial estimated amount of Ongoing Financing Costs is subject to updating in the Issuance Advice Letter to reflect a change (if any) in the size of any series comprising a Dual Issuance and other information available at the time of submission of the Issuance Advice Letter. As provided herein, a successor servicer, other than an Applicant or an affiliate thereof, may collect a servicing fee up to 0.25% of the original principal balance of the applicable Consumer Rate Relief Bonds, or such higher fee as may be approved by the Commission.

25. **Distribution Following Repayment.** Upon the full repayment of the corresponding Consumer Rate Relief Bonds authorized in this Financing Order and the discharge of the applicable portion of Ongoing Financing Costs, all amounts in the Joint Collection Account and in the applicable payment accounts, in each case including investment earnings, shall be released by each Indenture Trustee to the applicable BondCo for distribution in accordance with Finding of Fact No. 88. Each Applicant shall notify the Commission within 30 days after the date that these funds are eligible to be released of the amount of such funds available for crediting to the benefit of its retail customers.

26. **Funding of Capital Subaccount.** The capital contributions to the applicable capital subaccount shall be funded by the applicable Applicant from its own capital and not from the proceeds of the issuance of Consumer Rate Relief Bonds. Each Applicant may recover, as an Ongoing Financing Cost, an annual rate of return on such Applicant's capital contributions into a BondCo calculated at the rate equal to the authorized pre-tax weighted average cost of capital established in such Applicant's most recent base rate case. The required revenue, if any, to provide an annual return on any such additional capital to the extent reflected in the Issuance Advice Letter shall be an Ongoing Financing Cost and a component of the Periodic Payment Requirement.

27. **Overcollateralization Subaccount.** Each Applicant is granted the flexibility to fund a collateralization subaccount under each payment account and a joint overcollateralization subaccount of the Joint Collection Account, if required to achieve the desired highest rating on the Consumer Rate Relief Bonds. Each Applicant's proposed use of such overcollateralization subaccounts is approved so long as such Applicant certifies in the Issuance Advice Letter that the enhancements or arrangements provide benefits greater than their cost and that those costs are reflected in the Issuance Advice Letter.

28. **Original Issue Discount.** Each Applicant may use an original issue discount in connection with the issuance and pricing of the applicable Consumer Rate Relief Bonds, subject to the Issuance Advice Letter Procedure.

29. **Fixed Interest Rates on Bonds.** The Consumer Rate Relief Bonds shall be issued using a fixed interest rate and not a floating rate

30. **Life of Bonds.** The latest scheduled final payment date of any series of the Consumer Rate Relief Bonds authorized by this Financing Order shall be not later than 28 years from the date of issuance of such series, and the latest legal final maturity date shall not be later than 30 years after issuance of such series.

31. **Amortization Schedule.** The Commission approves, and the Consumer Rate Relief Bonds shall be structured to provide, an overall weighted average Consumer Rate Relief Charge that is based on substantially levelized annual revenue requirements over the expected life of the Consumer Rate Relief Bonds subject to modification in accordance with the Adjustment Mechanism adopted in this Financing Order. The structure employing substantially levelized annual revenue requirements will allow the resulting overall weighted average Consumer Rate Relief Charges to remain level or decline over time, if billing determinants remain level or grow.

32. **Commission Participation in Bond Issuance.** The Commission, acting either directly or with the assistance of the Commission Financial Advisor, if any, shall have the rights specified in this Financing Order to consult with the Applicants on material aspects of the structuring, pricing and marketing of the Consumer Rate Relief Bonds. The Commission and the Commission Financial Advisor, if any, shall be provided timely information that is necessary for the Commission to fulfill its obligations hereunder. Subject to the review of the Commission Financial Advisor, if any, and the approval of the Commission through the Issuance Advice Letter Procedure, and subject to the Lowest Cost Objective, the Applicants shall be afforded flexibility to determine whether the Consumer Rate Relief Bonds should be sold through a public offering negotiated with one or more underwriters or through a direct sale of securities to investors via a Rule 144A transaction.

33. **Use of BondCo.** Each Applicant shall form a BondCo, each a special purpose funding entity as proposed in the Application, in conjunction with the issuance of Consumer Rate Relief Bonds authorized under this Financing Order. Each BondCo shall be funded with an amount of capital that is sufficient for such BondCo to assure that the Consumer Rate Relief Bonds will be treated as a borrowing of the applicable Applicant and as debt for federal income tax purposes. Each Applicant shall contribute capital to the applicable BondCo and shall be entitled to a return on such investment as provided above.

F. Servicing

34. **Servicing Agreement.** The Commission authorizes the Applicants to enter into a Servicing Agreement with each BondCo containing the provisions generally described in Findings of Fact Nos. 33 through 36 and to perform the respective servicing duties approved in this Financing Order. Each servicer shall be entitled to collect servicing fees in accordance with the provisions of the Servicing Agreements. The annual servicing fee payable to each Servicer while an Applicant or any affiliate thereof is serving as a servicer shall be 0.10% of the original principal balance of the Consumer Rate Relief Bonds issued by the BondCo owned by such Applicant, plus the Servicer's out-of-pocket costs including, but not limited to, legal and accounting costs. The annual servicing fee payable to any servicer not affiliated with the Applicants may be increased without further Commission approval but shall not at any time exceed 0.25% of the portion of the original principal balance of the Consumer Rate Relief Bonds allocable to the applicable Applicant unless such higher rate is approved by the Commission. The indemnity provided by each Applicant under the corresponding servicing agreement will be enforced by the Commission but will not be enforceable by any retail consumer.

35. **Administration Agreement.** The Commission authorizes (a) APCo to enter into the APCo Administration Agreement with the APCo BondCo and (b) WPCo to enter into the WPCo Administration Agreement with the WPCO BondCo, as described herein. The fee charged by such Applicant as administrator under each such Administration Agreement shall be $50,000 per annum, plus out-of-pocket third-party costs.

36. **Servicing and Administration Agreement Revenues.** The servicing and administrative fees collected by each Applicant, or any affiliate of such Applicant, acting as either the servicer or the administrator under a Servicing Agreement or the applicable Administration Agreement, respectively, shall be included as a revenue credit and reduce revenue requirements in such Applicant's base rate case. The expenses incurred by an Applicant or such affiliate to perform obligations under the applicable servicing agreement and the Administration Agreement shall likewise be included as a cost of service in such Applicant's base rate case.

37. **Replacement of an Applicant as Servicer.** Pursuant to the terms of each Servicing Agreement, upon the occurrence of an event of default under such Servicing Agreement relating to a servicer's performance of its servicing functions with respect to the Consumer Rate Relief Charges, the parties specified in such Servicing Agreement may replace the defaulting Applicant(s) as servicer(s) in accordance with the terms of such Servicing Agreement and any applicable intercreditor agreement. If the servicing fee of the replacement servicer will exceed the applicable maximum servicing fee specified herein, the appointment of such replacement servicer shall not be effective until (i) the date the Commission approves the appointment of such replacement servicer or (ii) if the Commission does not act to either approve or disapprove the appointment, the date which is 45 days after notice of appointment of the replacement servicer is provided to the Commission. No entity may replace an Applicant as a Servicer in any of its servicing functions with respect to the Consumer Rate Relief Charges and the Consumer Rate Relief Property authorized by this Financing Order, if the replacement would cause any of the then-current credit ratings of the Consumer Rate Relief Bonds to be suspended, withdrawn or downgraded.

38. **Default by Servicer.** In the event of a default by a Servicer in remittance of the Consumer Rate Relief Charges collected by it, the Commission shall, in accordance with W. Va. Code § 24-2-4h and upon application by (i) the holders of the Consumer Rate Relief Bonds or the applicable Indenture Trustee, as beneficiary of any statutory lien provided by W. Va. Code § 24-2-4h, (ii) a BondCo or its assignees, or (iii) any pledgee or transferee of the Consumer Rate Relief Property, order the sequestration and payment to or for the benefit of such BondCo or such other party of the revenues arising with respect to the Consumer Rate Relief Property.

39. **Amendment of Agreements.** The parties to each Servicing Agreement, each Administration Agreement, each Indenture and each Sale Agreement may amend the terms of such agreements; provided, however, that no amendment to any such agreement shall increase the Ongoing Financing Costs without the approval of the Commission. Any amendment that does not increase the Ongoing Financing Costs shall be effective without prior Commission authorization. Any amendment to any such agreement that may have the effect of increasing Ongoing Financing Costs shall be provided by the applicable BondCo to the Commission along with a statement as to the possible effect of the amendment on the Ongoing Financing Costs. The amendment shall become effective on the later of (i) the date proposed by the parties to the amendment or (ii) 31 days after such submission to the Commission unless the Commission issues an order disapproving the amendment within a 30-day period.

40. **Remittance Terms.** Each Servicer shall remit collections of the Consumer Rate Relief Charges to the Joint Collection Account as provided in the Servicing Agreement and the lntercreditor Agreement. On or prior to the date when payments are due with respect to the Consumer Rate Relief Bonds, funds in the Joint Collection Account will be disbursed at the direction of each Servicer to the applicable Indenture Trustee for deposit into a payment account created at such respective BondCo to be used to make payments of interest, scheduled principal and Ongoing Financing Costs of such BondCo or as otherwise provided for in the Servicing Agreement.

G. Structure of the Securitization

41. **Structure.** The Applicants shall structure the Securitization as proposed in the Application, including that they shall attempt to achieve a bond structure that results in substantially level annual debt service and revenue requirements over the life of each series of the Consumer Rate Relief Bonds.

H. Use of Proceeds

42. **Use of Proceeds.** Upon the issuance of Consumer Rate Relief Bonds, the applicable BondCo shall pay the proceeds from the issuance of the Consumer Rate Relief Bonds (after payment of the corresponding portion of Upfront Financing Costs) to the corresponding Applicant for the purchase price of the portion of Consumer Rate Relief Property applicable to such Applicant. Such Applicant shall apply such corresponding net proceeds to redeem, repay, or retire a portion of its existing long-term and/or short-term debt and/or equity.

43. **Report on Use of Proceeds.** The Applicants shall file with the Commission a report showing the receipt and disbursement of proceeds of Consumer Rate Relief Bonds, which report shall, if incomplete, be updated periodically until such time as all proceeds have been so accounted for.

I. Miscellaneous Provisions

44. **Continuing Issuance Right.** The Applicants have the continuing irrevocable right to cause the issuance of Consumer Rate Relief Bonds, in one or more issuances, and consisting of one or more series and tranches, in accordance with this Financing Order.

45. **Internal Revenue Service Private Letter or Other Rulings.** The Applicants are not required by this Financing Order to obtain a ruling from the IRS; however, if the Applicants elect to do so, then upon receipt, the Applicants shall promptly deliver to the Commission a copy of each private letter or other ruling issued by the IRS with respect to the proposed transaction, the Consumer Rate Relief Bonds or any other matter related thereto. The Applicants may cause Consumer Rate Relief Bonds to be issued without a private letter ruling if it obtains an opinion of tax counsel sufficient to support the issuance of the Consumer Rate Relief Bonds.

46. **Binding on Successors.** This Financing Order, together with the obligation to provide service and to collect and account for the corresponding Consumer Rate Relief Charges authorized herein, shall be binding on each Applicant and any successor to such Applicant, including any successor by merger. Any such successor shall be bound by the requirements of W. Va. Code § 24-2-4h(l)(2) and W. Va. Code § 24-2-4h(n). Any such successor shall perform and satisfy all obligations of such Applicant under this Financing Order, in the same manner and to the same extent as such Applicant, including the obligation to collect and pay Consumer Rate Relief Charges to the person entitled to receive those revenues. Such successor shall also have the same rights as such Applicant under this Financing Order, in the same manner and to the same extent as are granted under this Financing order to such Applicant.

47. **Flexibility.** Subject to compliance with the requirements of this Financing Order, each Applicant and each BondCo shall be afforded flexibility (after consultation with the Commission, acting directly or with the assistance of the Commission Financial Advisor) in establishing the terms and conditions of the Consumer Rate Relief Bonds, including the manner of sale, the repayment schedules, terms, payment dates, collateral, required debt service, required funding of a

payment account's capital subaccount or overcollateralization subaccount (if any), required funding of the Joint Collection Account's overcollateralization subaccount (if any), interest rates, use of original issue discount and other financing costs and the ability of such Applicant, at its option, to cause one or more issuances or series of Consumer Rate Relief Bonds to be issued.

48. **Effectiveness of Order.** This Financing Order is effective upon issuance. Notwithstanding the foregoing, no Consumer Rate Relief Property shall be created hereunder, and neither Applicant shall be authorized to impose, charge or collect Consumer Rate Relief Charges, until concurrently with the transfer of such Applicant's rights hereunder to a BondCo in conjunction with the issuance of the Consumer Rate Relief Bonds.

49. **Regulatory Approvals.** All regulatory approvals within the jurisdiction of the Commission that are necessary for the issuance of the Consumer Rate Relief Bonds and all related transactions contemplated in the Application, are granted.

50. **Payment of Commission's Costs for Professional Services.** In accordance with W. Va. Code § 24-2-4h(b)(13)(I), each BondCo shall pay to the Commission Financial Advisor the applicable costs of the Commission Financial Advisor, if any, in connection with its issuance of Consumer Rate Relief Bonds.

51. **Effect.** This Financing Order constitutes a financing order within the meaning of the Act. The Commission finds that this Financing Order complies with the provisions of the Act. A financing order gives rise to rights, interests, obligations and duties as expressed in the Act. It is the Commission's express intent to give rise to those rights, interests, obligations and duties by issuing this Financing Order. Each Applicant and any successor servicer are directed to take all actions as are required to effectuate the transactions approved in this Financing Order, subject to compliance with the criteria established in this Financing Order.

52. **Economic Assurances Conditions Satisfied.** Applicants shall comply with the economic conditions set forth in W. Va. Code § 24-2-4h(e)(12) as discussed in Finding of Fact No. 90. Consistent with the irrevocable nature of the Consumer Rate Relief Property, however, any breach of such conditions (a) will not impair the Consumer Rate Relief Property and (b) any failure to comply with such economic conditions will not adversely affect the Consumer Rate Relief Property or the irrevocability of this Financing Order.

53. **Approval of Affiliate Agreements.** The Commission consents to and approves the proposed forms of the Affiliate Agreements, subject to the Required Modifications, and APCo's, WPCo's and each BondCo's entry into the Affiliate Agreements to effectuate the Securitization. The Applicants shall file the final, executed versions of the Affiliate Agreements with the Commission not later than 30 days after the date of delivery of the Consumer Rate Relief Bonds.

54. **Further Commission Action.** This Financing Order shall be irrevocable and the Commission pledges to not impair, postpone, terminate or otherwise adjust the Consumer Rate Relief Charges approved in this Financing Order or impair the Consumer Rate Relief Property or the collection of Consumer Rate Relief Charges or the recovery of the Total Securitization Amount (including Upfront Financing Costs) and Ongoing Financing Costs. No adjustment through the Adjustment Mechanism shall affect the irrevocability of this Financing Order. The Commission guarantees that it will act pursuant to this Financing Order to ensure that expected Consumer Rate Relief Charges are sufficient to pay on a timely basis scheduled principal of and interest on the Consumer Rate Relief Bonds issued by both BondCos pursuant to this Financing Order and the Ongoing Financing Costs in connection with the Consumer Rate Relief Bonds.

55. **All Other Motions Denied.** All motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief not expressly granted herein, are denied for want of merit.

Public Service Commission
of West Virginia

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323

Phone: (304) 340-0300
Fax: (304) 340-0325

March 31, 2026

Stephen J. Baron
Consultant, WVEUG
J. Kennedy & Associates, Inc.
570 Colonial Park Drive, Ste 305
Rosewell GA 30075

RE: Case No. 25-0310-E-PC
Appalachian Power Company and Wheeling Power Company

Dear Mr. Baron:

Enclosed is a copy of a Commission Order issued today in the above-styled proceeding. **Please note all other parties have agreed to receive this order via electronic notification.**

Documents submitted to the Public Service Commission of West Virginia may be 1) uploaded to its public website, 2) subject to public disclosure under the West Virginia Freedom of Information Act, and/or 3) subject to disclosure under the West Virginia Open Governmental Proceedings Act. Do not submit personal information with your filings. The Commission is not responsible for confidential or personal information included with your submission. A list of personal information is available here: http://www.psc.state.wv.us/Privacy Policy/WhatisPll.htm

If you have provided an email address you will automatically receive notifications as documents are filed in this proceeding. The email notifications allow recipients to view a document within an hour from the time the filing is processed. If you have not provided your email address, please send an email to caseinfo@psc.state.wv.us and state the case number in the email subject field. **You are encouraged to file an Electronic Mail Agreement which allows the commission to serve all orders issued in this matter via electronic notification.**

Sincerely,

/s/ Karen Buckley
Karen Buckley
Executive Secretary

KB/al
Enc.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 21st day of July 2026.

CASE NO. 26-0469-E-ENEC

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY

Petition to Initiate the Annual Review and to
Update the ENEC Rates Currently in Effect.

and

CASE NO. 25-0310-E-PC

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY

Application for Commission Approval to Securitize
Costs Pursuant to W. Va. Code § 24-2-4h and to
Enter Into Affiliate Agreements Pursuant to
W. Va. Code § 24-2-12.

COMMISSION ORDER

The Commission adopts the resolution of issues embodied in the Joint Stipulation and Agreement for Settlement (Joint Stipulation) filed by Appalachian Power Company (APCo), Wheeling Power Company (WPCo) (collectively the Companies), Commission Staff (Staff), the Consumer Advocate Division (CAD), and the West Virginia Energy Users Group (WVEUG) (collectively Stipulating Parties), determines the over-recovery balance of the Vegetation Management Program (VMP) surcharge, and modifies the maximum securitization amount previously approved in Case No. 25-0310-E-PC.

BACKGROUND

On April 30, 2026, the Companies filed a petition for Commission review of their annual Expanded Net Energy Cost (ENEC) filing (Petition). The ENEC filing also included a true-up of their Business Ready Sites Program (BRSP) surcharge, consistent with the Commission's August 29, 2025, Final Order in Case No. 24-0956-E-IDS;[1] true-up of their VMP surcharge and Broadband Surcharge (BBS), consistent with the Commission's April 16, 2026, Order entered in Case Nos. 24-0289-E-P, 24-0322-E-IMM, and 24-0415-E-P; and, pursuant to the April 16, 2026, Order, the Companies addressed the recovery of their Modified Rate Base Cost (MRBC) surcharge under-recovery of approximately $34.8 million.

On June 16, 2026, the Commission issued an Order approving requested witness accommodations and requiring VMP filings.

On June 22, 2026, the Commission issued an Order clarifying the directives in the June 16, 2026, Order. The Commission took judicial notice of the records in the prior VMP cases by reference and directed Staff and the Companies to meet prior to the June 26, 2026, hearing to determine whether some of the differences between the Companies' estimates of the VMP over-recovery and other components of the Companies' projected ENEC under-recoveries could be resolved.

The Commission held an evidentiary hearing on June 26, 2026, regarding the ENEC under-recovery and true-ups of the VMP and BBS surcharges. The Commission granted the request for a one-hour recess to continue settlement discussions. After the recess, the Stipulating Parties advised that they reached a settlement and would file a joint stipulation by June 30, 2026.[2]

On June 30, 2026, the Stipulating Parties filed the Joint Stipulation.

DISCUSSION

A joint stipulation is a recommendation by the stipulating parties for what they regard to be a reasonable settlement of the issues in a proceeding. Stipulations can help to resolve or simplify cases. The Commission appreciates the Stipulating Parties' efforts to reach a settlement in this proceeding.

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1 The June 16, 2026, Commission Order removed the BRSP surcharge from further consideration in this proceeding and directed the Companies to instead make a separate filing for that surcharge.

2 The Companies called witness Troy Bumgarner because he is unavailable to appear at the July 22, 2026, hearing.

The Stipulating Parties did not agree on the VMP over-recovery through February 29, 2024, but did agree on an ENEC under-recovery balance of $593.5 million subject to a Commission decision on the dollar amount of the VMP over-recovery which is a component of the ENEC under-recovery. The Stipulating Parties requested that the Commission decide the VMP over-recovery amount based on the VMP record as of February 29, 2024. The Companies have calculated a VMP over-recovery balance of $5.4 million while Staff determined there was an over-recovery balance of $10.0 million. The Stipulating Parties agreed that they will accept the Commission's final determination as to the amount of the VMP over-recovery to be netted in the ENEC under-recovery amount, which will also constitute a complete and final resolution of the Companies' VMP proceedings. The Companies' calculated VMP over-recovery balance of $5.4 million as of February 29, 2024, was included in the ENEC stipulated under-recovery balance of $593.5 million projected as of August 31, 2026. Therefore, if the Commission decides that the VMP over-recovery is different than $5.4 million, the ENEC under-recovery will be adjusted by that difference.

The individual issues creating the difference between the Companies calculation of a VMP over-recovery of $5.4 million and the Staff calculation of an over-recovery of $10.0 million are shown in the following table.

	Staff Proposed	Company Revised
Company Over Recovery	$ (3,191,260)	$ (3,191,260)
Jurisdictional Allocation Factor—Production v Transmission and 12CP v 1CP	(2,748,158)	(2,248,130)
ROE - 9.25 v 9.75—Historical Period	(1,234,194)	
Capital Structure	(440,106)	
WPCO Depreciation Rates	(7,034)	(7,034)
"Extra" Depreciation Expense	(90,427)	
Effective State Income Tax Rate—Actual v Commission Ordered	(119,490)	
Exclusion of O&M Expenses in Certain Accounts	(475,844)	
January 2018—February 2021 Changes in Account Balance	(1,709,542)	
Over Recovery	**$(10,016,056)**	**$ (5,446,424)**

As detailed in the above table, the Companies accepted several of the calculations made by Staff and adjusted their originally filed over-recovery from $3.2 million to $5.4 million. The remaining issues that the parties have deferred to the Commission total $4.6 million ($10.0 - $5.4). The Commission is disappointed that the Stipulating Parties could not reach a complete agreement or at least reduced the controversy to two or three remaining line items, considering the relatively minor impacts of the remaining issues. Nevertheless, there is sufficient evidence on the remaining issues that the Commission can render a final decision based on the record as developed in the VMP cases.

Jurisdictional Allocation and Coincidental Peak

The Companies accepted the Staff use of twelve consecutive monthly electric Coincidental Peak (CP) loads and the use of a production-based CP but disagreed as to what months the various peak allocation factors should apply. Because the annual average CP would not be known until December, the Companies argued that accounting for West Virginial jurisdictional costs using the Staff approach was problematic.[3]

The Commission understands that, based on the Staff approach, month to month over or under-recovery calculations would be estimates until the actual average annual allocation factors are known. But we do not view that as a problem since the monthly calculations are subject to subsequent true-up. We find that the Staff allocation calculation is reasonable and that monthly estimates of a final allocation are consistent with a true-up approach. The Commission will adopt the full amount of the Staff Jurisdictional Allocation Factors adjustment.

Return on Equity (ROE)

The Staff proposed to calculate the revenue requirement based on a ROE of 9.25 percent. The Companies used the ROE of 9.75 percent that was approved by the Commission in the 2018 base rate case.[4] At that time, the Companies had a significant amount of unrecovered VMP expenses that were deferred pursuant to the original VMP decision of the Commission that required a cycle-based VMP with deferral of the additional expenses. Although there have been annual VMP cases filed since 2018, in most of those cases, the 2018 VMP surcharge, which was based on a ROE of 9.75 percent, remained in effect and a final decision on a true up was deferred to a future proceeding. In consideration of the unusual circumstances and extended period of time covered by the true up in this proceeding, the Commission will approve the Companies proposed 9.75 percent ROE.

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3 The Companies argued that their allocation approach allows them "to accurately account for and record the appropriate jurisdictional allocation of investment and expense on a monthly basis, whereas Staff's retroactive approach calculates the allocation factor up to twelve months in arrears, and in doing so removes the ability to accurately account for any record in real time." Case No. 24-0415-E-P, October 28, 2024 hearing, Companies Exhibit Tara L. Gilkey- Rebuttal (Cos Exh. TLG-R) at Bates 32.

4 Case No. 18-0646-E-42T, Comm'n Final Order, Feb. 27, 2019.

Capital Structure

Both Staff and the Companies used actual average capital structures over the review period. The major difference is that the Companies developed capital structures for more time increments than did Staff. Staff's capital structures are based on the thirteen-month averages of long-term debt and equity and a daily average of short-term debt ending December of the year of the rate base it is applied to. The Companies use a historical capital structure for the year preceding the current month for which they are calculating a VMP revenue requirement. The Companies argue that the current year capital structure calculated using the Staff methodology is not known contemporaneously with any monthly revenue requirement calculation except for December of each year. Thus, according to the Companies, the monthly deferrals reflected on the Companies' books based on estimates of a yet unknown annual average capital structure "hinders the Companies' ability to accurately account for any record in real time, which is troublesome for a multitude of reasons."[5]

The difference in the Companies' and Staff's approaches for capital structure is similar to the timing difference described with regard to jurisdictional allocations. For that issue, we explained that the use of an estimated allocation factor which is eventually trued up to an actual average annual factor was an appropriate and reasonable accounting and ratemaking practice. The same accounting reasoning can be applied to the capital structure issue. We, however, cannot conclude that either method advocated is superior or the most appropriate to determine a capital structure for ratemaking.

As we have explained in prior decisions, there is no mathematically correct capital structure for ratemaking purposes. An actual capital structure can become unreasonably equity weighted from time to time or can become unreasonably debt-leveraged from time to time. The arguments for the various calculations made by Staff and the Companies being the "correct" averaging of actual per books capital structures focuses solely on the arithmetic and not on the reasonableness of any resulting capital structure.

The Companies explained that they had historically used the capital structure adopted by the Commission in the last base rate case but shifted away from that approach in 2022.[6] Either method described by the Companies may be the final capital structure approved by the Commission in a true up proceeding if we determined that the resulting capital structure is reasonable. The same thing can be said for the Staff methodology.

5 Cos. Exh. TLG-R at Bates 34.

6 Through December 2021, it was the practice of the Companies to utilize the capital structure most recently approved in a base case filing... [It] has been the Companies' practice since January 2022 to calculate the capital structure based on the most recently closed year ended prior to the historical period. Id. at Bates 35.

If our capital structure decisions were based solely on arithmetic and matching rate base to the capital structure that financed the rate base, the Staff method is the most consistent with matching the cost of capital to the average rate base used during any annual true up period. We, however, also determine a reasonable capital structure and the Companies' approach could result in a reasonable capital structure. We note that the approach previously followed by the Companies of using a capital structure that had been approved by the Commission in a prior case has the benefit of a capital structure found to be reasonable for ratemaking purposes by the Commission based on the facts and circumstances of the prior case. It is troublesome to the Commission that the Companies' previous approach of using the capital structure approved in the last base rate case was not presented by any party in this proceeding for at least comparison purposes if nothing else. That approach has the benefit of matching the capital structure to the ROE used in the last rate case. Previous approval of a capital structure is not a guarantee of prospective approval, but it was a reasonable assumption used by the Companies prior to 2022.

Staff did not provide a comparison of the capital structure it used for each true up period but argued that the differences between its capital structure and that of the Companies was significant. To determine if the multiple-period capital structures used by the Companies are erratic or unusual, we have reviewed the capital structures included in their direct case. Those are shown in the following table.

Companies Capital Structures Used For True Up

	2020/2021	2022	2023	2024
Debt Percentage	49.8%	50.7%	52.3%	52.5%
Equity Percentage	50.2%	49.3%	47.7%	47.5%
Total	100.0%	100.0%	100.0%	100.0%

These capital structures do not demonstrate any erratic or unusual fluctuations that could require the use of alternative capital structures. Considering the facts and circumstances of this proceeding, and the impact on the securitization amount, we do not find sufficient evidence to determine that the capital structures used by the Companies should not be adopted for the true up calculation of the VMP over-recovery balance. Therefore, we will not adopt the capital structures and additional $440,106 over-recovery as calculated by Staff.

Effective State Income Tax Rate

The state income tax expense issue is based on the Companies' use of a static historical effective income tax rate, and Staff's use of current effective income tax rates during the true up period. We find that the current income tax rates used by the Staff represent a correct match of income taxes and return on rate base during the true up periods. We therefore adopt the Staff state income tax adjustment.

Remaining Issues

The remaining Staff proposed adjustments were items that Staff did not specifically challenge as being unrelated to vegetation management that would contribute to improved reliability. Instead, Staff excluded the expenses based on its observations of accounting discrepancies or inconsistencies or on the fact that items that had not been included in the vegetation management costs in prior cases were added into the multi-period true up which the Commission required to be filed in this case. The Companies rebutted the Staff arguments and pointed out that most of the expenses excluded by Staff were booked in an account for: "Tree and Brush Control, a direct sub-account of Maintenance of Overhead Lines (distribution) and an account very clearly VMP related."[7] With regard to expenses that had not been included in prior cases, the Companies argued: "These were not new or additional expenses; they had simply failed to be appropriately pulled into the over/under recovery balance in prior filings."[8] The Commission finds that the Companies' testimony is persuasive and does not find sufficient evidence to exclude these expenses in the calculation of the true-up over-recovery balance.

Based on the foregoing discussion and adjustments adopted by the Commission, we determine that the VMP over-recovery balance is $6.1 million.

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7 Cos. Exh. TLG-R at Bates 39.

8 Id. at Bates 40.

VMP True Up
Numbers in Parentheses Reflect an Over-Recovery

	Staff Proposed Million $	Company Revised Million $	Commission Determination Million $
Company Original	$ (3.191)	$(3.191)	$ (3.191)
Adjustments			
Jurisdictional Allocations	$ (2.748)	$(2.248)	$ (2.748)
ROE	$ (1.234)	$ —	$ —
Capital Structure	$ (0.440)	$ —	$ —
WPCo Depreciation	$ (0.007)	$(0.007)	$ (0.007)
Extra Depreciation	$ (0.090)	$ —	$ —
State Income Tax	$ (0.119)	$ —	$ (0.119)
O&M Expense Exclusion	$ (0.476)	$ —	$ —
Capitalized Plant Exclusion	$ (1.710)	$ —	$ —
Total	$(10.015)	$(5.446)	$ (6.065)

Adjusting the stipulated ENEC deferral balance by the $0.7 million difference between the $5.4 million VMP over-recovery included in the stipulation and the $6.1 million as approved by the Commission results in an approved ENEC under-recovery of $592.8 million ($593.5 million - $0.7 million) to be included in the authorized securitization amount. The ENEC under-recovery and the adjusted maximum securitization amount for APCo and WPCo are shown on Appendix A, attached to this Order.

FINDINGS OF FACT

1. Consistent with the Commission's directives in its August 29, 2025, Final Order in Case No. 24-0956-E-IDS and the Commission's directives in its April 16, 2026, Order in Case Nos. 24-0289-E-P, 24-0332-E-IMM, and 24-0415-E-P, the ENEC Petition included true-ups of the BRSP surcharge, and VMP and BBS surcharges as well as recovery of the MRBC surcharge.[9]

2. Staff proposed to calculate the revenue requirement based on a ROE of 9.25 percent. The Companies used the ROE of 9.75 percent that was approved by the Commission in the 2018 base rate case.[10]

[9] Petition, April 30, 2026, at Bates 2. As noted above, the June 16, 2026, Commission Order removed the BRSP surcharge from further consideration in this case and directed the Companies to make a separate filing for that surcharge.

[10] Case No. 18-0646-E-42T, Comm'n Final Order, Feb. 27, 2019.

3. On June 30, 2026, the Stipulating Parties filed the Joint Stipulation as a resolution of the VMP and BBS surcharges, MRBC under-recovery, Special Contract A, Special Contract B, and ENEC deferral balance.[11]

4. The Stipulating Parties agreed on a total ENEC under-recovery balance of $593.5 million, but did not agree on an amount for the VMP over-recovery through February 29, 2024.[12]

5. The Stipulating Parties agreed that the ENEC under-recovery balance of $593.5 million included a $5.4 million VMP over-recovery and that the ENEC under-recovery was subject to adjustment if the Commission decided that the embedded VMP over-recovery was different than $5.4 million.

6. The 2018 VMP surcharge was based on a ROE of 9.75 percent.

7. Eligible costs for the purpose of securitization include, among other costs, historical and projected expanded net energy costs, including financing costs, carrying charges on under-recovery balances, and costs incurred prior to the effective date of W. Va. Code § 24-2-4h, which have been authorized for recovery by an order of the Commission, whether or not subject to judicial appeal.[13]

CONCLUSIONS OF LAW

1. The Commission should modify the VMP over-recovery balance as of February 29, 2024, to $6.1 million.

2. The Commission should adopt the full amount of the Staff Jurisdictional Allocation Factors adjustment because Staff's allocation calculation is reasonable and monthly estimates of a final allocation are consistent with a true up approach.

3. The Commission should approve the Companies' proposed 9.75 percent ROE because the original VMP surcharge was based on a ROE of 9.75 percent and was not modified in subsequent VMP surcharge cases.

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11 Joint Stipulation, June 30, 2026.

12 Id. at p. 4.

13 See generally, previous Commission orders in APCo and WPCo ENEC proceedings.

4. Considering the facts and circumstances of this proceeding, the Commission should adopt the capital structures used by the Companies for the true-up calculation of the VMP over-recovery balance.

5. Because the current income tax rates used by Staff represent a correct match of income taxes and return on rate base during the true up periods, the Commission should adopt the Staff state income tax adjustment.

6. The Commission should approve an ENEC under-recovered deferral balance, which includes true ups of the VMP and BBS surcharges, and MRBC under-recovery for the purposes of securitization in the amount of $592.8 million.

7. Considering the facts and circumstances of this proceeding, the remaining expenses excluded by Staff should be included because the Companies offered testimony that these expenses were related to vegetation management.[14]

8. The terms and conditions of the Joint Stipulation, including the request that the Commission decide the appropriate VMP over-recovery, should be accepted as a complete resolution of the disputed issues in the portion of this case involving ENEC under-recovery and true ups of the VMP, BBS, and MRBC surcharges for the purpose of securitization.

ORDER

IT IS THEREFORE ORERED that along with the Commission determination of the appropriate Vegetation Management Program over-recovery as discussed herein, the Joint Stipulation, attached hereto as Appendix B, is accepted as a resolution of the issues in this case regarding the Expanded Net Energy Cost under-recovery.

IT IS FURTHER ORDERED that Commission approves an Expanded Net Energy Cost under-recovery of $592.8 million for the purposes of securitization which includes true ups of the Vegetation Management Program surcharge, Broadband Surcharge and Modified Rate Base Cost under-recovery balance.

IT IS FURTHER ORDERED that maximum securitization amount previously approved by Commission Order entered on March 31, 2026, in Case No. 25-0310-E-PC is modified by striking the ENEC under-recovery increment included in Appendix A to that order and substituting the amount of $592.8 million, resulting in a Maximum Securitization Amount of $2.708 billion as detailed on Appendix A attached to this Order.

14 Cos. Exh. TLG-R at Bates 39.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement and by the United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,

/s/ Karen Buckley
Karen Buckley, Executive Secretary

JMB/bj
260469cc.sca

Projected ENEC Under-Recovery

	APCo $000,000	WPCo $000,000	Total $000,000
Stipulated Projected ENEC Deferral Balance as of 8/31/2026	274.8	318.7	593.5
Commission Adjustment to VMP Over-recovery	-0.7		-0.7
Commission Projected ENEC Deferral Balance as of 8/31/2026	274.1	318.7	592.8

Maximum Securitization Amount

	APCO WV Jurisdictional Share $000,000	WPCO WV Jurisdictional Share $000,000	Maximum Authorized Securitized $000,000
Undepreciated Plant Balances as of 12/31/22	$ 1,145.5	$ 558.7	$ 1,704.2
CCR and ELG Investments (1)	$ 87.6	$ 149.2	$ 236.7
Deferred Storm Expense	$ 155.0	$ 2.9	$ 157.9
ENEC Under Recovery	$ 274.1	$ 318.7	$ 592.8
Upfront Financing Costs	$ 10.4	$ 5.9	$ 16.3
Totals	$ 1,672.6	$ 1,035.4	$ 2,708.0

(1) CCR and ELG investments do not reflect any Kentucky Power Purchase.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 26-0469-E-ENEC

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY,
public utilities.

Petition to Initiate the Annual Review and To Update the ENEC Rates Currently in Effect

JOINT STIPULATION AND AGREEMENT FOR SETTLEMENT

Pursuant to W. Va. Code § 24-1-9(h) and Rule 13.4 of Title 150, Series 1, of the Public Service Commission of West Virginia's *Rules of Practice and Procedure*, the following parties to this proceeding (hereinafter the "Stipulating Parties"), Appalachian Power Company ("APCo") and Wheeling Power Company ("WPCo") (collectively the "Companies"), the Staff of the Public Service Commission of West Virginia (the "Staff"), the Consumer Advocate Division of the Public Service Commission of West Virginia (the "CAD"), and the West Virginia Energy Users Group ("WVEUG"), join in this Joint Stipulation and Agreement for Settlement ("Agreement"), and request that the Public Service Commission of West Virginia (the "Commission") approve and adopt the Agreement, in its entirety and without modification. If adopted, the Agreement will enable the above-referenced proceeding to be resolved efficiently.

In support of the Agreement, the Stipulating Parties make the following representations:

PROCEDURAL HISTORY

1. On April 30, 2026, the Companies filed a Petition, together with the direct testimony and exhibits of eight supporting witnesses, to initiate their annual Expanded Net Energy Cost ("ENEC") proceeding.

2. On May 1, 2026, the Companies filed a corrected public notice and corrected attachments.

3. On May 11, 2026, the Companies filed one corrected attachment.

4. On May 26, 2026, the Companies filed supplemental direct testimony, one corrected attachment, and a revised public notice.

5. Subsequent to the Companies' initial filing in this matter, the CAD and WVEUG each filed a petition to intervene and was granted intervention in this case.

6. On May 22, 2026, the Commission entered an Order in this proceeding which, among other things, established dates for the filing of testimony and scheduled two evidentiary hearings in this matter as follows:

a. A hearing on June 26, 2026, "on the ENEC under-recovery and true-ups of the BRSP, BBS, and VMP surcharges;" and

b. A hearing on July 22, 2026, "on the proposed ENEC surcharge moving forward[.]"

7. On June 15, 2026, the Staff filed the direct testimony of one witness. CAD and WVEUG did not file any direct testimony on that date.

8. On June 16, 2026, the Commission entered an Order which removed the Business Ready Sites Program ("BRSP") surcharge from further consideration in this proceeding and directed the Companies to instead make a separate filing for that surcharge.

9. On June 22, 2026, the Commission entered a further Order which addressed certain matters raised by Staff and responded to by the Companies.

10. On June 23, 2026, the Companies filed the rebuttal testimony of two witnesses.

11. Subsequent to the filing of rebuttal testimony, the parties conferred to discuss the possibility of reaching settlement on the issues that were set for hearing on June 26, 2026, in this proceeding.

12. On June 26, 2026, an evidentiary hearing was held before the Commission, wherein the Companies presented the testimony of one witness and the parties informed the Commission of the status of their settlement discussions.

13. Following several discussions and settlement exchanges, the Stipulating Parties agreed to the terms set forth below and submitted the instant Agreement to the Commission on June 30, 2026.

SUBSTANTIVE TERMS

14. The Stipulating Parties propose to the Commission the elements set forth below as a fair and just resolution of all the contested issues in this proceeding.

15. The Stipulating Parties agree and recommend that the Commission adopt and approve this Joint Stipulation in its entirety without modification and, more specifically, approve an ENEC under-recovered deferral balance for the Companies of $593,535,600 projected as of August 31, 2026, which balance shall be included in the eligible costs for securitization being considered and finalized in Case No. 25-0310-E-PC, and the components of which are set forth on Attachment 1 attached hereto ("Securitization Amount").

16. The Stipulating Parties further agree and recommend to the Commission as follows:

a. VMP Through February 29, 2024. The Stipulating Parties have not agreed to a VMP over-recovery balance as of February 29, 2024, but the Stipulating Parties request the Commission decide the amount based on the fully litigated VMP record as of February 29, 2024, in which the Companies determined there was an over-recovery balance of $5,446,424 and Staff determined there was an over-recovery balance of $10,016,056. The Stipulating Parties will accept the Commission's final determination as to the amount to be embedded in the Securitization Amount, which will also constitute a complete and final resolution of the Companies' VMP proceedings, disputed issues, true-up, reconciliation, and over or under-recovery amounts, calculations, or issues pertaining to the Companies' VMP through February 29, 2024. The Companies' VMP over-recovery balance of $5,446,424 as of February 29, 2024, is included in the ENEC under-recovery balance of $593,535,600 projected as of August 31, 2026.

b. VMP March 1, 2024 Through August 28, 2025. The Stipulating Parties have not agreed to a VMP over-recovery balance as of August 28, 2025, but for purposes of determining a deferral for securitization, have included a VMP over-recovery balance of $1,155,243 in the Securitization Amount. Staff and CAD can audit the VMP pertaining to activity for the period March 1, 2024, through August 28, 2025, and seek prospectively effective adjustments pertaining to the same, subject to the Companies' right to challenge any proposed adjustments.

c. BBS Through August 28, 2025. The Stipulating Parties agree to a BBS over-recovery balance of $3,746,729 as of August 28, 2025, embedded in the Securitization Amount, which is also a complete and final resolution of the Companies' BBS proceedings, disputed issues, true-up, reconciliation, and over or under-recovery amounts, calculations, or issues pertaining to the Companies' BBS through August 28, 2025.

d. MRBC. The Stipulating Parties agree to a MRBC under-recovery balance of $34,830,375, embedded in the Securitization Amount, which is also a complete and final resolution of the Companies' MRBC proceedings, disputed issues, true-up, reconciliation, and over or under-recovery amounts, calculations, or issues pertaining to the Companies' MRBC.

e. Special Contract A. The correction proposed and described in the pre-filed rebuttal testimony of Companies' witness Nathan R. Mills in this proceeding is accepted and such amount is embedded in the Securitization Amount.

f. Special Contract B. The Companies' proposed method for calculating and including an amount to be recovered in ENEC proceedings with respect to Special Contract B, as proposed and described in the pre-filed rebuttal testimony of Companies' witness Randall R. Short in this proceeding, is accepted and such amount is embedded in the Securitization Amount.

g. ENEC Deferral Balance. Apart from the above-described items in this paragraph regarding the VMP, BBS, MRBC, Special Contract A, and Special Contract B, the Stipulating Parties agree to an ENEC under-recovered deferral balance of $521,600,615 as of February 28, 2026, embedded in the Securitization Amount, which is also a complete and final resolution of the Companies' ENEC proceedings, disputed issues,[1] true-up, reconciliation, and over or under-recovery amounts, calculations, or issues pertaining to the Companies' ENEC through February 28, 2026, except that Staff and CAD can audit the period starting March 1, 2025, for such ENEC deferral balance excluding the base rate increase deferral amounts pursuant to Case No. 24-0854-E-42T, and seek prospectively effective adjustments pertaining to the same, subject to the Companies' right to challenge any proposed adjustments.

17. With respect to the issues set for hearing on July 22, 2026, under the Commission's procedural schedule, all parties shall be free to take whatever position they desire as to those issues, and nothing herein will be construed as a waiver of any party's rights to take any position in a future Commission proceeding.

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[1] The amounts reflecting the total ENEC under-recovery and included in securitization do not include any amounts previously disallowed by the Commission, now on remand for reconsideration from the West Virginia Supreme Court of Appeals in Case Nos. 21-0339-E-ENEC, 22-0393-E-ENEC, and 23-0377-E-ENEC. To the degree that an adjustment to the disallowed recoveries is made, further reconciliation may occur in a future ENEC case following a decision modifying the disallowance or as otherwise ordered by the Commission.

GENERAL PROVISIONS

18. The substantive terms of this Agreement reflect compromises by the Stipulating Parties of their original positions and constitute a fair and reasonable resolution of all the contested issues in this proceeding, taking into consideration the interests of the Companies and their customers, the Stipulating Parties, and the public interest of West Virginia.

19. This Agreement is entered into subject to the acceptance and approval of the Commission. It results from a review of any and all filings in this proceeding, the Stipulating Parties' testimony and exhibits, and thorough discovery and discussion. It is being proposed to expedite and simplify the resolution of this proceeding. It is made without any admission or prejudice to any positions which any party might adopt during subsequent litigation. The Stipulating Parties adopt this Agreement as being in the public interest, without adopting any of the positions set forth herein as ratemaking principles applicable to future proceedings, except as expressly provided herein. The Stipulating Parties acknowledge that it is the Commission's prerogative to accept, reject, or modify any stipulation; however, in the event that this Agreement is rejected or modified by the Commission, it is expressly understood by the Stipulating Parties that they are not bound to accept this Agreement as modified, and the Stipulating Parties may avail themselves of whatever rights are available to them under law and the Commission's *Rules of Practice and Procedure.*

WHEREFORE, the Stipulating Parties respectfully request that the Commission make appropriate Findings of Fact and Conclusions of Law adopting and approving, *in toto* and without modification, all of the elements of the negotiated settlement arrived at by the Stipulating Parties as set forth in this Agreement.

Respectfully submitted this 30th day of June, 2026.

APPALACHIAN POWER COMPANY and WHEELING POWER COMPANY

By: /s/ Keith D. Fisher
Name: Keith D. Fisher
Their: Senior Counsel

STAFF OF THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

By: /s/ Victoria Wilson by KOF of permission
Name: Victoria Wilson
Its: Staff Attorney

CONSUMER ADVOCATE DIVISION OF THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

By: /s/ Robert Williams by KOF of permission
Name: Robert Williams
Its: Legal Counsel

WEST VIRGINIA ENERGY USERS GROUP

By: /s/ Barry Naum by KOF of permission
Name: Barry Naum
Its: Legal Counsel

Attachment 1

Securitization Amount Components

	APCo $	WPCo $	Total $
Company As-Filed February 28, 2026 ENEC Deferral Balance	206,198,058	315,402,556	521,800,615
2024 Base Case Increase - ENEC Deferral (March 1, 2026 - Aug. 31, 2026)	39,650,838	5,859,660	45,510,498
Amortization of MRBC Under-Recovery	28,626,690	6,203,685	34,830,375
Amortization of VMP Over-Recovery as of Aug. 28, 2025	13,136,104	(14,291,347)	(1,155,243)
Amortization of BBS Over-Recovery as of Aug. 28, 2025	(2,553,201)	(1,193,528)	(3,746,729)
Special Contract B Deferral Adjustment	(2,607,512)		(2,607,512)
Kingsport Loss Factor	(165,397)		(165,397)
February 2026 Jurisidicational Factor	(1,323,281)		(1,323,281)
March 2026 Over-Recovery Activity	(6,935,619)	6,748,094	(187,525)
Special Contract A Revenue Adjustment	779,799		779,799
Stipulated Projected ENEC Deferral Balance as of 8/31/2026	**274,806,479**	**318,729,121**	**593,535,600**

Public Service Commission
of West Virginia

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323

Phone: (304) 340-0300
Fax: (304) 340-0325

July 21, 2026

Stephen J. Baron
Consultant, WVEUG
J. Kennedy & Associates, Inc.
570 Colonial Park Drive, Ste 305
Rosewell GA 30075

RE: Case No. 26-0469-E-ENEC
Appalachian Power Company and
Wheeling Power Company

Case No. 25-0310-E-PC
Appalachian Power Company and
Wheeling Power Company

Dear Mr. Baron:

Enclosed is a copy of a Commission Order issued today in the above-styled proceeding. **Please note all other parties have agreed to receive this order via electronic notification.**

Documents submitted to the Public Service Commission of West Virginia may be 1) uploaded to its public website, 2) subject to public disclosure under the West Virginia Freedom of Information Act, and/or 3) subject to disclosure under the West Virginia Open Governmental Proceedings Act. Do not submit personal information with your filings. The Commission is not responsible for confidential or personal information included with your submission. A list of personal information is available here: http://www.psc.state.wv.us/Privacy Policy/WhatisPll.htm

If you have provided an email address you will automatically receive notifications as documents are filed in this proceeding. The email notifications allow recipients to view a document within an hour from the time the filing is processed. If you have not provided your email address, please send an email to caseinfo@psc.state.wv.us and state the case number in the email subject field. **You are encouraged to file an Electronic Mail Agreement which allows the commission to serve all orders issued in this matter via electronic notification.**

Sincerely,

/s/ Karen Buckley
Karen Buckley
Executive Secretary

KB/al
Enc.

EXHIBIT 107

Calculation of Filing Fee Table

Form SF-1

(Form Type)

Appalachian Power Company

(Exact Name of Registrant, Sponsor and Depositor as Specified in its Charter)

Appalachian Consumer Rate Relief Funding II LLC

(Exact Name of Registrant and Issuing Entity as Specified in its Charter)

Table 1: Newly Registered Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price[1]	Fee Rate	Amount of Registration Fee[1]
Fees to Be Paid	Asset-Backed Securities	Series 2026 Senior Secured CRR Bonds	Rule 457(o)	1,000,000	100%	$1,000,000	0.00013810	$138.10
	Total Offering Amounts					$1,000,000		$138.10
	Net Fee Due							$138.10

(1) Estimated solely for the purpose of calculating the registration fee.