

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For The Quarterly Period Ended **March 31, 2022**
or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For The Transition Period from ___ to ___

Commission File Number	Registrants; Address and Telephone Number	States of Incorporation	I.R.S. Employer Identification Nos.
1-3525	AMERICAN ELECTRIC POWER CO INC.	New York	13-4922640
333-221643	AEP TEXAS INC.	Delaware	51-0007707
333-217143	AEP TRANSMISSION COMPANY, LLC	Delaware	46-1125168
1-3457	APPALACHIAN POWER COMPANY	Virginia	54-0124790
1-3570	INDIANA MICHIGAN POWER COMPANY	Indiana	35-0410455
1-6543	OHIO POWER COMPANY	Ohio	31-4271000
0-343	PUBLIC SERVICE COMPANY OF OKLAHOMA	Oklahoma	73-0410895
1-3146	SOUTHWESTERN ELECTRIC POWER COMPANY 1 Riverside Plaza, Columbus, Ohio 43215-2373 Telephone (614) 716-1000	Delaware	72-0323455

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of each class	Trading Symbol	Name of Each Exchange on Which Registered
American Electric Power Company Inc.	Common Stock, \$6.50 par value	AEP	The NASDAQ Stock Market LLC
American Electric Power Company Inc.	6.125% Corporate Units	AEPPZ	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit such files).

Yes No

Indicate by check mark whether American Electric Power Company, Inc. is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

Indicate by check mark whether AEP Texas Inc., AEP Transmission Company, LLC, Appalachian Power Company, Indiana Michigan Power Company, Ohio Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company are large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies, or emerging growth companies. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

Yes No

AEP Texas Inc., AEP Transmission Company, LLC, Appalachian Power Company, Indiana Michigan Power Company, Ohio Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company meet the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and are therefore filing this Form 10-Q with the reduced disclosure format specified in General Instruction H(2) to Form 10-Q.

**Number of shares
of common stock
outstanding of the
Registrants as of
April 28, 2022**

American Electric Power Company, Inc.	513,544,176
	(\$6.50 par value)
AEP Texas Inc.	100
	(\$0.01 par value)
AEP Transmission Company, LLC (a)	NA
Appalachian Power Company	13,499,500
	(no par value)
Indiana Michigan Power Company	1,400,000
	(no par value)
Ohio Power Company	27,952,473
	(no par value)
Public Service Company of Oklahoma	9,013,000
	(\$15 par value)
Southwestern Electric Power Company	3,680
	(\$18 par value)

(a) 100% interest is held by AEP Transmission Holding Company, LLC, a wholly-owned subsidiary of American Electric Power Company, Inc.

NA Not applicable.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
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March 31, 2022

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This combined Form 10-Q is separately filed by American Electric Power Company, Inc., AEP Texas Inc., AEP Transmission Company, LLC, Appalachian Power Company, Indiana Michigan Power Company, Ohio Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company. Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. Except for American Electric Power, Inc., each registrant makes no representation as to information relating to the other registrants.

GLOSSARY OF TERMS

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority owned consolidated subsidiaries and consolidated affiliates.
AEP Credit	AEP Credit, Inc., a consolidated VIE of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP Renewables	A division of AEP Energy Supply, LLC that develops and/or acquires large scale renewable projects that are backed with long-term contracts with creditworthy counter parties.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AEP Texas	AEP Texas Inc., an AEP electric utility subsidiary.
AEP Transmission Holdco	AEP Transmission Holding Company, LLC, a wholly-owned subsidiary of AEP.
AEPEP	AEP Energy Partners, Inc., a subsidiary of AEP dedicated to wholesale marketing and trading, hedging activities, asset management and commercial and industrial sales in deregulated markets.
AEPRO	AEP River Operations, LLC, a commercial barge operation sold in November 2015.
AEPS	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AEPTCo	AEP Transmission Company, LLC, a wholly-owned subsidiary of AEP Transmission Holdco, is an intermediate holding company that owns the State Transcos.
AEPTCo Parent	AEP Transmission Company, LLC, the holding company of the State Transcos within the AEPTCo consolidation.
AFUDC	Allowance for Equity Funds Used During Construction.
AGR	AEP Generation Resources Inc., a competitive AEP subsidiary in the Generation & Marketing segment.
AMI	Advanced Metering Infrastructure.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
Appalachian Consumer Rate Relief Funding	Appalachian Consumer Rate Relief Funding LLC, a wholly-owned subsidiary of APCo and a consolidated VIE formed for the purpose of issuing and servicing securitization bonds related to the under-recovered Expanded Net Energy Cost deferral balance.
APSC	Arkansas Public Service Commission.
ARO	Asset Retirement Obligations.
ATM	At-the-Market
CAA	Clean Air Act.
CARES Act	Coronavirus Aid, Relief, and Economic Security Act signed into law in March 2020.
CCR	Coal Combustion Residual.
CO ₂	Carbon dioxide and other greenhouse gases.
Cook Plant	Donald C. Cook Nuclear Plant, a two-unit, 2,296 MW nuclear plant owned by I&M.
COVID-19	Coronavirus 2019, a highly infectious respiratory disease. In March 2020, the World Health Organization declared COVID-19 a worldwide pandemic.

Term	Meaning
CSAPR	Cross-State Air Pollution Rule.
CWIP	Construction Work in Progress.
DCC Fuel	DCC Fuel X, DCC Fuel XI, DCC Fuel XII, DCC Fuel XIII, DCC Fuel XIV, DCC Fuel XV and DCC Fuel XVI, consolidated VIEs formed for the purpose of acquiring, owning and leasing nuclear fuel to I&M.
DHLC	Dolet Hills Lignite Company, LLC, a wholly-owned lignite mining subsidiary of SWEPCo. DHLC is a non-consolidated VIE of SWEPCo.
EIS	Energy Insurance Services, Inc., a nonaffiliated captive insurance company and consolidated VIE of AEP.
ELG	Effluent Limitation Guidelines.
Energy Supply	AEP Energy Supply LLC, a nonregulated holding company for AEP's competitive generation, wholesale and retail businesses, and a wholly-owned subsidiary of AEP.
Equity Units	AEP's Equity Units issued in August 2020 and March 2019.
ERCOT	Electric Reliability Council of Texas regional transmission organization.
ETT	Electric Transmission Texas, LLC, an equity interest joint venture between AEP Transmission Holdco and Berkshire Hathaway Energy Company formed to own and operate electric transmission facilities in ERCOT.
Excess ADIT	Excess accumulated deferred income taxes.
FAC	Fuel Adjustment Clause.
FASB	Financial Accounting Standards Board.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.
FGD	Flue Gas Desulfurization or scrubbers.
FIP	Federal Implementation Plan.
FTR	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.
IRS	Internal Revenue Service.
IURC	Indiana Utility Regulatory Commission.
KGPCo	Kingsport Power Company, an AEP electric utility subsidiary.
KPCo	Kentucky Power Company, an AEP electric utility subsidiary.
KPSC	Kentucky Public Service Commission.
KTCo	AEP Kentucky Transmission Company, Inc., a wholly-owned AEPTCo transmission subsidiary.
KWh	Kilowatt-hour.
LPSC	Louisiana Public Service Commission.
MATS	Mercury and Air Toxic Standards.
Maverick	Maverick, part of the North Central Wind Energy Facilities, consists of 287 MWs of wind generation in Oklahoma.
MISO	Midcontinent Independent System Operator.
Mitchell Plant	A two unit, 1,560 MW coal-fired power plant located in Moundsville, West Virginia. The plant is jointly owned by KPCo and WPCo.
MMBtu	Million British Thermal Units.

Term	Meaning
MPSC	Michigan Public Service Commission.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatt-hour.
NAAQS	National Ambient Air Quality Standards.
Nonutility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain nonutility subsidiaries.
NCWF	North Central Wind Energy Facilities, a joint PSO and SWEPCo project, which includes three Oklahoma wind facilities totaling approximately 1,484 MWs of wind generation.
NO _x	Nitrogen oxide.
NSR	New Source Review.
OCC	Corporation Commission of the State of Oklahoma.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.
OPEB	Other Postretirement Benefits.
OTC	Over-the-counter.
OVEC	Ohio Valley Electric Corporation, which is 43.47% owned by AEP.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PM	Particulate Matter.
PPA	Purchase Power and Sale Agreement.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PTC	Production Tax Credits.
PUCO	Public Utilities Commission of Ohio.
PUCT	Public Utility Commission of Texas.
Registrant Subsidiaries	AEP subsidiaries which are SEC registrants: AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO and SWEPCo.
Registrants	SEC registrants: AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO and SWEPCo.
Restoration Funding	AEP Texas Restoration Funding LLC, a wholly-owned subsidiary of AEP Texas and a consolidated VIE formed for the purpose of issuing and servicing securitization bonds related to storm restoration in Texas primarily caused by Hurricane Harvey.
Risk Management Contracts	Trading and non-trading derivatives, including those derivatives designated as cash flow and fair value hedges.
Rockport Plant	A generation plant, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana. AEGCo and I&M jointly-own Unit 1. In 1989, AEGCo and I&M entered into a sale-and-leaseback transaction with Wilmington Trust Company, an unrelated, unconsolidated trustee for Rockport Plant, Unit 2.
ROE	Return on Equity.
RPM	Reliability Pricing Model.
RTO	Regional Transmission Organization, responsible for moving electricity over large interstate areas.
Sabine	Sabine Mining Company, a lignite mining company that is a consolidated VIE for AEP and SWEPCo.
SEC	U.S. Securities and Exchange Commission.

Term	Meaning
Sempra Renewables LLC	Sempra Renewables LLC, acquired in April 2019, consists of 724 MWs of wind generation and battery assets in the United States.
SIP	State Implementation Plan.
SNF	Spent Nuclear Fuel.
SO ₂	Sulfur dioxide.
SPP	Southwest Power Pool regional transmission organization.
State Transcos	AEPTCo's seven wholly-owned, FERC regulated, transmission only electric utilities, which are geographically aligned with AEP's existing utility operating companies.
Sundance	Sundance, acquired in April 2021 as part of the North Central Wind Energy Facilities, consists of 199 MWs of wind generation in Oklahoma.
SWEPCo	Southwestern Electric Power Company, an AEP electric utility subsidiary.
Tax Reform	On December 22, 2017, President Trump signed into law legislation referred to as the "Tax Cuts and Jobs Act" (the TCJA). The TCJA includes significant changes to the Internal Revenue Code of 1986, including a reduction in the corporate federal income tax rate from 35% to 21% effective January 1, 2018.
Transition Funding	AEP Texas Central Transition Funding III LLC, a wholly-owned subsidiary of TCC and consolidated VIE formed for the purpose of issuing and servicing securitization bonds related to Texas Restructuring Legislation.
Transource Energy	Transource Energy, LLC, a consolidated VIE formed for the purpose of investing in utilities which develop, acquire, construct, own and operate transmission facilities in accordance with FERC-approved rates.
Traverse	Traverse, part of the North Central Wind Energy Facilities, consists of 998 MWs of wind generation in Oklahoma.
Turk Plant	John W. Turk, Jr. Plant, a 650 MW coal-fired plant in Arkansas that is 73% owned by SWEPCo.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
VIE	Variable Interest Entity.
Virginia SCC	Virginia State Corporation Commission.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.
WVPSC	Public Service Commission of West Virginia.

FORWARD-LOOKING INFORMATION

This report made by the Registrants contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Many forward-looking statements appear in “Part I – Item 2 Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this quarterly report, but there are others throughout this document which may be identified by words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “will,” “should,” “could,” “would,” “project,” “continue” and similar expressions, and include statements reflecting future results or guidance and statements of outlook. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Forward-looking statements in this document are presented as of the date of this document. Except to the extent required by applicable law, management undertakes no obligation to update or revise any forward-looking statement. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are:

- Changes in economic conditions, electric market demand and demographic patterns in AEP service territories.
- The impact of pandemics, including COVID-19, and any associated disruption of AEP’s business operations due to impacts on economic or market conditions, costs of compliance with potential government regulations and employees’ reactions to those regulations, electricity usage, supply chain issues, customers, service providers, vendors and suppliers.
- The economic impact of escalating global trade tensions including the conflict between Russia and Ukraine, and the adoption or expansion of economic sanctions or trade restrictions.
- Inflationary or deflationary interest rate trends.
- Volatility in the financial markets, particularly developments affecting the availability or cost of capital to finance new capital projects and refinance existing debt.
- The availability and cost of funds to finance working capital and capital needs, particularly (i) if expected sources of capital, such as proceeds from the sale of assets or subsidiaries, do not materialize, and (ii) during periods when the time lag between incurring costs and recovery is long and the costs are material.
- Decreased demand for electricity.
- Weather conditions, including storms and drought conditions, and the ability to recover significant storm restoration costs.
- The cost of fuel and its transportation, the creditworthiness and performance of fuel suppliers and transporters and the cost of storing and disposing of used fuel, including coal ash and SNF.
- The availability of fuel and necessary generation capacity and the performance of generation plants.
- The ability to recover fuel and other energy costs through regulated or competitive electric rates.
- The ability to transition from fossil generation and the ability to build or acquire renewable generation, transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms, including favorable tax treatment, and to recover those costs.
- New legislation, litigation and government regulation, including changes to tax laws and regulations, oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or PM and other substances that could impact the continued operation, cost recovery and/or profitability of generation plants and related assets.
- The risks associated with fuels used before, during and after the generation of electricity, including coal ash and nuclear fuel.
- Timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance.
- Resolution of litigation.
- The ability to constrain operation and maintenance costs.
- Prices and demand for power generated and sold at wholesale.
- Changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation.
- The ability to recover through rates any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives.

- Volatility and changes in markets for coal and other energy-related commodities, particularly changes in the price of natural gas.
- Changes in utility regulation and the allocation of costs within RTOs including ERCOT, PJM and SPP.
- Changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market.
- Actions of rating agencies, including changes in the ratings of debt.
- The impact of volatility in the capital markets on the value of the investments held by the pension, OPEB, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements.
- Accounting standards periodically issued by accounting standard-setting bodies.
- Other risks and unforeseen events, including wars and military conflicts, the effects of terrorism (including increased security costs), embargoes, naturally occurring and human-caused fires, cyber- security threats and other catastrophic events.
- The ability to attract and retain the requisite work force and key personnel.

The forward-looking statements of the Registrants speak only as of the date of this report or as of the date they are made. The Registrants expressly disclaim any obligation to update any forward-looking information, except as required by law. For a more detailed discussion of these factors, see “Risk Factors” in Part I of the 2021 Annual Report and in Part II of this report.

The Registrants may use AEP’s website as a distribution channel for material company information. Financial and other important information regarding the Registrants is routinely posted on and accessible through AEP’s website at www.aep.com/investors/. In addition, you may automatically receive email alerts and other information about the Registrants when you enroll your email address by visiting the “Email Alerts” section at www.aep.com/investors/.

Company Website and Availability of SEC Filings

Our principal corporate website address is www.aep.com. Information on our website is not incorporated by reference herein and is not part of this Form 10-Q. We make available free of charge through our website our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the SEC. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding AEP.

**AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS**

EXECUTIVE OVERVIEW

Customer Demand

AEP's weather-normalized retail sales volumes for the first quarter of 2022 increased by 3.2% from the first quarter of 2021. Weather-normalized residential sales increased by 0.8% in the first quarter of 2022 from the first quarter of 2021. AEP's first quarter 2022 industrial sales volumes increased by 5.6% compared to the first quarter of 2021. The increase in industrial sales was spread across many industries. Weather-normalized commercial sales increased 4.2% in the first quarter of 2022 from the first quarter of 2021.

COVID-19

The Registrants have experienced certain supply chain disruptions driven by several factors including staffing and travel issues caused by the COVID-19 pandemic, increased demand due to the economic recovery from the pandemic, labor shortages in certain trades and shortages in the availability of certain raw materials. These supply chain disruptions have not had a material impact on the Registrants net income, cash flows and financial condition, but have extended lead times for certain goods and services. Management has implemented risk mitigation strategies in an attempt to mitigate the impacts of these supply chain disruptions. However, a prolonged continuation or a future increase in the severity of supply chain disruptions could impact the cost of certain goods and services and extend lead times which could reduce future net income and cash flows and impact financial condition.

Regulatory Matters

AEP's public utility subsidiaries are involved in rate and regulatory proceedings at the FERC and their state commissions. Depending on the outcomes, these rate and regulatory proceedings can have a material impact on results of operations, cash flows and possibly financial condition. AEP is currently involved in the following key proceedings. See Note 4 - Rate Matters for additional information.

- *2017-2019 Virginia Triennial Review* - In November 2020, the Virginia SCC issued an order on APCo's 2017-2019 Triennial Review filing concluding that APCo earned above its authorized ROE but within its ROE band for the 2017-2019 period, resulting in no refund to customers and no change to APCo base rates on a prospective basis. The Virginia SCC approved a prospective 9.2% ROE for APCo's 2020-2022 triennial review period with the continuation of a 140 basis point band (8.5% bottom, 9.2% midpoint, 9.9% top).

In December 2020, an intervenor filed a petition at the Virginia SCC requesting reconsideration of: (a) the failure of the Virginia SCC to apply a threshold earnings test to the approved regulatory asset for APCo's closed coal-fired generation assets and (b) the Virginia SCC's use of a 2011 benchmark study to measure the replacement value of capacity for purposes of APCo's 2017 - 2019 earnings test.

In December 2020, APCo filed a petition at the Virginia SCC requesting reconsideration of: (a) certain issues related to APCo's going-forward rates and (b) the Virginia SCC's decision to deny APCo tariff changes that align rates with underlying costs. For APCo's going-forward rates, APCo requested that the Virginia SCC clarify its final order and clarify whether APCo's current rates will allow it to earn a fair return. If the Virginia SCC's order did conclude that APCo was able to earn a fair return through existing base rates, APCo further requested that the Virginia SCC clarify whether it has the authority to also permit an increase in base rates.

In March 2021, the Virginia SCC issued an order confirming certain decisions from the November 2020 order and rejecting the various requests for reconsideration from APCo and an intervenor. In March 2021, APCo filed a notice of appeal of the reconsideration order with the Virginia Supreme Court. In September 2021, APCo submitted its brief before the Virginia Supreme Court. The brief was in alignment with the previous items of appeal filed by APCo in March 2021. In October 2021, the Virginia SCC and additional intervenors filed briefs with the Virginia Supreme Court disagreeing with the items appealed by APCo in the Triennial Review decision. Additionally, the Virginia SCC and APCo filed briefs disagreeing with the items appealed by an intervenor in a separate appeal of the same decision. In March 2022, oral arguments were held at the Virginia Supreme Court and APCo is currently awaiting the Virginia Supreme Court's decision.

APCo ultimately seeks an increase in base rates through its appeal to the Virginia Supreme Court. Among other issues, this appeal includes APCo's request for proper treatment of the closed coal-fired plant assets in APCo's 2017-2019 triennial period, reducing APCo's earnings below the bottom of its authorized ROE band. If APCo's appeal regarding treatment of the closed coal plants is granted by the Virginia Supreme Court, it could initially reduce future net income and impact financial condition as a consequence of expensing the closed coal-fired plant regulatory asset established as a result of the Virginia SCC's decision in the 2017-2019 Triennial Review. A Virginia Supreme Court decision in favor of APCo's original expensing of the closed coal-fired plant asset balances would likely result in a remand to the Virginia SCC. Upon a subsequent Virginia SCC order, the initial negative impact for the write-off of the closed coal-fired plant asset balances could potentially be offset by an increase in base rates for earning below APCo's 2017-2019 authorized ROE band.

- *2012 Texas Base Rate Case* - In 2012, SWEPCo filed a request with the PUCT to increase annual base rates primarily due to the completion of the Turk Plant. In 2013, the PUCT issued an order affirming the prudence of the Turk Plant but determined that the Turk Plant's Texas jurisdictional capital cost cap established in a previous Certificate of Convenience and Necessity case also limited SWEPCo's recovery of AFUDC. Upon rehearing in 2014, the PUCT reversed its initial ruling and determined that AFUDC was excluded from the Turk Plant's Texas jurisdictional capital cost cap. In 2017, the Texas District Court upheld the PUCT's 2014 order and intervenors filed appeals with the Texas Third Court of Appeals. In July 2018, the Texas Third Court of Appeals reversed the PUCT's judgment affirming the prudence of the Turk Plant and remanded the issue back to the PUCT. In January 2019, SWEPCo and the PUCT filed petitions for review with the Texas Supreme Court.

In March 2021, the Texas Supreme Court issued an opinion reversing the July 2018 judgment of the Texas Third Court of Appeals and agreeing with the PUCT's judgment affirming the prudence of the Turk Plant. In addition, the Texas Supreme Court remanded the AFUDC dispute back to the Texas Third Court of Appeals. In August 2021, the Texas Third Court of Appeals reversed the Texas District Court affirming the PUCT's order on AFUDC, concluding that the language of the PUCT's original 2008 order intended to include AFUDC in the Texas jurisdictional capital cost cap, and remanded the case to the PUCT for future proceedings. SWEPCo disagrees with the Court of Appeals decision and submitted a Petition for Review with the Texas Supreme Court in November 2021. The Texas Supreme Court has requested responses to the Petition for Review, which are due at the end of April 2022.

If SWEPCo is ultimately unable to recover capitalized Turk Plant costs including AFUDC in excess of the Texas jurisdictional capital cost cap it would be expected to result in a pretax net disallowance ranging from \$80 million to \$90 million. In addition, if AFUDC is ultimately determined to be included in the Texas jurisdictional capital cost cap, SWEPCo estimates it may be required to make customer refunds ranging from \$0 to \$180 million related to revenues collected from February 2013 through March 2022 and such determination may reduce SWEPCo's future revenues by approximately \$15 million on an annual basis.

- In July 2019, Ohio House Bill 6 (HB 6), which offered incentives for power-generating facilities with zero or reduced carbon emissions, was signed into law by the Ohio Governor. HB 6 phased out current energy efficiency programs as of December 31, 2020, including OPCo's shared savings revenues of \$26 million annually and renewable mandates after 2026. HB 6 also provided for continued recovery of existing renewable energy contracts on a bypassable basis through 2032 and included a provision for continued recovery of OVEC costs through 2030 which will be allocated to all electric distribution utilities on a non-bypassable basis. OPCo's Inter-Company Power Agreement for OVEC terminates in June 2040. In July 2020, an investigation led by the U.S. Attorney's Office resulted in a federal grand jury indictment of the Speaker of the Ohio House of Representatives, Larry Householder, four other individuals, and Generation Now, an entity registered as a 501(c)(4) social welfare organization, in connection with an alleged racketeering conspiracy involving the adoption of HB 6. Certain defendants in that case have since pleaded guilty. In August 2020, an AEP shareholder filed a putative class action lawsuit against AEP and certain of its officers for alleged violations of securities laws in connection with HB 6. In May 2021, the defendants filed a motion to dismiss the securities litigation for failure to state a claim, which was granted with prejudice in December 2021. In addition, four AEP shareholders have filed derivative actions purporting to assert claims on behalf of AEP against certain AEP officers and directors. See Litigation Related to Ohio House Bill 6 section of Litigation below for additional information.

In March 2021, the Governor of Ohio signed legislation that, among other things, rescinded the payments to the nonaffiliated owner of Ohio's nuclear power plants that were previously authorized under HB 6. The new legislation, House Bill 128, went into effect in May 2021 and leaves unchanged other provisions of HB 6 regarding energy efficiency programs, recovery of renewable energy costs and recovery of OVEC costs. To the extent that OPCo is unable to recover the costs of renewable energy contracts on a bypassable basis by the end of 2032, recover costs of OVEC after 2030 or incurs significant costs associated with the derivative actions, it could reduce future net income and cash flows and impact financial condition.

- In April 2021, the FERC issued a supplemental Notice of Proposed Rulemaking (NOPR) proposing to modify its incentive for transmission owners that join RTOs (RTO Incentive). Under the supplemental NOPR, the RTO Incentive would be modified such that a utility would only be eligible for the RTO Incentive for the first three years after the utility joins a FERC-approved Transmission Organization. This is a significant departure from a previous NOPR issued in 2020 seeking to increase the RTO Incentive from 50 basis points to 100 basis points. The supplemental NOPR also required utilities that have received the RTO Incentive for three or more years to submit, within 30 days of the effective date of a final rule, a compliance filing to eliminate the incentive from its tariff prospectively. The supplemental NOPR was subject to a 60 day comment period followed by a 30 day period for reply comments. In July 2021, AEP submitted reply comments. AEP is awaiting a final rule from the FERC.

In July 2021, the FERC issued an order denying Dayton Power and Light's request for a 50 basis point RTO incentive on the basis that its RTO participation was not voluntary, but rather is required by Ohio law. This precedent could have an adverse impact on AEP's transmission owning subsidiaries. In its February 2022 order on rehearing, the FERC affirmed the decision in its July 2021 order.

In 2019, the FERC approved settlement agreements establishing base ROEs of 9.85% (10.35% inclusive of RTO Incentive adder of 0.5%) and 10% (10.5% inclusive of RTO Incentive adder of 0.5%) for AEP's PJM and SPP transmission-owning subsidiaries, respectively. In 2020, the FERC determined the base ROE for MISO's transmission owning subsidiaries should be 10.02% (10.52% inclusive of RTO Incentive adder of 0.5%).

If the FERC modifies its RTO Incentive policy, it would be applied, as applicable, to AEP's PJM, SPP and MISO transmission owning subsidiaries on a prospective basis, and could affect future net income and cash flows and impact financial condition. Based on management's preliminary estimates, if a final rule is adopted consistent with the April 2021 supplemental NOPR, it could reduce AEP's pretax income by approximately \$55 million to \$70 million on an annual basis.

- *FERC RTO Incentive Complaint* - In February 2022, the Office of the Ohio Consumer's Council filed a complaint against AEPSC, American Transmission Systems, Inc. and Duke Energy Ohio, alleging the 50 basis point RTO incentive included in Ohio Transmission Owners' respective transmission formula rates is not just and reasonable and therefore should be eliminated on the basis that RTO participation is not voluntary, but rather is required by Ohio law. In March 2022, AEPSC filed a motion to dismiss the Ohio Consumer's Council February 2022 complaint with the FERC on the basis of certain deficiencies, including that the complaint fails to request relief that can be granted under FERC regulations because AEPSC is not a public utility nor does it have a transmission rate on file with the FERC. Management believes its financial statements adequately address the impact of the February 2022 complaint. If the FERC orders revenue reductions as a result of the complaint, including refunds from the date of the complaint filing, it could reduce future net income and cash flows and impact financial condition.
- *2021 Louisiana Storm Cost Filing* - In 2020, Hurricanes Laura and Delta caused power outages and extensive damage to the SWEPco service territories, primarily impacting the Louisiana jurisdiction. Following both hurricanes, the LPSC issued orders allowing Louisiana utilities, including SWEPco, to establish regulatory assets to track and defer expenses associated with these storms. In February 2021, severe winter weather impacted the Louisiana jurisdiction and in March 2021, the LPSC approved the deferral of incremental storm restoration expenses related to the winter storm. In October 2021, SWEPco filed a request with the LPSC for recovery of \$145 million in deferred storm costs associated with the three storms. As part of the filing, SWEPco requested recovery of the carrying charges on the deferred regulatory asset at a weighted average cost of capital through a rider beginning in January 2022. LPSC staff testimony is due to the LPSC in May 2022 and an order is expected before the end of 2022. If any of the storm costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.
- In February 2021, severe winter weather had a significant impact in SPP, resulting in the declaration of Energy Emergency Alert Levels 2 and 3 for the first time in SPP's history. The winter storm increased the demand for natural gas and restricted the available natural gas supply resulting in significantly increased market prices for natural gas power plants to meet reliability needs for the SPP electric system. As of March 31, 2022, PSO and SWEPco have deferred regulatory assets of \$681 million and \$418 million, respectively, relating to natural gas expenses and purchases of electricity incurred from February 9, 2021, to February 20, 2021, as a result of severe winter weather. SWEPco's deferred regulatory asset consists of \$96 million, \$141 million and \$181 million related to the Arkansas, Louisiana and Texas jurisdictions, respectively.

In January 2022, PSO, OCC staff and certain intervenors filed a joint stipulation and settlement agreement with the OCC to approve PSO's securitization of the extraordinary fuel and purchases of electricity. The agreement includes a determination that all of PSO's extraordinary fuel and purchases of electricity were prudent and reasonable and a 0.75% carrying charge, subject to true-up based on actual financing costs. In February 2022, the OCC approved the joint stipulation and settlement agreement in its financing order. The issuance of the securitization bonds must be approved by the Supreme Court of Oklahoma. A ruling by the Supreme Court is expected in the second quarter of 2022. PSO expects to complete the securitization process in 2022, subject to market conditions.

In March 2021, the APSC issued an order authorizing recovery of the Arkansas jurisdictional share of the retail customer fuel costs over five years, with the appropriate carrying charge to be determined at a later date. Subsequently, SWEPco began recovery of these fuel costs. SWEPco is currently recovering the fuel costs at an interim carrying charge of 0.3%. In April 2021, SWEPco filed testimony supporting a five-year recovery with a carrying charge of 6.05%, which has been supported by APSC staff. Various other parties have recommended recovery periods ranging from 5-20 years with a carrying charge of 1.65%. SWEPco is awaiting a decision from the APSC. The prudence of these fuel costs is expected to be addressed in a separate proceeding.

In March 2021, the LPSC approved a special order granting a temporary modification to the FAC and shortly after SWEPCo began recovery of its Louisiana jurisdictional share of these fuel costs based on a five-year recovery period inclusive of an interim carrying charge of 3.25%. SWEPCo will work with the LPSC to finalize the actual recovery period and determine the appropriate carrying charge in future proceedings.

In August 2021, SWEPCo filed an application with the PUCT to implement a net interim fuel surcharge for the Texas jurisdictional share of these retail fuel costs. The application requested a five-year recovery with a carrying charge of 7.18%. In March 2022, the PUCT ordered SWEPCo to recover the Texas jurisdictional share of the fuel costs over five years with a carrying charge of 1.65% and ordered SWEPCo to file a fuel reconciliation addressing fuel costs from January 1, 2020 through December 31, 2021.

If SWEPCo is unable to recover any of the costs relating to the extraordinary fuel and purchases of electricity, or obtain authorization of a reasonable carrying charge on these costs, it could reduce future net income and cash flows and impact financial condition.

- AEP transitioned to stand-alone treatment of net operating loss carryforwards (NOLC) in its PJM and SPP transmission formula rates beginning with the 2022 projected transmission revenue requirements, and provided notice of this change in informational filings made with the FERC. Stand-alone treatment of the NOLCs for transmission formula rates is consistent with recent base rate case filings AEP has made. In those rate cases, inclusion of NOLCs in rates is contingent upon a successful private letter ruling from the IRS. Management believes the financial statements adequately address the impact of its transition to stand-alone treatment of NOLCs in rates.

Utility Rates and Rate Proceedings

The Registrants file rate cases with their regulatory commissions in order to establish fair and appropriate electric service rates to recover their costs and earn a fair return on their investments. The outcomes of these regulatory proceedings impact the Registrants' current and future results of operations, cash flows and financial position.

The following tables show the Registrants' completed and pending base rate case proceedings in 2022. See Note 4 - Rate Matters for additional information.

Completed Base Rate Case Proceedings

Company	Jurisdiction	Approved Revenue Requirement Increase (in millions)	Approved ROE	New Rates Effective
SWEPCo	Texas	\$ 39.4	9.25%	March 2021
I&M	Indiana	61.4 (a)	9.7%	February 2022

(a) See "2021 Indiana base Rate Case" Section of Note 4 - Rate Matters in the 2021 Annual Report for additional information.

Pending Base Rate Case Proceedings

Company	Jurisdiction	Filing Date	Requested Revenue Requirement Increase (in millions)	Requested ROE	Commission Staff/ Intervenor Range of Recommended ROE
SWEPCo	Louisiana	December 2020	\$ 94.7	10.35%	9.1%-9.8%
SWEPCo	Arkansas	July 2021	80.9	10.35%	8.75%-9.3%
KGPCo	Tennessee	November 2021	6.9	10.2%	7.35%

Dolet Hills Power Station and Related Fuel Operations

In December 2021, the Dolet Hills Power Station was retired. The Dolet Hills Power Station non-fuel costs are recoverable by SWEPCo through base rates and through a rate rider in the Texas jurisdiction. As of March 31, 2022, SWEPCo's share of the net investment in the Dolet Hills Power Station was \$108 million, including materials and supplies, net of cost of removal collected in rates.

Fuel costs incurred by the Dolet Hills Power Station are recoverable by SWEPCo through active fuel clauses. As of March 31, 2022, SWEPCo had a net under-recovered fuel balance of \$84 million, excluding impacts of the February 2021 severe winter weather event, which includes fuel consumed at the Dolet Hills Power Station. Additional reclamation and other land-related costs incurred by DHLIC and Oxbow will be billed to SWEPCo and included in existing fuel clauses.

In March 2021, the LPSC issued an order allowing SWEPCo to recover up to \$20 million of fuel costs in 2021 and defer approximately \$30 million of additional costs with a recovery period to be determined at a later date. In November 2021, the LPSC issued a directive which deferred the issues regarding modification of the level and timing of recovery of the Dolet Hills Power Station from SWEPCo's pending rate case to a separate existing docket. In addition, the recovery of the deferred fuel costs are planned to be addressed.

In March 2021, the APSC approved fuel rates that provide recovery of the Arkansas share of the 2021 Dolet Hills Power Station fuel costs over five years through the existing fuel clause.

If any of these costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

Pirkey Power Plant and Related Fuel Operations

In 2020, management announced plans to retire the Pirkey Power Plant in 2023. The Pirkey Power Plant non-fuel costs are recoverable by SWEPCo through base rates and fuel costs are recovered through active fuel clauses. As of March 31, 2022, SWEPCo's share of the net investment in the Pirkey Power Plant was \$207 million, including CWIP, before cost of removal. Sabine is a mining operator providing mining services to the Pirkey Power Plant. Under the provisions of the mining agreement, SWEPCo is required to pay, as part of the cost of lignite delivered, an amount equal to mining costs plus a management fee. SWEPCo expects fuel deliveries, including billings of all fixed and operating costs, from Sabine to cease during the first quarter of 2023. Under the fuel agreements, SWEPCo's fuel inventory and unbilled fuel costs from mining related activities were \$87 million as of March 31, 2022. As of March 31, 2022, SWEPCo had a net under-recovered fuel balance of \$84 million, excluding impacts of the February 2021 severe winter weather event, which includes fuel consumed at the Pirkey Power Plant. Additional operational, reclamation and other land-related costs incurred by Sabine will be billed to SWEPCo and included in existing fuel clauses. If any of these costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

Renewable Generation

The growth of AEP's renewable generation portfolio reflects the company's strategy to diversify generation resources to provide clean energy options to customers that meet both their energy and capacity needs.

Contracted Renewable Generation Facilities

In recent years, AEP has developed its renewable portfolio within the Generation & Marketing segment. Activities have included working directly with wholesale and large retail customers to provide tailored solutions based upon market knowledge, technology innovations and deal structuring which may include distributed solar, wind, combined heat and power, energy storage, waste heat recovery, energy efficiency, peaking generation and other forms of cost reducing energy technologies. The Generation & Marketing segment also developed and/or acquired large scale renewable generation projects that are backed with long-term contracts with creditworthy counterparties.

In February 2022, AEP management announced the initiation of a process to sell all or a portion of AEP Renewables' competitive contracted renewables portfolio within the Generation & Marketing segment. As of March 31, 2022, the competitive contracted renewable portfolio assets totaled 1.6 gigawatts of generation resources representing consolidated solar and wind assets and a 50% interest in five joint venture wind farms accounted for as equity method investments. The anticipated disposition of all or a portion of the AEP Renewables' portfolio has not met the accounting requirements to be presented as Held for Sale as of March 31, 2022. If AEP is unable to recover the book value or carrying value of these assets, it could reduce future net income and impact financial condition.

Regulated Renewable Generation Facilities

In 2020, PSO and SWEPCo received regulatory approvals to acquire the NCWF, comprised of three Oklahoma wind facilities totaling 1,484 MWs, on a fixed cost turn-key basis at completion. PSO and SWEPCo own undivided interests of 45.5% and 54.5% of the NCWF, respectively. Output from the NCWF serves retail load in PSO's Oklahoma service territory and both retail and FERC wholesale load in SWEPCo's service territories in Arkansas and Louisiana. The Oklahoma and Louisiana portions of the NCWF revenue requirement, net of PTC benefit, are recoverable through authorized riders beginning at commercial operation and until such time as amounts are reflected in base rates. Recovery of the Arkansas portion of the NCWF revenue requirement is requested in SWEPCo's pending 2021 Arkansas Base Rate Case. The table below provides a summary of the facilities as of March 31, 2022:

<u>Project</u>	<u>In-Service Date</u>	<u>Net Book Value</u> (in millions)	<u>Federal PTC Qualification % (a)</u>	<u>Generating Capacity</u> (in MWs)
Sundance	April 2021	\$ 282.3	100 %	199
Maverick	September 2021	398.3	80 %	287
Traverse	March 2022	1,255.0	80 %	998

(a) PTC benefits are available for a ten year period following the in-service date.

See "North Central Wind Energy Facilities" section of Note 6 for additional information.

In June 2021, SWEPCo issued requests for proposals to acquire up to 3,000 MWs of wind and up to 300 MWs of solar generation resources. The wind and solar generation projects would be subject to regulatory approval.

In November 2021, PSO issued requests for proposals to acquire up to 2,800 MWs of wind and up to 1,350 MWs of solar generation resources. The wind and solar generation projects would be subject to regulatory approval.

In December 2021, APCo petitioned for approval and cost recovery of a 204 MW wind project and three solar facilities totaling 205 MWs, as well as PPAs for another 89 MWs of solar generation resources. An additional 40 MW of qualifying solar facilities have been contracted for, subject to terms of the Company's tariff. In January 2022, APCo issued additional requests for proposals to acquire up to 1,000 MWs of wind and up to 100 MWs of solar generation resources. In February 2022, APCo issued a separate request for proposal for up to 150 MWs of solar resources in West Virginia in support of WV Senate Bill 583. These wind and solar generation projects would also be subject to regulatory approval.

In March 2022, I&M issued requests for proposals to acquire or contract for resources pursuant to meeting I&M's Integrated Resource Plans, which includes approximately 800 MWs of wind generation resources, 500 MWs of solar generation resources and other supplemental capacity resources, including, but not limited to, standalone storage, emerging technologies, thermal, and other capacity resources. These projects would be subject to regulatory approval.

Disposition of KPCo and KTCo

In October 2021, AEP entered into a Stock Purchase Agreement to sell KPCo and KTCo to Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corp. (Liberty), for approximately a \$2.85 billion enterprise value. The sale is subject to regulatory approvals from the FERC and KPSC. Clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and clearance from the Committee on Foreign Investment in the United States has been received.

Proposed Operations and Maintenance Agreement and Plant Ownership Agreement

KPCo currently operates and owns a 50% undivided interest in the 1,560 MW coal-fired Mitchell Plant with the remaining 50% owned by WPCo. The Stock Purchase Agreement is further contingent upon the issuance by the KPSC, WVPSC and FERC of orders regarding a new proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement between KPCo and WPCo.

In November 2021, AEP made filings with the KPSC, WVPSC and FERC seeking approval of a proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement, pursuant to which WPCo would replace KPCo as the operator of the Mitchell Plant and KPCo employees at the Mitchell Plant would become employees of WPCo. Under this originally proposed Ownership Agreement, WPCo is obligated to purchase KPCo's 50% undivided interest in the Mitchell Plant on December 31, 2028 unless KPCo and WPCo have agreed to retire the Mitchell Plant earlier or, absent such agreement, if WPCo elects prior to December 31, 2027 to retire the Mitchell Plant on December 31, 2028. The Ownership Agreement provides that the purchase price for KPCo's 50% ownership interest in the Mitchell Plant will be determined through the mutual agreement of WPCo and KPCo (subject to approval from the KPSC and WVPSC) or through a fair market valuation determination conducted by independent appraisals, with offsets for estimated decommissioning costs and the cost of ELG investments made by WPCo, if KPCo and WPCo are unable to reach agreement as to the purchase price.

In January 2022, intervenor testimony was filed with the KPSC, recommending the KPSC either reject the new proposed Mitchell Plant Ownership Agreement or approve the agreement with certain modifications including a revision to the buyout provision that would set WPCo's Mitchell Plant purchase price at the greater of fair market value or net book value. The intervenor testimony also recommends the KPSC reject the proposed Mitchell Plant Operations and Maintenance Agreement, which the testimony stated should be modified to remove references to the Mitchell Plant Ownership Agreement. In February 2022, AEP filed rebuttal testimony with the KPSC opposing the intervenor testimony filed in January 2022. AEP's rebuttal testimony also discusses an alternative proposal to the fair market value provision included in the proposed Mitchell Plant Ownership Agreement. Under the alternative proposal, KPCo's and WPCo's interest in the Mitchell Plant would be divided by unit if the plant is not retired before the end of 2028 and a mutual agreement cannot be reached on a buyout price. Under the alternative proposal, mutual agreement on the buyout price or unit disposition would need to be finalized by May 2025, with a division of plant ownership by unit effective January 1, 2029, unless otherwise agreed. In March 2022, a hearing was held on the agreements with the KPSC. Following the hearing, KPCo amended its November 2021 filing with a new version of the Mitchell Plant Ownership Agreement that provided further details about the alternative proposal. As amended, the proposed Mitchell Plant Ownership Agreement creates procedures, subject to all required regulatory approvals, that provide the option for WPCo and KPCo to negotiate a sale of KPCo's interest in the Mitchell Plant to WPCo, split the Mitchell Plant units with additional agreements for KPCo to utilize WPCo's ELG assets, if necessary, or to agree on the procedures and timetable to retire one or both units. As amended, the proposed Mitchell Plant Ownership Agreement replaced certain aspects of the originally proposed agreement including the buyout provision at fair market value. A hearing on the amended filing was held on March 30, 2022. A decision from the KPSC is expected in the second quarter of 2022.

For the filing at the WVPSC, intervenor testimony filed in March 2022 and briefs filed in April 2022 recommended various clarifying modifications to the Mitchell Ownership Agreement and the Mitchell Operations and Maintenance Agreement. A decision from the WVPSC is expected in the second quarter of 2022.

The KPSC and WVPSC intervened in the FERC proceeding and have recommended that FERC dismiss or reject AEP's request, or defer ruling on AEP's request until both the retail commissions have rendered decisions. In

February 2022, AEP filed a motion to withdraw its filing with the FERC, noting that AEP intends to re-file its request after the KPSC and WVPSC have reviewed the agreements.

Transfer of Ownership

In December 2021, Liberty, KPCo and KTCO sought approval from the FERC under Section 203 of the Federal Power Act for the sale. In February 2022, several intervenors in the case filed protests related to whether the sale will negatively impact the wholesale transmission and generation rates of applicants. In April 2022, the FERC issued a deficiency letter stating that the Section 203 application is deficient and that additional information is required to process it. Liberty, KPCo and KTCO plan to respond to provide additional information in response to the letter. An order from the FERC is expected on the matter in the second quarter of 2022.

In January 2022, KPCo and Liberty filed a joint application requesting the KPSC authorize the transfer of ownership of KPCo to Liberty. In February 2022, certain intervenors filed testimony recommending that the KPSC not approve the transfer of ownership. If, however, the KPSC does approve the transfer, these intervenors recommend that the KPSC require AEP to compensate KPCo customers \$578 million for alleged future increased costs and higher rates that the intervenors claim will exist under Liberty's ownership. AEP disagrees with the recommendation and filed rebuttal testimony in March 2022. AEP has committed to fund, through a reduction in Liberty's purchase price, \$20 million of Liberty's commitment to provide \$40 million of benefits to KPCo customers in bill reductions to help offset fuel costs. Intervenors also recommended imposing certain conditions on Liberty, including conditions related to recovering certain costs, inter-company agreement filing requirements, KPCo's capital structure and future generation resource planning processes and analyses. In addition, certain intervenors argue that the commission should not approve the new proposed Mitchell Plant Ownership Agreement and Mitchell Plant Operations and Maintenance Agreement, and that deciding the request to transfer ownership of KPCo should be separated from approval of the Mitchell agreements even though such approval is a condition to the transaction closing. AEP also disagrees with this argument. A hearing was held with the KPSC in March 2022. In April 2022, certain intervenors filed briefs with the KPSC in support of their original recommendations, including both recommendations for and against approval of the transfer of KPCo to Liberty. A final order is expected in the second quarter of 2022.

Subject to receipt of regulatory approval and resolution of the Mitchell ownership and operating issues disclosed above, the sale is expected to close in the second quarter of 2022 with Liberty acquiring the assets and assuming the liabilities of KPCo and KTCO, excluding pension and other post-retirement benefit plan assets and liabilities. AEP expects to provide customary transition services to Liberty for a period of time after closing of the transaction.

AEP expects to receive approximately \$1.4 billion in cash, net of taxes and transaction fees. AEP plans to use the proceeds to eliminate forecasted equity needs in 2022 as the company invests in regulated renewables, transmission and other projects. AEP and AEPTCo expect the sale to have a one-time impact on after-tax earnings that is not material.

LITIGATION

In the ordinary course of business, AEP is involved in employment, commercial, environmental and regulatory litigation. Since it is difficult to predict the outcome of these proceedings, management cannot predict the eventual resolution, timing or amount of any loss, fine or penalty. Management assesses the probability of loss for each contingency and accrues a liability for cases that have a probable likelihood of loss if the loss can be estimated. Adverse results in these proceedings have the potential to reduce future net income and cash flows and impact financial condition. See Note 4 – Rate Matters and Note 5 – Commitments, Guarantees and Contingencies for additional information.

Rockport Plant Litigation

In 2013, the Wilmington Trust Company filed suit in the U.S. District Court for the Southern District of New York against AEGCo and I&M alleging that it would be unlawfully burdened by the terms of the modified NSR consent decree after the Rockport Plant, Unit 2 lease expiration in December 2022. The terms of the consent decree allow the installation of environmental emission control equipment, repowering, refueling or retirement of the unit. The plaintiffs sought a judgment declaring that the defendants breached the lease, must satisfy obligations related to installation of emission control equipment and indemnify the plaintiffs. See “Obligations under the New Source Review Litigation Consent Decree” section below for additional information.

After the litigation proceeded at the district court and appellate court, in April 2021, I&M and AEGCo reached an agreement to acquire 100% of the interests in Rockport Plant, Unit 2 for \$116 million from certain financial institutions that own the unit through trusts established by Wilmington Trust, the nonaffiliated owner trustee of the ownership interests in the unit, with closing to occur as of the end of the Rockport Plant, Unit 2 lease in December 2022. The agreement is subject to customary closing conditions and as of the closing will result in a final settlement of, and release of claims in, the lease litigation. As a result, in May 2021, at the parties’ request, the district court entered a stipulation and order dismissing the case without prejudice to plaintiffs asserting their claims in a re-filed action or a new action. The required regulatory approvals at the IURC and FERC have been obtained that would allow the closing to occur as of the end of the lease in December 2022. The IURC order approved a settlement agreement addressing the future use of Rockport Plant, Unit 2 as a capacity and energy resource and associated adjustments to I&M’s Indiana retail rates, along with certain other matters. Management believes its financial statements appropriately reflect the resolution of the litigation.

Claims Challenging Transition of American Electric Power System Retirement Plan to Cash Balance Formula

Four participants in The American Electric Power System Retirement Plan (the Plan) filed a class action complaint in December 2021 in the U.S. District Court for the Southern District of Ohio against AEPSC and the Plan. When the Plan’s benefit formula was changed in the year 2000, AEP provided a special provision for employees hired before January 1, 2001, allowing them to continue benefit accruals under the then benefit formula for a full 10 years alongside of the new cash balance benefit formula then being implemented. Employees who were hired on or after January 1, 2001 accrued benefits only under the new cash balance benefit formula. The Plaintiffs assert a number of claims on behalf of themselves and the purported class, including that: (a) the Plan violates the requirements under the Employee Retirement Income Security Act (ERISA) intended to preclude back-loading the accrual of benefits to the end of a participant’s career, (b) the Plan violates the age discrimination prohibitions of ERISA and the Age Discrimination in Employment Act and (c) AEP failed to provide required notice regarding the changes to the Plan. Among other relief, the Complaint seeks reformation of the Plan to provide additional benefits and the recovery of plan benefits for former employees under such reformed plan. The Plaintiffs previously had submitted claims for additional plan benefits to AEP, which were denied. On February 15, 2022, AEPSC and the Plan filed a motion to dismiss the complaint for failure to state a claim. AEP will continue to defend against the claims. Management is unable to determine a range of potential losses that is reasonably possible of occurring.

Litigation Related to Ohio House Bill 6 (HB 6)

In 2019, Ohio adopted and implemented HB 6 which benefits OPCo by authorizing rate recovery for certain costs including renewable energy contracts and OVEC's coal-fired generating units. OPCo engaged in lobbying efforts and provided testimony during the legislative process in connection with HB 6. In July 2020, an investigation led by the U.S. Attorney's Office resulted in a federal grand jury indictment of an Ohio legislator and associates in connection with an alleged racketeering conspiracy involving the adoption of HB 6. After AEP learned of the criminal allegations against the Ohio legislator and others relating to HB 6, AEP, with assistance from outside advisors, conducted a review of the circumstances surrounding the passage of the bill. Management does not believe that AEP was involved in any wrongful conduct in connection with the passage of HB 6.

In August 2020, an AEP shareholder filed a putative class action lawsuit in the United States District Court for the Southern District of Ohio against AEP and certain of its officers for alleged violations of securities laws. The amended complaint alleged misrepresentations or omissions by AEP regarding: (a) its alleged participation in or connection to public corruption with respect to the passage of HB 6 and (b) its regulatory, legislative, political contribution, 501(c) (4) organization contribution and lobbying activities in Ohio. The complaint sought monetary damages, among other forms of relief. In December 2021, the District Court issued an opinion and order dismissing the securities litigation complaint with prejudice, determining that the complaint failed to plead any actionable misrepresentations or omissions. The plaintiffs did not appeal the ruling.

In January 2021, an AEP shareholder filed a derivative action in the United States District Court for the Southern District of Ohio purporting to assert claims on behalf of AEP against certain AEP officers and directors. In February 2021, a second AEP shareholder filed a similar derivative action in the Court of Common Pleas of Franklin County, Ohio. In April 2021, a third AEP shareholder filed a similar derivative action in the U.S. District Court for the Southern District of Ohio and a fourth AEP shareholder filed a similar derivative action in the Supreme Court for the State of New York, Nassau County. These derivative complaints allege the officers and directors made misrepresentations and omissions similar to those alleged in the putative securities class action lawsuit filed against AEP. The derivative complaints together assert claims for: (a) breach of fiduciary duty, (b) waste of corporate assets, (c) unjust enrichment, (d) breach of duty for insider trading and (e) contribution for violations of sections 10(b) and 21D of the Securities Exchange Act of 1934; and seek monetary damages and changes to AEP's corporate governance and internal policies among other forms of relief. The court has entered a scheduling order in the New York state court derivative action setting a deadline of April 29, 2022 for AEP to file a motion to dismiss the complaint and staying the case other than with respect to briefing the motion to dismiss. The two derivative actions pending in federal district court in Ohio have been consolidated and the plaintiffs in the consolidated action filed an amended complaint. AEP's motion to dismiss the amended complaint is due May 3, 2022 and discovery is stayed pending the district court's ruling on the motion to dismiss. The Ohio state court derivative action has been stayed until a decision by the federal district court on the motion to dismiss the amended complaint. The defendants will continue to defend against the claims. Management is unable to determine a range of potential losses that is reasonably possible of occurring.

In March 2021, AEP received a litigation demand letter from counsel representing a purported AEP shareholder. The litigation demand letter is directed to the Board of Directors of AEP and contains factual allegations involving HB 6 that are generally consistent with those in the derivative litigation filed in state and federal court. The letter demands, among other things, that the AEP Board undertake an independent investigation into alleged legal violations by directors and officers, and that, following such investigation, AEP commence a civil action for breaches of fiduciary duty and related claims and take appropriate disciplinary action against those individuals who allegedly harmed the company. The shareholder that sent the letter has since withdrawn the litigation demand, which is now terminated and of no further effect.

In May 2021, AEP received a subpoena from the SEC's Division of Enforcement seeking various documents, including documents relating to the benefits to AEP from the passage of HB 6 and documents relating to AEP's financial processes and controls. AEP is cooperating fully with the SEC's subpoena. Although the outcome of the SEC's investigation cannot be predicted, management does not believe the results of this inquiry will have a material impact on financial condition, results of operations, or cash flows.

ENVIRONMENTAL ISSUES

AEP has a substantial capital investment program and incurs additional operational costs to comply with environmental control requirements. Additional investments and operational changes will be made in response to existing and anticipated requirements to reduce emissions from fossil generation and in response to rules governing the beneficial use and disposal of coal combustion by-products, clean water and renewal permits for certain water discharges.

AEP is engaged in litigation about environmental issues, was notified of potential responsibility for the clean-up of contaminated sites and incurred costs for disposal of SNF and future decommissioning of the nuclear units. Management is engaged in the development of possible future requirements including the items discussed below. Management believes that further analysis and better coordination of these environmental requirements would facilitate planning and lower overall compliance costs while achieving the same environmental goals.

AEP will seek recovery of expenditures for pollution control technologies and associated costs from customers through rates in regulated jurisdictions. Environmental rules could result in accelerated depreciation, impairment of assets or regulatory disallowances. If AEP cannot recover the costs of environmental compliance, it would reduce future net income and cash flows and impact financial condition.

Environmental Controls Impact on the Generating Fleet

The rules and proposed environmental controls discussed below will have a material impact on AEP System generating units. Management continues to evaluate the impact of these rules, project scope and technology available to achieve compliance. As of March 31, 2022, the AEP System owned generating capacity of approximately 25,900 MWs, of which approximately 11,900 MWs were coal-fired. Management continues to refine the cost estimates of complying with these rules and other impacts of the environmental proposals on fossil generation. Based upon management estimates, AEP's future investment to meet these existing and proposed requirements ranges from approximately \$325 million to \$550 million through 2028.

The cost estimates will change depending on the timing of implementation and whether the Federal EPA provides flexibility in finalizing proposed rules or revising certain existing requirements. The cost estimates will also change based on: (a) potential state rules that impose more stringent standards, (b) additional rulemaking activities in response to court decisions, (c) actual performance of the pollution control technologies installed, (d) changes in costs for new pollution controls, (e) new generating technology developments, (f) total MWs of capacity retired and replaced, including the type and amount of such replacement capacity, (g) compliance with the Federal EPA's revised coal combustion residual rules and (h) other factors. In addition, management continues to evaluate the economic feasibility of environmental investments on regulated and competitive plants.

Obligations under the New Source Review Litigation Consent Decree

In 2007, the U.S. District Court for the Southern District of Ohio approved a consent decree between AEP subsidiaries in the eastern area of the AEP System and the Department of Justice, the Federal EPA, eight northeastern states and other interested parties to settle claims that the AEP subsidiaries violated the NSR provisions of the CAA when they undertook various equipment repair and replacement projects over a period of nearly 20 years. The consent decree's terms include installation of environmental control equipment on certain generating units, a declining cap on SO₂ and NO_x emissions from the AEP System and various mitigation projects. The consent decree has been modified six times, for various reasons, most recently in 2020. All of the environmental control equipment required by the consent decree has been installed.

Clean Air Act Requirements

The CAA establishes a comprehensive program to protect and improve the nation's air quality and control sources of air emissions. The states implement and administer many of these programs and could impose additional or more stringent requirements. The primary regulatory programs that continue to drive investments in AEP's existing generating units include: (a) periodic revisions to NAAQS and the development of SIPs to achieve any more stringent standards, (b) implementation of the regional haze program by the states and the Federal EPA, (c) regulation of hazardous air pollutant emissions under MATS, (d) implementation and review of CSAPR and (e) the Federal EPA's regulation of greenhouse gas emissions from fossil generation under Section 111 of the CAA. Notable developments in significant CAA regulatory requirements affecting AEP's operations are discussed in the following sections.

National Ambient Air Quality Standards

The Federal EPA periodically reviews and revises the NAAQS for criteria pollutants under the CAA. Revisions tend to increase the stringency of the standards, which in turn may require AEP to make investments in pollution control equipment at existing generating units, or, since most units are already well controlled, to make changes in how units are dispatched and operated. Most recently, the Biden administration has indicated that it is likely to revisit the NAAQS for ozone and PM, which were left unchanged by the prior administration following its review. Management cannot currently predict if any changes to either standard are likely or what such changes may be, but will continue to monitor this issue and any future rulemakings.

Regional Haze

The Federal EPA issued a Clean Air Visibility Rule (CAVR) in 2005, which could require power plants and other facilities to install best available retrofit technology to address regional haze in federal parks and other protected areas. CAVR is implemented by the states, through SIPs, or by the Federal EPA, through FIPs. In 2017, the Federal EPA revised the rules governing submission of SIPs to implement the visibility programs, including a provision that postponed the due date for the next comprehensive SIP revisions until 2021. Petitions for review of the final rule revisions have been filed in the U.S. Court of Appeals for the District of Columbia Circuit.

Arkansas has an approved regional haze SIP and all of SWEPco's affected units are in compliance with the relevant requirements.

In Texas, the Federal EPA disapproved portions of the Texas regional haze SIP and finalized a FIP that allows participation in the CSAPR ozone season program to satisfy the NO_x regional haze obligations for electric generating units in Texas. Additionally, the Federal EPA finalized an intrastate SO₂ emissions trading program based on CSAPR allowance allocations. Legal challenges to these various rulemakings are pending in both the U.S. Court of Appeals for the Fifth Circuit and the U.S. Court of Appeals for the District of Columbia Circuit. Management cannot predict the outcome of that litigation, although management supports the intrastate trading program as a compliance alternative to source-specific controls and has intervened in the litigation in support of the Federal EPA.

Cross-State Air Pollution Rule

CSAPR is a regional trading program designed to address interstate transport of emissions that contributed significantly to downwind non-attainment with the 1997 ozone and PM NAAQS. CSAPR relies on SO₂ and NO_x allowances and individual state budgets to compel further emission reductions from electric utility generating units. Interstate trading of allowances is allowed on a restricted sub-regional basis.

In January 2021, the Federal EPA finalized a revised CSAPR rule, which substantially reduces the ozone season NO_x budgets in 2021-2024. Several utilities and other entities potentially subject to the Federal EPA's NO_x regulations have challenged that final rule in the U.S. Court of Appeals for the District of Columbia Circuit and briefing is underway. Management cannot predict the outcome of that litigation, but believes it can meet the requirements of the rule in the near term, and is evaluating its compliance options for later years, when the budgets are further reduced. In addition, in February 2022, the EPA Administrator signed a proposed FIP for 2015 Ozone NAAQS that would further revise the ozone season NO_x budgets under the existing CSAPR program. AEP is evaluating the proposed changes.

Climate Change, CO₂ Regulation and Energy Policy

In 2019, the Affordable Clean Energy (ACE) rule established a framework for states to adopt standards of performance for utility boilers based on heat rate improvements for such boilers. However, in January 2021, the U.S. Court of Appeals for the D.C. Circuit vacated the ACE rule and remanded it to the Federal EPA. Management is unable to predict how the Federal EPA will respond to the court's remand. In October 2021 the United States Supreme Court granted certiorari and combined four separate petitions seeking review of the D.C. Circuit Court decisions. Oral arguments were held in February 2022 but management is unable to predict the outcome of that litigation.

In 2018, the Federal EPA filed a proposed rule revising the standards for new sources and determined that partial carbon capture and storage is not the best system of emission reduction because it is not available throughout the U.S. and is not cost-effective. That rule has not been finalized. Management continues to actively monitor these rulemaking activities.

While no federal regulatory requirements to reduce CO₂ emissions are in place, AEP has taken action to reduce and offset CO₂ emissions from its generating fleet. AEP expects CO₂ emissions from its operations to continue to decline due to the retirement of some of its coal-fired generation units, and actions taken to diversify the generation fleet and increase energy efficiency where there is regulatory support for such activities. The majority of the states where AEP has generating facilities passed legislation establishing renewable energy, alternative energy and/or energy efficiency requirements that can assist in reducing carbon emissions. In April 2020, Virginia enacted clean energy legislation to allow the state to participate in the Regional Greenhouse Gas Initiative, require the retirement of all fossil-fueled generation by 2045 and require 100% renewable energy to be provided to Virginia customers by 2050. Management is taking steps to comply with these requirements, including increasing wind and solar installations, purchasing renewable power and broadening AEP System's portfolio of energy efficiency programs.

In February 2021, AEP announced new intermediate and long-term CO₂ emission reduction goals, based on the output of the company's integrated resource plans, which take into account economics, customer demand, grid reliability and resiliency, regulations and the company's current business strategy. The intermediate goal is an 80% reduction from 2000 CO₂ emission levels from AEP generating facilities by 2030; the long-term goal is net-zero CO₂ emissions from AEP generating facilities by 2050. AEP's total estimated CO₂ emissions in 2021 were approximately 50 million metric tons, a 70% reduction from AEP's 2000 CO₂ emissions. AEP has made significant progress in reducing CO₂ emissions from its power generation fleet and expects its emissions to continue to decline. Technological advances, including energy storage, will determine how quickly AEP can achieve zero emissions while continuing to provide reliable, affordable power for customers.

Excessive costs to comply with future legislation or regulations have led to the announcement of early plant closures and could force AEP to close additional coal-fired generation facilities earlier than their estimated useful life. If AEP is unable to recover the costs of its investments, it would reduce future net income and cash flows and impact financial condition.

Coal Combustion Residual Rule

The Federal EPA's CCR rule regulates the disposal and beneficial re-use of CCR, including fly ash and bottom ash created from coal-fired generating units and FGD gypsum generated at some coal-fired plants. The rule applies to active and inactive CCR landfills and surface impoundments at facilities of active electric utility or independent power producers.

In 2020, the Federal EPA revised the CCR rule to include a requirement that unlined CCR storage ponds cease operations and initiate closure by April 11, 2021. The revised rule provides two options that allow facilities to extend the date by which they must cease receipt of coal ash and close the ponds.

The first option provides an extension to cease receipt of CCR no later than October 15, 2023 for most units, and October 15, 2024 for a narrow subset of units; however, the Federal EPA's grant of such an extension will be based upon a satisfactory demonstration of the need for additional time to develop alternative ash disposal capacity and will be limited to the soonest timeframe technically feasible to cease receipt of CCR. Additionally, each request must undergo formal review, including public comments, and be approved by the Federal EPA. AEP filed applications for additional time to develop alternative disposal capacity at the following plants:

Company	Plant Name and Unit	Generating Capacity (in MWs)	Net Book Value (a) (in millions)	Projected Retirement Date
AEGCo	Rockport Plant, Unit 1	655	\$ 227.4	2028
APCo	Amos	2,930	2,096.4	2040
APCo	Mountaineer	1,320	968.2	2040
I&M	Rockport Plant, Unit 1	655	492.9 (b)	2028
KPCo	Mitchell Plant	780	584.9	2040
SWEPCo	Flint Creek Plant	258	263.6	2038
WPCo	Mitchell Plant	780	586.5	2040

(a) Net book value before cost of removal including CWIP and inventory.

(b) Amount includes a \$165 million regulatory asset related to the retired Tanners Creek Plant. The IURC and MPSC authorized recovery of the Tanners Creek Plant regulatory asset over the useful life of Rockport Plant, Unit 1 in 2015 and 2014, respectively.

In addition, AGR owns Cardinal Plant, Unit 1 a competitive generation unit. A nonaffiliated electric cooperative owns Cardinal Plant, Unit 2 and Unit 3 and operates all three units at the Cardinal Plant. The nonaffiliate filed an application for additional time to develop alternative disposal capacity for the Cardinal Plant. As of March 31, 2022, the net book value of Cardinal Plant, Unit 1, including materials and supplies and CWIP, was approximately \$47 million.

In January 2022, the Federal EPA began responding to applications for extension requests and has proposed to deny several extension requests based on allegations that the utilities that received such responses are not in compliance with the CCR Rule. The Federal EPA's allegations of noncompliance rely on new interpretations of the CCR Rule requirements. The actions of the Federal EPA have been challenged in the U.S. Court of Appeals for the District of Columbia Circuit as unlawful rulemaking that revises the existing CCR Rule requirements without proper notice and without opportunity for comment. Management is unable to predict the outcome of that litigation. While the Federal EPA has not yet proposed any action on pending extension requests submitted by AEP, statements made by the Federal EPA in proposed denials of extension requests submitted by other utilities indicate that there is a risk that the Federal EPA may similarly conclude that AEP is not eligible for an extension of time to cease use of its CCR impoundments and/or that one or more of AEP's facilities is not in compliance with the CCR Rule. If that occurs, AEP may incur material additional costs to change its plans for complying with the CCR Rule, including the potential to have to temporarily cease operation of one or more facilities until an acceptable compliance alternative can be implemented. Such temporary cessation of operation could materially impact the cost of serving customers of the affected utility. Further, actions by the Federal EPA could require AEP to remove coal ash from CCR impoundments in Kentucky, Ohio, Virginia and West Virginia that have already been closed in accordance with state law programs or could require AEP to incur costs related to CCR impoundments at various facilities.

Closure and post-closure costs have been included in ARO in accordance with the requirements in the Federal EPA's final CCR rule. Additional ARO revisions will occur on a site-by-site basis if groundwater monitoring activities conclude that corrective actions are required to mitigate groundwater impacts. AEP may incur significant additional costs complying with the Federal EPA's CCR Rule including costs to upgrade or close and replace surface impoundments and landfills used to manage CCR and to conduct any required remedial actions including removal of coal ash. If additional costs are incurred related to competitive units or in regulated jurisdictions without providing similar assurances of cost recovery, it would impose significant additional operating costs on AEP, which could reduce future net income and cash flows and impact financial condition. Management will continue to participate in rulemaking activities and make adjustments based on new federal and state requirements affecting its ash disposal units.

The second option to obtain an extension of the April 11, 2021 deadline to cease operation of unlined impoundments allows a generating facility to continue operating its existing impoundments without developing alternative CCR disposal, provided the facility commits to cease combustion of coal by a date certain. Under this option, a generating facility would have until October 17, 2023 to cease coal-fired operations and to close CCR storage ponds 40 acres or less in size, or through October 17, 2028 for facilities with CCR storage ponds greater than 40 acres in size. Pursuant to this option, AEP informed the Federal EPA of its intent to retire the Pirkey Power Plant and cease using coal at the Welsh Plant:

Company	Plant Name and Unit	Generating Capacity (in MWs)	Net Investment (a)	Accelerated Depreciation Asset	Regulatory	Projected Retirement Date	
SWEPCo	Pirkey Power Plant	580	\$	(in millions) 99.6	\$	107.7	2023 (b)
SWEPCo	Welsh Plants, Units 1 and 3	1,053		467.2		55.7	2028 (c)(d)

(a) Net book value including CWIP excluding cost of removal and materials and supplies.

(b) Pirkey Power Plant is currently being recovered through 2025 in the Louisiana jurisdiction and through 2045 in the Arkansas and Texas jurisdictions.

(c) In November 2020, management announced it will cease using coal at the Welsh Plant in 2028.

(d) Unit 1 is currently being recovered through 2027 in the Louisiana jurisdiction and through 2037 in the Arkansas and Texas jurisdictions. Unit 3 is currently being recovered through 2032 in the Louisiana jurisdiction and through 2042 in the Arkansas and Texas jurisdictions.

Under the second option above, AEP may need to recover remaining depreciation and estimated closure costs associated with these plants over a shorter period. If AEP cannot ultimately recover the costs of environmental compliance and/or the remaining depreciation and estimated closure costs associated with these plants in a timely manner, it would reduce future net income and cash flows and impact financial condition.

Clean Water Act Regulations

The Federal EPA's ELG rule for generating facilities establishes limits for FGD wastewater, fly ash and bottom ash transport water and flue gas mercury control wastewater, which are to be implemented through each facility's wastewater discharge permit. A revision to the ELG rule, published in October 2020, establishes additional options for reusing and discharging small volumes of bottom ash transport water, provides an exception for retiring units and extends the compliance deadline to a date as soon as possible beginning one year after the rule was published but no later than December 2025. Management has assessed technology additions and retrofits to comply with the rule and the impacts of the Federal EPA's recent actions on facilities' wastewater discharge permitting for FGD wastewater and bottom ash transport water. For affected facilities that must install additional technologies to meet the ELG rule limits, permit modifications were filed in January 2021 that reflect the outcome of that assessment. AEP continues to work with state agencies to finalize permit terms and conditions. Other facilities opted to file Notices of Planned Participation (NOPP), pursuant to which the facilities are not required to install additional controls to meet ELG limits provided they make commitments to cease coal combustion by a date certain. The Federal EPA has announced its intention to reconsider the 2020 rule and to further revise limits applicable to discharges of landfill and impoundment leachate. A proposed rule is expected in late 2022. Management cannot predict whether the Federal EPA will actually finalize further revisions or what such revisions might be, but will continue to monitor this issue and will participate in further rulemaking activities as they arise.

In August 2021, the Federal EPA and the Army Corps of Engineers announced their plan to reconsider and revise the Navigable Waters Protection Rule, which defines “waters of the United States” under the Clean Water Act. Shortly thereafter, the United States District Court for the District of Arizona vacated and remanded the Navigable Waters Protection Rule, which had the effect of reinstating the prior, much broader, version of the rule. Because the scope of waters subject to the Federal EPA and Army Corps of Engineers jurisdictions is broader under the prior rule, permitting decisions made in recent years are subject to reevaluation; permits may now be necessary where none were previously required, and issued permits may need to be reopened to impose additional obligations. In December 2021, the Federal EPA proposed a rule that would roll back the definition of “waters of the United States” to the pre-2015 definition. The Federal EPA also announced that it would be considering further changes through a future rulemaking, which would build upon the foundation of the proposed rule. Management will continue to monitor rulemaking on this issue.

In January 2022, the U.S. Supreme Court announced that it would hear an appeal related to the scope of “waters of the United States,” specifically whether wetlands can be regulated as waters of the United States. Management cannot predict the outcome of that litigation.

CCR and ELG Compliance Plan Filings

Mitchell Plant (Applies to AEP)

KPCo and WPCo each own a 50% interest in the Mitchell Plant. In December 2020 and February 2021, WPCo and KPCo filed requests with the WVPSC and KPSC, respectively, to obtain the regulatory approvals necessary to implement CCR and ELG compliance plans and seek recovery of the estimated \$132 million investment for the Mitchell Plant that would allow the plant to continue operating beyond 2028. Within those requests, WPCo and KPCo also filed a \$25 million alternative to implement only the CCR-related investments with the WVPSC and KPSC, respectively, which would allow the Mitchell Plant to continue operating only through 2028.

In July 2021, the KPSC issued an order approving the CCR only alternative and rejecting the full CCR and ELG compliance plan. In August 2021, the WVPSC approved the full CCR and ELG compliance plan for the WPCo share of the Mitchell Plant. In September 2021, WPCo submitted a filing with the WVPSC to reopen the CCR/ELG case that was approved by the WVPSC in August 2021. Due to the rejection by the KPSC of the KPCo share of the ELG investments, WPCo requested the WVPSC consider approving the construction and recovery of all ELG costs at the plant. In October 2021, the WVPSC affirmed its August 2021 order approving the construction of CCR/ELG investments and directed WPCo to proceed with CCR/ELG compliance plans that would allow the plant to continue operating beyond 2028. The WVPSC’s order further states WPCo will not share capacity and energy from the plant with KPCo customers if those customers are not paying for ELG compliance costs, or for any new capital investment or continuing operations costs incurred, to allow the plant to operate beyond 2028 or prevent downgrades prior to 2028. The WVPSC also ordered that WPCo will be given the opportunity to recover, from its customers, the new capital and operating costs arising solely from the WVPSC’s directive to operate the plant beyond 2028 if the WVPSC finds that the costs are reasonably and prudently incurred. In October and November 2021, intervenors filed petitions for reconsideration at the WVPSC requesting clarification on certain aspects of the order, primarily the jurisdictional allocation of future operating expenses and plant costs.

In November 2021, AEP made filings with the KPSC, WVPSC and FERC seeking approval of a proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement between KPCo and WPCo pursuant to which WPCo would replace KPCo as the operator of the Mitchell Plant. In February 2022, AEP filed a motion to withdraw its filing with the FERC, noting that AEP intends to re-file its request after the KPSC and WVPSC have reviewed the agreements. See “Disposition of KPCo and KTCo” section of Note 6 for additional information.

As of March 31, 2022, the Mitchell Plant ELG investment balance in CWIP was \$8 million split equally between KPCo and WPCo. As of March 31, 2022, the net book value of KPCo’s share of the Mitchell Plant, before cost of removal including CWIP and inventory, was \$585 million.

If any of the ELG costs are not approved for recovery and/or the retirement date of the Mitchell Plant is accelerated to 2028 without commensurate cost recovery, it would reduce future net income and cash flows and impact financial condition.

Amos and Mountaineer Plants (Applies to AEP and APCo)

In December 2020, APCo submitted filings with the Virginia SCC and WVPSC requesting regulatory approvals necessary to implement CCR and ELG compliance plans and seek recovery of the estimated \$240 million investment for the Amos and Mountaineer plants. Intervenors in Virginia and West Virginia recommended that only the CCR-related investments be constructed at Amos and Mountaineer and, as a consequence, that APCo close these generating facilities at the end of 2028.

In August 2021, the Virginia SCC issued an order approving APCo's request to construct CCR-related investments at the Amos and Mountaineer Plants and approved recovery of CCR-related other operation and maintenance expenses and investments through an active rider. The order denied APCo's request to construct the ELG investments and denied recovery of previously incurred ELG costs. In March 2022, APCo refiled for approval of the ELG investments and previously incurred ELG costs. A hearing is scheduled to take place in September 2022 and an order is anticipated in the fourth quarter of 2022.

Also in August 2021, the WVPSC approved the request to construct CCR/ELG investments at the Amos and Mountaineer Plants and approved recovery of the West Virginia jurisdictional share of these costs through an active rider. In October 2021, due to the Virginia SCC previously rejecting the ELG investments, the WVPSC issued an order directing APCo to proceed with CCR/ELG compliance plans that would allow the plants to continue operating beyond 2028. The October order further states that APCo will not share capacity and energy from the plants with customers from Virginia if those customers are not paying for ELG compliance costs, or for any new capital investment or continuing operations costs incurred, to allow the plants to operate beyond 2028 or prevent downgrades prior to 2028. The WVPSC also ordered that APCo will be given the opportunity to recover, from West Virginia customers, the new capital and operating costs arising solely from the WVPSC's directive to operate the plants beyond 2028 if the WVPSC finds that the costs are reasonably and prudently incurred. In October and November 2021, intervenors filed petitions for reconsideration at the WVPSC requesting clarification on certain aspects of the order, primarily the jurisdictional allocation of future operating expenses and plant costs.

APCo expects total Amos and Mountaineer Plant ELG investment, excluding AFUDC, to be approximately \$197 million. As of March 31, 2022, APCo's Virginia jurisdictional share of the net book value, before cost of removal including CWIP and inventory, of the Amos and Mountaineer Plants was approximately \$1.5 billion and APCo's Virginia jurisdictional share of its ELG investment balance in CWIP for these plants was \$41 million.

If any of the ELG costs are not approved for recovery and/or the retirement dates of the Amos and Mountaineer plants are accelerated to 2028 without commensurate cost recovery, it would reduce future net income and cash flows and impact financial condition.

Impact of Environmental Regulation on Coal-Fired Generation

Compliance with extensive environmental regulations requires significant capital investment in environmental monitoring, installation of pollution control equipment, emission fees, disposal, remediation and permits. Management continuously evaluates cost estimates of complying with these regulations which may result in a decision to retire coal-fired generating facilities earlier than their currently estimated useful lives.

Previously, management retired or announced early closure plans for Welsh Unit 2, Dolet Hills Power Station and Northeastern Plant Unit 3.

The table below summarizes the net book value, as of March 31, 2022, of generating facilities retired or planned for early retirement in advance of the retirement date currently authorized for ratemaking purposes:

Company	Plant	Net Investment (a)	Accelerated Depreciation Asset	Regulatory Asset	Actual/Projected Retirement Date	Current Authorized Recovery Period	Annual Depreciation (b)
		(in millions)				(in millions)	
PSO	Northeastern Plant, Unit 3	\$ 159.1	\$ 132.5		2026	(c)	\$ 14.9
SWEPco	Dolet Hills Power Station	—	72.2		2021	(d)	—
SWEPco	Pirkey Power Plant	99.6	107.7		2023	(e)	13.4
SWEPco	Welsh Plant, Units 1 and 3	467.2	55.7		2028 (f)	(g)	37.3
SWEPco	Welsh Plant, Unit 2	—	35.2		2016	(h)	—

(a) Net book value including CWIP excluding cost of removal and materials and supplies.

(b) These amounts represent the amount of annual depreciation that has been collected from customers over the prior 12-month period.

(c) Northeastern Plant, Unit 3 is currently being recovered through 2040.

(d) Dolet Hills Power Station is currently being recovered through 2026 in the Louisiana jurisdiction and through 2046 in the Arkansas and Texas jurisdictions. In December 2021, the PUCT authorized the recovery of SWEPco's Texas jurisdictional share of the Dolet Hills Power Station through 2046 without providing a return on the investment which resulted in a disallowance of \$12 million. See Note 4 - Rate Matters for additional information.

(e) Pirkey Power Plant is currently being recovered through 2025 in the Louisiana jurisdiction and through 2045 in the Arkansas and Texas jurisdictions.

(f) In November 2020, management announced it will cease using coal at the Welsh Plant in 2028.

(g) Welsh Plant, Unit 1 is being recovered through 2027 in the Louisiana jurisdiction and through 2037 in the Arkansas and Texas jurisdictions. Welsh Plant, Unit 3 is being recovered through 2032 in the Louisiana jurisdiction and through 2042 in the Arkansas and Texas jurisdictions.

(h) Welsh Plant, Unit 2 is being recovered over the blended useful life of Welsh Plant, Units 1 and 3.

Management is seeking or will seek regulatory recovery, as necessary, for any net book value remaining when the plants are retired. To the extent the net book value of these generation assets is not deemed recoverable, it could materially reduce future net income, cash flows and impact financial condition.

RESULTS OF OPERATIONS

SEGMENTS

AEP's primary business is the generation, transmission and distribution of electricity. Within its Vertically Integrated Utilities segment, AEP centrally dispatches generation assets and manages its overall utility operations on an integrated basis because of the substantial impact of cost-based rates and regulatory oversight. Intersegment sales and transfers are generally based on underlying contractual arrangements and agreements.

AEP's reportable segments and their related business activities are outlined below:

Vertically Integrated Utilities

- Generation, transmission and distribution of electricity for sale to retail and wholesale customers through assets owned and operated by AEGCo, APCo, I&M, KGPCo, KPCo, PSO, SWEPCo and WPCo.

Transmission and Distribution Utilities

- Transmission and distribution of electricity for sale to retail and wholesale customers through assets owned and operated by AEP Texas and OPCo.
- OPCo purchases energy and capacity at auction to serve standard service offer customers and provides transmission and distribution services for all connected load.

AEP Transmission Holdco

- Development, construction and operation of transmission facilities through investments in AEPTCo. These investments have FERC-approved ROE.
- Development, construction and operation of transmission facilities through investments in AEP's transmission-only joint ventures. These investments have PUCT-approved or FERC-approved ROE.

Generation & Marketing

- Contracted renewable energy investments and management services.
- Marketing, risk management and retail activities in ERCOT, MISO, PJM and SPP.
- Competitive generation in PJM.

The remainder of AEP's activities are presented as Corporate and Other. While not considered a reportable segment, Corporate and Other primarily includes the purchasing of receivables from certain AEP utility subsidiaries, Parent's guarantee revenue received from affiliates, investment income, interest income and interest expense and other nonallocated costs.

The following discussion of AEP's results of operations by operating segment includes an analysis of Gross Margin, which is a non-GAAP financial measure. Gross Margin includes Total Revenues less the costs of Fuel and Other Consumables Used for Electric Generation, as well as Purchased Electricity for Resale, as presented in the Registrants' statements of income as applicable. Under the various state utility rate making processes, these expenses are generally reimbursable directly from and billed to customers. As a result, they do not typically impact Operating Income or Earnings Attributable to AEP Common Shareholders. Management believes that Gross Margin provides a useful measure for investors and other financial statement users to analyze AEP's financial performance in that it excludes the effect on Total Revenues caused by volatility in these expenses. Operating Income, which is presented in accordance with GAAP in AEP's statements of income, is the most directly comparable GAAP financial measure to the presentation of Gross Margin. AEP's definition of Gross Margin may not be directly comparable to similarly titled financial measures used by other companies.

The following table presents Earnings (Loss) Attributable to AEP Common Shareholders by segment:

	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Vertically Integrated Utilities	\$ 298.2	\$ 270.4
Transmission and Distribution Utilities	152.8	114.4
AEP Transmission Holdco	173.1	172.0
Generation & Marketing	114.2	36.6
Corporate and Other	(23.6)	(18.4)
Earnings Attributable to AEP Common Shareholders	\$ 714.7	\$ 575.0

AEP CONSOLIDATED

First Quarter of 2022 Compared to First Quarter of 2021

Earnings Attributable to AEP Common Shareholders increased from \$575 million in 2021 to \$715 million in 2022 primarily due to:

- Favorable rate proceedings in AEP's various jurisdictions.
- Increased weather-normalized sales volumes.
- Favorable mark-to-market economic hedge activity driven by higher commodity prices.

These increases were partially offset by:

- A decrease in unrealized gains on AEP's investment in ChargePoint.

VERTICALLY INTEGRATED UTILITIES

Vertically Integrated Utilities	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Revenues	\$ 2,687.4	\$ 2,537.3
Fuel and Purchased Electricity	866.1	859.0
Gross Margin	1,821.3	1,678.3
Other Operation and Maintenance	769.2	740.2
Depreciation and Amortization	500.0	432.1
Taxes Other Than Income Taxes	125.2	123.5
Operating Income	426.9	382.5
Other Income	5.2	0.7
Allowance for Equity Funds Used During Construction	8.1	9.9
Non-Service Cost Components of Net Periodic Benefit Cost	27.6	17.0
Interest Expense	(151.0)	(139.6)
Income Before Income Tax Expense (Benefit) and Equity Earnings	316.8	270.5
Income Tax Expense (Benefit)	17.9	(0.2)
Equity Earnings of Unconsolidated Subsidiary	0.3	0.7
Net Income	299.2	271.4
Net Income Attributable to Noncontrolling Interests	1.0	1.0
Earnings Attributable to AEP Common Shareholders	\$ 298.2	\$ 270.4

Summary of KWh Energy Sales for Vertically Integrated Utilities

	Three Months Ended March 31,	
	2022	2021
	(in millions of KWhs)	
Retail:		
Residential	9,225	9,481
Commercial	5,518	5,258
Industrial	8,162	7,702
Miscellaneous	544	519
Total Retail	23,449	22,960
Wholesale (a)	4,474	4,642
Total KWhs	27,923	27,602

(a) Includes Off-system Sales, municipalities and cooperatives, unit power and other wholesale customers.

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues. In general, degree day changes in the eastern region have a larger effect on revenues than changes in the western region due to the relative size of the two regions and the number of customers within each region.

Summary of Heating and Cooling Degree Days for Vertically Integrated Utilities

	Three Months Ended March 31,	
	2022	2021
	(in degree days)	
<u>Eastern Region</u>		
Actual – Heating (a)	1,590	1,539
Normal – Heating (b)	1,604	1,600
<u>Western Region</u>		
Actual – Heating (a)	915	958
Normal – Heating (b)	871	866
Actual – Cooling (c)	2	3
Normal – Cooling (b)	4	4
<u>Western Region</u>		
Actual – Heating (a)	915	958
Normal – Heating (b)	871	866
Actual – Cooling (c)	20	26
Normal – Cooling (b)	28	28

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Cooling degree days are calculated on a 65 degree temperature base.

Reconciliation of First Quarter of 2021 to First Quarter of 2022
Earnings Attributable to AEP Common Shareholders from Vertically Integrated Utilities
(in millions)

First Quarter of 2021	\$	270.4
Changes in Gross Margin:		
Retail Margins		139.2
Margins from Off-system Sales		(17.1)
Transmission Revenues		14.0
Other Revenues		6.9
Total Change in Gross Margin		143.0
Changes in Expenses and Other:		
Other Operation and Maintenance		(29.0)
Depreciation and Amortization		(67.9)
Taxes Other Than Income Taxes		(1.7)
Other Income		4.5
Allowance for Equity Funds Used During Construction		(1.8)
Non-Service Cost Components of Net Periodic Pension Cost		10.6
Interest Expense		(11.4)
Total Change in Expenses and Other		(96.7)
Income Tax Expense		(18.1)
Equity Earnings of Unconsolidated Subsidiary		(0.4)
First Quarter of 2022	\$	298.2

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity were as follows:

- **Retail Margins** increased \$139 million primarily due to the following:
 - A \$47 million increase at APCo and WPCo due to rider revenues in Virginia and West Virginia. This increase was partially offset in other expense items below.
 - A \$35 million increase in weather-normalized retail margins primarily in the commercial and industrial classes.
 - A \$27 million increase at PSO primarily due to a \$15 million increase in rider revenues and a \$12 million increase in base rate revenues. These increases were partially offset in other expense items below.
 - A \$20 million increase at I&M primarily due to an increase in rider revenues and a prior year provision for refund. This increase was partially offset in other expense items below.
 - A \$10 million increase at SWEPCo primarily due to a base rate revenue increase in Texas and rider increases in all retail jurisdictions. These increases were partially offset in other expense items below.
 - A \$4 million increase due to lower customer refunds related to Tax Reform primarily at APCo and WPCo. This increase was partially offset in Income Tax Expense below.
- These increases were partially offset by:
 - A \$21 million decrease at SWEPCo in municipal and cooperative revenues primarily due to the February 2021 severe winter weather event.
- **Margins from Off-system Sales** decreased \$17 million primarily due to Turk Plant merchant sales in February 2021 at SWEPCo as a result of the severe winter weather event.

- **Transmission Revenues** increased \$14 million primarily due to continued investment in transmission assets.
- **Other Revenues** increased \$7 million primarily due to the sale of emission allowances at I&M. This increase is offset in Retail Margins above.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$29 million primarily due to the following:
 - A \$52 million increase in PJM transmission services. This increase was partially offset in Retail Margins above.
 - A \$5 million increase in SPP transmission services.
 - A \$4 million increase in customer accounts due to bad debt write-offs and factoring.
- These increases were partially offset by:
- A \$35 million decrease due to the modification of the Rockport Plant, Unit 2 lease which resulted in a change in lease classification from an operating lease to a finance lease in December 2021 at AEGCo and I&M. This decrease is offset in Depreciation and Amortization expense below.
- **Depreciation and Amortization** expenses increased \$68 million primarily due to the following:
 - A \$39 million increase due to the modification of the Rockport Plant, Unit 2 lease which resulted in a change in lease classification from an operating lease to a finance lease in December 2021 at AEGCo and I&M. This increase was partially offset in Other Operation and Maintenance expense above.
 - A \$23 million increase due to a higher depreciable base at APCo, I&M and SWEPCo and the implementation of increased Texas depreciation rates at SWEPCo.
 - **Other Income** increased \$5 million primarily due to carrying charges on regulatory assets at PSO and SWEPCo resulting from the February 2021 severe winter weather event.
 - **Non-Service Cost Components of Net Periodic Benefit Cost** decreased \$11 million primarily due to an increase in discount rates, an increase in the expected return on plan assets and favorable plan returns in 2021.
 - **Interest Expense** increased \$11 million primarily due to higher long-term debt balances at PSO and SWEPCo.
 - **Income Tax Expense** increased \$18 million primarily due to an increase in pretax income, a decrease in amortization of Excess ADIT and a decrease in parent company loss benefit, partially offset by an increase in PTC. The decrease in amortization of Excess ADIT is partially offset above in Retail Margins.

TRANSMISSION AND DISTRIBUTION UTILITIES

Transmission and Distribution Utilities	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Revenues	\$ 1,246.8	\$ 1,088.1
Purchased Electricity	232.6	205.5
Gross Margin	1,014.2	882.6
Other Operation and Maintenance	428.5	365.2
Depreciation and Amortization	183.6	172.7
Taxes Other Than Income Taxes	164.4	157.6
Operating Income	237.7	187.1
Interest and Investment Income	0.2	0.4
Carrying Costs Income	0.1	0.5
Allowance for Equity Funds Used During Construction	7.3	6.8
Non-Service Cost Components of Net Periodic Benefit Cost	11.9	7.3
Interest Expense	(74.8)	(74.5)
Income Before Income Tax Expense	182.4	127.6
Income Tax Expense	29.6	13.2
Net Income	152.8	114.4
Net Income Attributable to Noncontrolling Interests	—	—
Earnings Attributable to AEP Common Shareholders	\$ 152.8	\$ 114.4

Summary of KWh Energy Sales for Transmission and Distribution Utilities

	Three Months Ended March 31,	
	2022	2021
	(in millions of KWhs)	
Retail:		
Residential	6,977	6,924
Commercial	5,999	5,576
Industrial	5,930	5,281
Miscellaneous	171	166
Total Retail (a)	19,077	17,947
Wholesale (b)	571	603
Total KWhs	19,648	18,550

(a) Represents energy delivered to distribution customers.

(b) Primarily Ohio's contractually obligated purchases of OVEC power sold to PJM.

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues. In general, degree day changes in the eastern region have a larger effect on revenues than changes in the western region due to the relative size of the two regions and the number of customers within each region.

Summary of Heating and Cooling Degree Days for Transmission and Distribution Utilities

	Three Months Ended March 31,	
	2022	2021
	(in degree days)	
<u>Eastern Region</u>		
Actual – Heating (a)	1,864	1,777
Normal – Heating (b)	1,886	1,883
Actual – Cooling (c)	1	—
Normal – Cooling (b)	3	3
<u>Western Region</u>		
Actual – Heating (a)	278	315
Normal – Heating (b)	190	185
Actual – Cooling (d)	88	137
Normal – Cooling (b)	126	126

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Eastern Region cooling degree days are calculated on a 65 degree temperature base.
- (d) Western Region cooling degree days are calculated on a 70 degree temperature base.

Reconciliation of First Quarter of 2021 to First Quarter of 2022
Earnings Attributable to AEP Common Shareholders from Transmission and Distribution Utilities
(in millions)

First Quarter of 2021	\$	114.4
Changes in Gross Margin:		
Retail Margins		111.0
Margins from Off-system Sales		12.7
Transmission Revenues		24.1
Other Revenues		(16.2)
Total Change in Gross Margin		131.6
Changes in Expenses and Other:		
Other Operation and Maintenance		(63.3)
Depreciation and Amortization		(10.9)
Taxes Other Than Income Taxes		(6.8)
Interest and Investment Income		(0.2)
Carrying Costs Income		(0.4)
Allowance for Equity Funds Used During Construction		0.5
Non-Service Cost Components of Net Periodic Benefit Cost		4.6
Interest Expense		(0.3)
Total Change in Expenses and Other		(76.8)
Income Tax Expense		(16.4)
First Quarter of 2022	\$	152.8

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of purchased electricity were as follows:

- **Retail Margins** increased \$111 million primarily due to the following:
 - A \$42 million net increase in Ohio Basic Transmission Cost Rider revenues and recoverable PJM expenses. This increase was partially offset in Other Operation and Maintenance expenses below.
 - A \$25 million increase in weather-normalized retail margins primarily in the commercial class partially offset in the industrial class.
 - A \$17 million increase due to prior year refunds of Excess ADIT to customers in Texas. This increase was offset in Income Tax Expense below.
 - A \$14 million increase from interim rate increases driven by increased distribution and transmission investment in Texas.
 - A \$12 million increase related to various rider revenues in Ohio. This increase was partially offset in Margins from Off-system Sales, Other Revenues and other expense items below.
 - A \$6 million increase in revenue from rate riders in Texas. This increase was partially offset in other expense items below.
- **Margins from Off-system Sales** increased \$13 million primarily due to an increase in off-system sales at OVEC in Ohio driven by higher market prices. This increase was offset in Retail Margins above and Other Revenues below.
- **Transmission Revenues** increased \$24 million primarily due to the following:
 - A \$17 million increase from interim rate increases driven by increased transmission investment in Texas.
 - A \$4 million increase due to prior year refunds to customers associated with the most recent base rate case in Texas. This increase was offset in Other Revenues below.

- **Other Revenues** decreased \$16 million primarily due to the following:
 - An \$8 million decrease primarily due to prior year refunds to customers associated with the most recent base rate case in Texas. This decrease was partially offset in Retail Margins and Transmission Revenues above.
 - An \$8 million decrease primarily due to third-party Legacy Generation Resource Rider revenue related to the recovery of OVEC costs in Ohio. This decrease was offset in Retail Margins and Margins from Off-system Sales above.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$63 million primarily due to the following:
 - A \$34 million increase in transmission expenses in Ohio primarily due to a \$36 million increase in recoverable PJM expenses partially offset by a \$4 million decrease in transmission formula rate true-up activity. The recoverable PJM expenses were partially offset in Retail Margins above.
 - A \$9 million increase in employee-related expenses.
 - A \$6 million increase in vegetation management expenses.
 - A \$6 million increase in remitted Universal Service Fund surcharge payments to the Ohio Department of Development to fund an energy assistance program for qualified Ohio customers. This increase was offset in Retail Margins above.
 - A \$5 million increase in factored customer accounts receivable expenses in Ohio primarily due to bad debt expenses and a prior year adjustment to allowance for doubtful accounts.
- **Depreciation and Amortization** expenses increased \$11 million primarily due to a higher depreciable base of transmission and distribution assets in Texas.
- **Taxes Other Than Income Taxes** increased \$7 million primarily due to increased property taxes driven by additional investments in transmission and distribution assets and higher tax rates in Ohio.
- **Non-Service Cost Components of Net Periodic Benefit Cost** decreased \$5 million primarily due to an increase in discount rates, an increase in the expected return on plan assets and favorable plan returns in 2021.
- **Income Tax Expense** increased \$16 million primarily due to an increase in pretax book income and a decrease in amortization of Excess ADIT. The decrease in amortization of Excess ADIT was partially offset in Gross Margin above.

AEP TRANSMISSION HOLDCO

AEP Transmission Holdco	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Transmission Revenues	\$ 411.4	\$ 377.0
Other Operation and Maintenance	31.7	27.2
Depreciation and Amortization	85.3	72.7
Taxes Other Than Income Taxes	67.3	59.2
Operating Income	227.1	217.9
Interest and Investment Income	0.1	0.2
Allowance for Equity Funds Used During Construction	15.6	16.7
Non-Service Cost Components of Net Periodic Benefit Cost	1.3	0.5
Interest Expense	(39.1)	(35.3)
Income Before Income Tax Expense and Equity Earnings	205.0	200.0
Income Tax Expense	50.4	45.8
Equity Earnings of Unconsolidated Subsidiary	19.1	19.0
Net Income	173.7	173.2
Net Income Attributable to Noncontrolling Interests	0.6	1.2
Earnings Attributable to AEP Common Shareholders	\$ 173.1	\$ 172.0

Summary of Investment in Transmission Assets for AEP Transmission Holdco

	March 31,	
	2022	2021
	(in millions)	
Plant in Service	\$ 11,870.9	\$ 10,549.3
Construction Work in Progress	1,633.9	1,635.9
Accumulated Depreciation and Amortization	861.1	648.1
Total Transmission Property, Net	\$ 12,643.7	\$ 11,537.1

**Reconciliation of First Quarter of 2021 to First Quarter of 2022
Earnings Attributable to AEP Common Shareholders from AEP Transmission Holdco
(in millions)**

First Quarter of 2021	\$	172.0
Changes in Transmission Revenues:		
Transmission Revenues		34.4
Total Change in Transmission Revenues		34.4
Changes in Expenses and Other:		
Other Operation and Maintenance		(4.5)
Depreciation and Amortization		(12.6)
Taxes Other Than Income Taxes		(8.1)
Interest and Investment Income		(0.1)
Allowance for Equity Funds Used During Construction		(1.1)
Non-Service Cost Components of Net Periodic Pension Cost		0.8
Interest Expense		(3.8)
Total Change in Expenses and Other		(29.4)
Income Tax Expense		(4.6)
Equity Earnings of Unconsolidated Subsidiary		0.1
Net Income Attributable to Noncontrolling Interests		0.6
First Quarter of 2022	\$	173.1

The major components of the increase in transmission revenues, which consists of wholesale sales to affiliates and nonaffiliates, were as follows:

- **Transmission Revenues** increased \$34 million primarily due to continued investment in transmission assets.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$5 million primarily due to an increase in employee-related expenses.
- **Depreciation and Amortization** expenses increased \$13 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased \$8 million primarily due to higher property taxes as a result of increased transmission investment.
- **Interest Expense** increased \$4 million primarily due to higher long-term debt balances.
- **Income Tax Expense** increased \$5 million primarily due to an increase in pretax book income and a decrease in parent company loss benefit.

GENERATION & MARKETING

Generation & Marketing	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Revenues	\$ 619.3	\$ 634.2
Fuel, Purchased Electricity and Other	448.1	565.9
Gross Margin	171.2	68.3
Other Operation and Maintenance	32.5	28.2
Depreciation and Amortization	23.3	18.6
Taxes Other Than Income Taxes	3.1	2.6
Operating Income	112.3	18.9
Interest and Investment Income	2.1	0.5
Non-Service Cost Components of Net Periodic Benefit Cost	5.1	3.8
Interest Expense	(5.0)	(3.3)
Income Before Income Tax Benefit and Equity Earnings (Loss)	114.5	19.9
Income Tax Benefit	(6.7)	(15.1)
Equity Earnings (Loss) of Unconsolidated Subsidiaries	(5.2)	3.2
Net Income	116.0	38.2
Net Income Attributable to Noncontrolling Interests	1.8	1.6
Earnings Attributable to AEP Common Shareholders	\$ 114.2	\$ 36.6

Summary of MWhs Generated for Generation & Marketing

	Three Months Ended March 31,	
	2022	2021
	(in millions of MWhs)	
Fuel Type:		
Coal	1	1
Renewables	1	1
Total MWhs	2	2

Reconciliation of First Quarter of 2021 to First Quarter of 2022
Earnings Attributable to AEP Common Shareholders from Generation & Marketing
(in millions)

First Quarter of 2021	\$	36.6
Changes in Gross Margin:		
Merchant Generation		(19.2)
Renewable Generation		5.6
Retail, Trading and Marketing		116.5
Total Change in Gross Margin		102.9
Changes in Expenses and Other:		
Other Operation and Maintenance		(4.3)
Depreciation and Amortization		(4.7)
Taxes Other Than Income Taxes		(0.5)
Interest and Investment Income		1.6
Non-Service Cost Components of Net Periodic Benefit Cost		1.3
Interest Expense		(1.7)
Total Change in Expenses and Other		(8.3)
Income Tax Benefit		(8.4)
Equity Earnings (Loss) of Unconsolidated Subsidiaries		(8.4)
Net Income Attributable to Noncontrolling Interests		(0.2)
First Quarter of 2022	\$	114.2

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, purchased electricity and certain cost of service for retail operations were as follows:

- **Merchant Generation** decreased \$19 million primarily due to increased outage days at Cardinal Plant and the sale of certain merchant generation assets in 2021, partially offset by higher market prices.
- **Renewable Generation** increased \$6 million primarily due to new wind and solar projects placed in service.
- **Retail, Trading and Marketing** increased \$117 million primarily due to higher mark-to-market economic hedge activity driven by higher commodity prices.

Expenses and Other, Income Tax Benefit and Equity Earnings (Loss) of Unconsolidated Subsidiaries changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$4 million primarily due to the following:
 - A \$3 million increase related to bad debt expense adjustments.
 - A \$2 million increase in employee-related expenses.
- **Depreciation and Amortization** expenses increased \$5 million primarily due to a higher depreciable base from increased investments in renewable energy sources.
- **Income Tax Benefit** decreased \$8 million primarily due to an increase in pretax book income, partially offset by an increase in PTC, a favorable discrete tax adjustment and a decrease in state income taxes.
- **Equity Earnings (Loss) of Unconsolidated Subsidiaries** decreased \$8 million primarily due to lower revenues driven by lower wind production from jointly owned assets.

CORPORATE AND OTHER

First Quarter of 2022 Compared to First Quarter of 2021

Earnings Attributable to AEP Common Shareholders from Corporate and Other decreased from a loss of \$18 million in 2021 to a loss of \$24 million in 2022 primarily due to:

- A \$16 million decrease due to lower unrealized gains relating in an investment in ChargePoint.
- A \$10 million decrease primarily due to a favorable bad debt expense adjustment in 2021.
- A \$9 million increase in interest expense due to higher long-term and short-term debt balances.
- An \$8 million decrease in interest income due to a lower return on investments held by EIS.
- A \$3 million increase in transaction costs due to the anticipated sale of the Kentucky operations.

These items were partially offset by:

- A \$49 million decrease in Income Tax Expense primarily due to the following:
 - A \$27 million decrease due to a consolidating tax adjustment.
 - An \$11 million decrease due to a decrease in pretax book income.
 - A \$10 million decrease due to an increase in parent company loss benefit.

AEP SYSTEM INCOME TAXES

First Quarter of 2022 Compared to First Quarter of 2021

Income Tax Expense decreased \$2 million primarily due to an increase in pretax book income, partially offset by an increase in PTC and a decrease in state income taxes.

FINANCIAL CONDITION

AEP measures financial condition by the strength of its balance sheets and the liquidity provided by its cash flows.

LIQUIDITY AND CAPITAL RESOURCES

Debt and Equity Capitalization

	March 31, 2022		December 31, 2021	
	(dollars in millions)			
Long-term Debt, including amounts due within one year	\$ 33,864.1	55.3 %	\$ 33,454.5	57.0 %
Short-term Debt	3,380.3	5.5	2,614.0	4.4
Total Debt	37,244.4	60.8	36,068.5	61.4
AEP Common Equity	23,791.3	38.8	22,433.2	38.2
Noncontrolling Interests	246.8	0.4	247.0	0.4
Total Debt and Equity Capitalization	\$ 61,282.5	100.0 %	\$ 58,748.7	100.0 %

AEP's ratio of debt-to-total capital decreased from 61.4% as of December 31, 2021 to 60.8% as of March 31, 2022 primarily due to an increase in earnings in 2022 in addition to the settlement of the forward equity purchase contracts related to the 2019 Equity Units, partially offset by an increase in debt to support distribution, transmission and renewable investment growth. See "Equity Units" section of Note 12 for additional information.

Liquidity

Liquidity, or access to cash, is an important factor in determining AEP's financial stability. Management believes AEP has adequate liquidity. As of March 31, 2022, AEP had \$5 billion of revolving credit facilities to support its commercial paper program. Additional liquidity is available from cash from operations and a receivables securitization agreement. Management is committed to maintaining adequate liquidity. AEP generally uses short-term borrowings to fund working capital needs, property acquisitions and construction until long-term funding is arranged. Sources of long-term funding include issuance of long-term debt, leasing agreements, hybrid securities or common stock. In February 2021, severe winter weather impacted certain AEP service territories resulting in disruptions to SPP market conditions. In March 2021, AEP entered into a \$500 million 364-day Term Loan and borrowed the full amount to help address the cash flow implications resulting from the February 2021 severe winter weather event. In February 2022, AEP entered into a \$250 million Term Loan, maturing in September 2022, for general corporate business purposes, including the pay down of short-term debt. In March 2022, AEP extended the maturity date of the original 364-Day Term Loan to August 2022. See Note 4 - Rate Matters for additional information.

Net Available Liquidity

AEP manages liquidity by maintaining adequate external financing commitments. As of March 31, 2022, available liquidity was approximately \$3.8 billion as illustrated in the table below:

	<u>Amount</u>	<u>Maturity</u>
	<u>(in millions)</u>	
Commercial Paper Backup:		
Revolving Credit Facility	\$ 4,000.0	March 2027 (a)
Revolving Credit Facility	1,000.0	March 2024 (a)
Term Loan (b)	500.0	August 2022
Term Loan	250.0	September 2022
Cash and Cash Equivalents	675.6	
Total Liquidity Sources	6,425.6	
Less:		
AEP Commercial Paper Outstanding	1,880.3	
Term Loan (b)	500.0	
Term Loan	250.0	
Net Available Liquidity	\$ 3,795.3	

(a) In April 2022, AEP extended the maturity dates of the Revolving Credit Facilities from March 2026 to March 2027 and from March 2023 to March 2024, respectively.

(b) In March 2022, AEP extended the maturity date of the original 364-Day Term Loan to August 2022.

AEP uses its commercial paper program to meet the short-term borrowing needs of its subsidiaries. The program funds a Utility Money Pool, which funds AEP's utility subsidiaries; a Nonutility Money Pool, which funds certain AEP nonutility subsidiaries; and the short-term debt requirements of subsidiaries that are not participating in either money pool for regulatory or operational reasons, as direct borrowers. The maximum amount of commercial paper outstanding during the first three months of 2022 was \$2.4 billion. The weighted-average interest rate for AEP's commercial paper during 2022 was 0.69%.

Other Credit Facilities

An uncommitted facility gives the issuer of the facility the right to accept or decline each request made under the facility. AEP issues letters of credit on behalf of subsidiaries under five uncommitted facilities totaling \$400 million. The Registrants' maximum future payments for letters of credit issued under the uncommitted facilities as of March 31, 2022 was \$309 million with maturities ranging from April 2022 to March 2023.

Securitized Accounts Receivables

AEP Credit's receivables securitization agreement provides a commitment of \$750 million from bank conduits to purchase receivables and was amended in September 2021 to include a \$125 million and a \$625 million facility which expire in September 2023 and 2024, respectively. As of March 31, 2022, the affiliated utility subsidiaries are in compliance with all requirements under the agreement.

Debt Covenants and Borrowing Limitations

AEP's credit agreements contain certain covenants and require it to maintain a percentage of debt-to-total capitalization at a level that does not exceed 67.5%. The method for calculating outstanding debt and capitalization is contractually-defined in AEP's credit agreements. Debt as defined in the revolving credit agreement excludes securitization bonds and debt of AEP Credit. As of March 31, 2022, this contractually-defined percentage was 57.8%. Non-performance under these covenants could result in an event of default under these credit agreements. In addition, the acceleration of AEP's payment obligations, or the obligations of certain of AEP's major subsidiaries, prior to maturity under any other agreement or instrument relating to debt outstanding in excess of \$50 million, would cause an event of default under these credit agreements. This condition also applies in a majority of AEP's non-exchange-traded commodity contracts and would similarly allow lenders and counterparties to declare the outstanding amounts payable. However, a default under AEP's non-exchange-traded commodity contracts would not cause an event of default under its credit agreements.

The revolving credit facilities do not permit the lenders to refuse a draw on any facility if a material adverse change occurs.

Utility Money Pool borrowings and external borrowings may not exceed amounts authorized by regulatory orders and AEP manages its borrowings to stay within those authorized limits.

ATM Program

AEP participates in an ATM offering program that allows AEP to issue, from time to time, up to an aggregate of \$1 billion of its common stock, including shares of common stock that may be sold pursuant to an equity forward sales agreement. There were no issuances under the ATM program for the three months ended March 31, 2022. As of March 31, 2022, approximately \$511 million of equity is available for issuance under the ATM offering program. See Note 12 - Financing Activities for additional information.

Equity Units

In August 2020, AEP issued 17 million Equity Units initially in the form of corporate units, at a stated amount of \$50 per unit, for a total stated amount of \$850 million. Net proceeds from the issuance were approximately \$833 million. Each corporate unit represents a 1/20 undivided beneficial ownership interest in \$1,000 principal amount of AEP's 1.30% Junior Subordinated Notes due in 2025 and a forward equity purchase contract which settles after three years in 2023. The proceeds were used to support AEP's overall capital expenditure plans.

In March 2019, AEP issued 16.1 million Equity Units initially in the form of corporate units, at a stated amount of \$50 per unit, for a total stated amount of \$805 million. Net proceeds from the issuance were approximately \$785 million. Each corporate unit represents a 1/20 undivided beneficial ownership interest in \$1,000 principal amount of AEP's 3.40% Junior Subordinated Notes due in 2024 and a forward equity purchase contract which settled after three years in 2022. The proceeds from this issuance were used to support AEP's overall capital expenditure plans including the acquisition of Sempra Renewables LLC. In January 2022, AEP successfully remarketed the notes on behalf of holders of the corporate units and did not directly receive any proceeds therefrom. Instead, the holders of the corporate units used the debt remarketing proceeds to settle the forward equity purchase contract with AEP. The interest rate on the notes was reset to 2.031% with the maturity remaining in 2024. In March 2022, AEP issued 8,970,920 shares of AEP common stock and received proceeds totaling \$805 million under the settlement of the forward equity purchase contract. AEP common stock held in treasury was used to settle the forward equity purchase contract.

See Note 12 - Financing Activities for additional information.

Dividend Policy and Restrictions

The Board of Directors declared a quarterly dividend of \$0.78 per share in April 2022. Future dividends may vary depending upon AEP's profit levels, operating cash flow levels and capital requirements, as well as financial and other business conditions existing at the time. Parent's income primarily derives from common stock equity in the earnings of its utility subsidiaries. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of the subsidiaries to transfer funds to Parent in the form of dividends. Management does not believe these restrictions will have any significant impact on its ability to access cash to meet the payment of dividends on its common stock. See "Dividend Restrictions" section of Note 12 for additional information.

Credit Ratings

AEP and its utility subsidiaries do not have any credit arrangements that would require material changes in payment schedules or terminations as a result of a credit downgrade, but its access to the commercial paper market may depend on its credit ratings. In addition, downgrades in AEP's credit ratings by one of the rating agencies could increase its borrowing costs. Counterparty concerns about the credit quality of AEP or its utility subsidiaries could

subject AEP to additional collateral demands under adequate assurance clauses under its derivative and non-derivative energy contracts.

CASH FLOW

AEP relies primarily on cash flows from operations, debt issuances and its existing cash and cash equivalents to fund its liquidity and investing activities. AEP's investing and capital requirements are primarily capital expenditures, repaying of long-term debt and paying dividends to shareholders. AEP uses short-term debt, including commercial paper, as a bridge to long-term debt financing. The levels of borrowing may vary significantly due to the timing of long-term debt financings and the impact of fluctuations in cash flows.

	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	\$ 451.4	\$ 438.3
Net Cash Flows from (Used for) Operating Activities	1,622.2	(117.2)
Net Cash Flows Used for Investing Activities	(2,893.2)	(1,634.2)
Net Cash Flows from Financing Activities	1,545.1	1,637.1
Net Increase (Decrease) in Cash and Cash Equivalents	274.1	(114.3)
Cash, Cash Equivalents and Restricted Cash at End of Period	<u>\$ 725.5</u>	<u>\$ 324.0</u>

Operating Activities

	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Net Income	\$ 718.1	\$ 578.8
Non-Cash Adjustments to Net Income (a)	766.6	762.7
Mark-to-Market of Risk Management Contracts	282.3	21.0
Property Taxes	(82.0)	(74.8)
Deferred Fuel Over/Under-Recovery, Net	(148.8)	(1,225.1)
Change in Other Noncurrent Assets	26.5	(168.9)
Change in Other Noncurrent Liabilities	36.9	83.5
Change in Certain Components of Working Capital	22.6	(94.4)
Net Cash Flows from (Used for) Operating Activities	<u>\$ 1,622.2</u>	<u>\$ (117.2)</u>

(a) Non-Cash Adjustments to Net Income includes Depreciation and Amortization, Rockport Plant, Unit 2 Operating Lease Amortization, Deferred Income Taxes, AFUDC and Amortization of Nuclear Fuel.

Net Cash Flows from (Used for) Operating Activities increased by \$1.7 billion primarily due to the following:

- A \$1.1 billion increase in cash primarily due to fuel and purchased power expenses incurred in 2021 as a result of the February 2021 severe winter weather event in SPP impacting PSO and SWEPCo. PSO and SWEPCo are working with their respective regulatory commissions to determine the recovery period from customers as well as the appropriate carrying charge on the regulatory assets. See Note 4 - Rate Matters for additional information.
- A \$261 million increase primarily due to collateral held against risk management contracts due to pricing movement in the commodities market.
- A \$195 million increase in cash from changes in Noncurrent Assets primarily due to incremental other operation and maintenance storm restoration expenses incurred in 2021 by APCo, SWEPCo and KPCo as a result of the February 2021 severe winter weather event. KPCo intends to seek recovery of these

incremental storm costs in their next base rate case while APCo is expected to seek recovery in separate filings. In October 2021, SWEPCo requested recovery of these storm costs, in addition to storm costs from Hurricanes Delta and Laura, in a filing with the LPSC. See Note 4 - Rate Matters for additional information.

- A \$143 million increase in cash from Net Income, after non-cash adjustments. See Results of Operations for further detail.
- A \$117 million increase in cash from the Change in Certain Components of Working Capital. The increase is primarily due to a return of margin deposits from PJM originally paid in 2021 and a decrease in employee-related payments, partially offset by a decrease due to the timing of accounts payable.

Investing Activities

	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Construction Expenditures	\$ (1,686.6)	\$ (1,492.7)
Acquisitions of Nuclear Fuel	(31.1)	(55.9)
Acquisition of the Dry Lake Solar Project	—	(102.9)
Acquisition of the North Central Wind Energy Facilities	(1,207.3)	—
Other	31.8	17.3
Net Cash Flows Used for Investing Activities	\$ (2,893.2)	\$ (1,634.2)

Net Cash Flows Used for Investing Activities increased by \$1.3 billion primarily due to the following:

- A \$1.1 billion increase due to the acquisition of the North Central Wind Energy Facilities in 2022, partially offset by the acquisition of the Dry Lake Solar Project in 2021. See Note 6 - Acquisitions, Assets and Liabilities Held for Sale for additional information.
- A \$194 million increase in construction expenditures, primarily due to increases in Vertically Integrated Utilities of \$129 million and Transmission and Distribution Utilities of \$72 million.

Financing Activities

	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Issuance of Common Stock	\$ 809.5	\$ 184.6
Issuance/Retirement of Debt, Net	1,214.9	1,869.9
Dividends Paid on Common Stock	(398.8)	(372.0)
Other	(80.5)	(45.4)
Net Cash Flows from Financing Activities	\$ 1,545.1	\$ 1,637.1

Net Cash Flows from Financing Activities decreased by \$92 million primarily due to the following:

- A \$1.5 billion decrease in issuances of long-term debt. See Note 12 - Financing Activities for additional information.
- This decrease in cash was partially offset by:
- A \$625 million increase in issuances of common stock primarily due to the settlement of the 2019 equity units. See "Equity Units" section of Note 12 for additional information.
 - A \$600 million decrease in retirements of long-term debt. See Note 12 - Financing Activities for additional information.
 - A \$197 million increase due to changes in short-term debt. See Note 12 - Financing Activities for additional information.

See the “Long-term Debt Subsequent Events” section of Note 12 for Long-term debt and other securities issued, retired and principal payments made after March 31, 2022 through April 28, 2022, the date that the first quarter 10-Q was filed.

BUDGETED CAPITAL EXPENDITURES

Management forecasts approximately \$7.6 billion of capital expenditures in 2022. For the four year period, 2023 through 2026, management forecasts capital expenditures of \$30.7 billion. The expenditures are generally for transmission, generation, distribution, regulated renewables and required environmental investment to comply with the Federal EPA rules. Estimated capital expenditures are subject to periodic review and modification and may vary based on the ongoing effects of regulatory constraints, environmental regulations, business opportunities, market volatility, economic trends, supply chain issues, weather, legal reviews and the ability to access capital. Management expects to fund these capital expenditures through cash flows from operations, proceeds from the sale of Kentucky operations and competitive contracted renewables, and financing activities. Generally, the Registrant Subsidiaries use cash or short-term borrowings under the money pool to fund these expenditures until long-term funding is arranged. For complete information of forecasted capital expenditures, see the “Budgeted Capital Expenditures” section of “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the 2021 Annual Report.

SIGNIFICANT CASH REQUIREMENTS

A summary of significant cash requirements is included in the 2021 Annual Report and has not changed significantly from year-end other than the debt issuances and retirements discussed in the “Cash Flow” section above.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES AND ACCOUNTING STANDARDS

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

See the “Critical Accounting Policies and Estimates” section of “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the 2021 Annual Report for a discussion of the estimates and judgments required for regulatory accounting, revenue recognition, derivative instruments, the valuation of long-lived assets, the accounting for pension and other postretirement benefits and the impact of new accounting standards.

ACCOUNTING STANDARDS

See Note 2 - New Accounting Standards for information related to accounting standards. There are no new standards expected to have a material impact to the Registrants’ financial statements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risks

The Vertically Integrated Utilities segment is exposed to certain market risks as a major power producer and through transactions in power, coal, natural gas and marketing contracts. These risks include commodity price risks which may be subject to capacity risk, credit risk as well as interest rate risk. These risks represent the risk of loss that may impact this segment due to changes in the underlying market prices or rates.

The Transmission and Distribution Utilities segment is exposed to energy procurement risk and interest rate risk.

The Generation & Marketing segment conducts marketing, risk management and retail activities in ERCOT, PJM, SPP and MISO. This segment is exposed to certain market risks as a marketer of wholesale and retail electricity.

These risks include commodity price risks which may be subject to capacity risk, credit risk as well as interest rate risk. These risks represent the risk of loss that may impact this segment due to changes in the underlying market prices or rates. In addition, the Generation & Marketing segment is also exposed to certain market risks as a power producer and through transactions in wholesale electricity, natural gas and marketing contracts.

Management employs risk management contracts including physical forward and financial forward purchase-and-sale contracts. Management engages in risk management of power, capacity, coal, natural gas and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. As a result, AEP is subject to price risk. The amount of risk taken is determined by the Commercial Operations, Energy Supply and Finance groups in accordance with established risk management policies as approved by the Finance Committee of the Board of Directors. AEPSC's market risk oversight staff independently monitors risk policies, procedures and risk levels and provides members of the Commercial Operations Risk Committee (Regulated Risk Committee) and the Energy Supply Risk Committee (Competitive Risk Committee) various reports regarding compliance with policies, limits and procedures. The Regulated Risk Committee consists of AEPSC's Chief Financial Officer, Chief Operating Officer, Executive Vice President of Generation, Senior Vice President of Grid Solutions, Senior Vice President of Treasury and Risk and Chief Risk Officer. The Competitive Risk Committee consists of AEPSC's Chief Financial Officer, Senior Vice President of Treasury and Risk and Chief Risk Officer in addition to Energy Supply's President and Senior Vice President. When commercial activities exceed predetermined limits, positions are modified to reduce the risk to be within the limits unless specifically approved by the respective committee.

The effects of COVID-19 continue to be monitored, and while markets have shown improvement, credit risks remain as counterparties encounter business and supply chain disruptions.

Due to multiple defaults of market participants, ERCOT had a large outstanding unpaid balance associated with the February 2021 winter storm. A certain portion of this balance has been securitized and disbursed to impacted market participants. Financial costs associated with securitization are allocated to certain market participants and in that role AEPEP is exposed, but not materially. If the market rules were to change on how socialized losses are allocated this could affect AEPEP's exposure. Regardless of the approach of how socialized losses are allocated there are potential downstream impacts that could push counterparties into financial distress and or bankruptcy, affecting AEPEP, AEP Texas and ETT.

The following table summarizes the reasons for changes in total MTM value as compared to December 31, 2021:

MTM Risk Management Contract Net Assets (Liabilities)
Three Months Ended March 31, 2022

	Vertically Integrated Utilities	Transmission and Distribution Utilities	Generation & Marketing	Total
	(in millions)			
Total MTM Risk Management Contract Net Assets (Liabilities) as of December 31, 2021	\$ 59.8	\$ (91.4)	\$ 275.9	\$ 244.3
(Gain)/Loss from Contracts Realized/Settled During the Period and Entered in a Prior Period	(59.4)	1.5	(15.7)	(73.6)
Fair Value of New Contracts at Inception When Entered During the Period (a)	—	—	0.8	0.8
Changes in Fair Value Due to Market Fluctuations During the Period (b)	—	—	132.5	132.5
Changes in Fair Value Allocated to Regulated Jurisdictions (c)	29.3	24.0	—	53.3
MTM Risk Management Contract Net Assets Held for Sale Related to KPCo (d)	4.3	—	—	4.3
Total MTM Risk Management Contract Net Assets (Liabilities) as of March 31, 2022	<u>\$ 34.0</u>	<u>\$ (65.9)</u>	<u>\$ 393.5</u>	<u>\$ 361.6</u>
Commodity Cash Flow Hedge Contracts				511.6
Interest Rate Cash Flow Hedge Contracts				3.8
Fair Value Hedge Contracts				(81.7)
Collateral Deposits				(654.2)
Total MTM Derivative Contract Net Assets as of March 31, 2022				<u>\$ 141.1</u>

(a) Reflects fair value on primarily long-term structured contracts which are typically with customers that seek fixed pricing to limit their risk against fluctuating energy prices. The contract prices are valued against market curves associated with the delivery location and delivery term. A significant portion of the total volumetric position has been economically hedged.

(b) Market fluctuations are attributable to various factors such as supply/demand, weather, etc.

(c) Relates to the net gains (losses) of those contracts that are not reflected on the statements of income. These net gains (losses) are recorded as regulatory liabilities/assets or accounts payable.

(d) MTM risk management contract net assets relating to KPCo are classified as Assets Held for Sale on the balance sheet. See "Disposition of KPCo and KTCo" section of Note 6 for additional information.

See Note 9 – Derivatives and Hedging and Note 10 – Fair Value Measurements for additional information related to risk management contracts. The following tables and discussion provide information on credit risk and market volatility risk.

Credit Risk

Credit risk is mitigated in wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses credit agency ratings and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

AEP has risk management contracts (includes non-derivative contracts) with numerous counterparties. Since open risk management contracts are valued based on changes in market prices of the related commodities, exposures change daily. As of March 31, 2022, credit exposure net of collateral to sub investment grade counterparties was approximately 0.5%, expressed in terms of net MTM assets, net receivables and the net open positions for contracts not subject to MTM (representing economic risk even though there may not be risk of accounting loss).

As of March 31, 2022, the following table approximates AEP's counterparty credit quality and exposure based on netting across commodities, instruments and legal entities where applicable:

Counterparty Credit Quality	Exposure Before Credit Collateral	Credit Collateral	Net Exposure	Number of Counterparties >10% of Net Exposure	Net Exposure of Counterparties >10%
	(in millions, except number of counterparties)				
Investment Grade	\$ 659.1	\$ 208.3	\$ 450.8	3	\$ 203.5
Split Rating	0.1	—	0.1	1	0.1
Noninvestment Grade	0.1	0.1	—	—	—
No External Ratings:					
Internal Investment Grade	54.9	—	54.9	3	43.3
Internal Noninvestment Grade	9.8	7.3	2.5	3	2.5
Total as of March 31, 2022	<u>\$ 724.0</u>	<u>\$ 215.7</u>	<u>\$ 508.3</u>		

All exposure in the table above relates to AEPSC and AEPEP as AEPSC is agent for and transacts on behalf of certain AEP subsidiaries, including the Registrant Subsidiaries and AEPEP is agent for and transacts on behalf of other AEP subsidiaries.

In addition, AEP is exposed to credit risk related to participation in RTOs. For each of the RTOs in which AEP participates, this risk is generally determined based on the proportionate share of member gross activity over a specified period of time.

Value at Risk (VaR) Associated with Risk Management Contracts

Management uses a risk measurement model, which calculates VaR, to measure AEP's commodity price risk in the risk management portfolio. The VaR is based on the variance-covariance method using historical prices to estimate volatilities and correlations and assumes a 95% confidence level and a one-day holding period. Based on this VaR analysis, as of March 31, 2022, a near term typical change in commodity prices is not expected to materially impact net income, cash flows or financial condition.

Management calculates the VaR for both a trading and non-trading portfolio. The trading portfolio consists primarily of contracts related to energy trading and marketing activities. The non-trading portfolio consists primarily of economic hedges of generation and retail supply activities.

The following tables show the end, high, average and low market risk as measured by VaR for the periods indicated:

Three Months Ended March 31, 2022				Twelve Months Ended December 31, 2021			
End	High	Average	Low	End	High	Average	Low
(in millions)				(in millions)			
\$ 0.1	\$ 1.3	\$ 0.5	\$ 0.1	\$ 0.4	\$ 3.6	\$ 0.4	\$ 0.1

**VaR Model
Non-Trading Portfolio**

Three Months Ended March 31, 2022				Twelve Months Ended December 31, 2021			
End	High	Average	Low	End	High	Average	Low
		(in millions)				(in millions)	
\$	12.0	\$	16.6	\$	11.5	\$	6.7
\$		14.9	\$	8.3	\$	14.9	\$
		3.7	\$			0.7	

Management back-tests VaR results against performance due to actual price movements. Based on the assumed 95% confidence interval, the performance due to actual price movements would be expected to exceed the VaR at least once every 20 trading days.

As the VaR calculation captures recent price movements, management also performs regular stress testing of the trading portfolio to understand AEP's exposure to extreme price movements. A historical-based method is employed whereby the current trading portfolio is subjected to actual, observed price movements from the last several years in order to ascertain which historical price movements translated into the largest potential MTM loss. Management then researches the underlying positions, price movements and market events that created the most significant exposure and reports the findings to the Risk Executive Committee, Regulated Risk Committee or Competitive Risk Committee as appropriate.

Interest Rate Risk

AEP is exposed to interest rate market fluctuations in the normal course of business operations. AEP has outstanding short and long-term debt which is subject to a variable rate. AEP manages interest rate risk by limiting variable-rate exposures to a percentage of total debt, by entering into interest rate derivative instruments and by monitoring the effects of market changes in interest rates. For the three months ended March 31, 2022 and 2021, a 100 basis point change in the benchmark rate on AEP's variable rate debt would impact pretax interest expense annually by \$37 million and \$40 million, respectively.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2022 and 2021
(in millions, except per-share and share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
REVENUES		
Vertically Integrated Utilities	\$ 2,646.8	\$ 2,504.5
Transmission and Distribution Utilities	1,242.2	1,082.3
Generation & Marketing	609.5	601.7
Other Revenues	94.1	92.6
TOTAL REVENUES	4,592.6	4,281.1
EXPENSES		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	1,500.7	1,560.7
Other Operation	662.2	592.4
Maintenance	285.0	274.9
Depreciation and Amortization	792.4	696.3
Taxes Other Than Income Taxes	364.2	346.5
TOTAL EXPENSES	3,604.5	3,470.8
OPERATING INCOME	988.1	810.3
Other Income (Expense):		
Other Income	2.3	21.7
Allowance for Equity Funds Used During Construction	31.0	33.4
Non-Service Cost Components of Net Periodic Benefit Cost	47.2	29.6
Interest Expense	(313.4)	(290.2)
INCOME BEFORE INCOME TAX EXPENSE AND EQUITY EARNINGS	755.2	604.8
Income Tax Expense	52.8	54.5
Equity Earnings of Unconsolidated Subsidiaries	15.7	28.5
NET INCOME	718.1	578.8
Net Income Attributable to Noncontrolling Interests	3.4	3.8
EARNINGS ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS	\$ 714.7	\$ 575.0
WEIGHTED AVERAGE NUMBER OF BASIC AEP COMMON SHARES OUTSTANDING	506,050,147	497,058,635
TOTAL BASIC EARNINGS PER SHARE ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS	\$ 1.41	\$ 1.16
WEIGHTED AVERAGE NUMBER OF DILUTED AEP COMMON SHARES OUTSTANDING	507,658,522	498,164,219
TOTAL DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS	\$ 1.41	\$ 1.15

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Net Income	\$ 718.1	\$ 578.8
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES		
Cash Flow Hedges, Net of Tax of \$65.9 and \$15.0 in 2022 and 2021, Respectively	248.0	56.3
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(0.6) and \$(0.5) in 2022 and 2021, Respectively,	(2.2)	(2.0)
TOTAL OTHER COMPREHENSIVE INCOME	245.8	54.3
TOTAL COMPREHENSIVE INCOME	963.9	633.1
Total Comprehensive Income Attributable To Noncontrolling Interests	3.4	3.8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS	\$ 960.5	\$ 629.3

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	AEP Common Shareholders						Noncontrolling Interests	Total
	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)			
	Shares	Amount						
TOTAL EQUITY – DECEMBER 31, 2020	516.8	\$ 3,359.3	\$ 6,588.9	\$ 10,687.8	\$ (85.1)	\$ 223.6	\$ 20,774.5	
Issuance of Common Stock	2.7	17.1	167.5				184.6	
Common Stock Dividends				(369.5) (a)		(2.5)	(372.0)	
Other Changes in Equity			(21.9)	(0.6)		3.4	(19.1)	
Acquisition of Dry Lake Solar Project						18.9	18.9	
Net Income				575.0		3.8	578.8	
Other Comprehensive Income					54.3		54.3	
TOTAL EQUITY – MARCH 31, 2021	<u>519.5</u>	<u>\$ 3,376.4</u>	<u>\$ 6,734.5</u>	<u>\$ 10,892.7</u>	<u>\$ (30.8)</u>	<u>\$ 247.2</u>	<u>\$ 21,220.0</u>	
TOTAL EQUITY – DECEMBER 31, 2021	524.4	\$ 3,408.7	\$ 7,172.6	\$ 11,667.1	\$ 184.8	\$ 247.0	\$ 22,680.2	
Issuance of Common Stock	0.4	2.4	807.1				809.5	
Common Stock Dividends				(395.2) (a)		(3.6)	(398.8)	
Other Changes in Equity			(15.2)	(1.5)		—	(16.7)	
Net Income				714.7		3.4	718.1	
Other Comprehensive Income					245.8		245.8	
TOTAL EQUITY – MARCH 31, 2022	<u>524.8</u>	<u>\$ 3,411.1</u>	<u>\$ 7,964.5</u>	<u>\$ 11,985.1</u>	<u>\$ 430.6</u>	<u>\$ 246.8</u>	<u>\$ 24,038.1</u>	

(a) Cash dividends declared per AEP common share were \$0.78 and \$0.74 for the three months ended March 31, 2022 and 2021.

e Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS
March 31, 2022 and December 31, 2021
(in millions)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 675.6	\$ 403.4
Restricted Cash (March 31, 2022 and December 31, 2021 Amounts Include \$49.9 and \$48, Respectively, Related to Transition Funding, Restoration Funding and Appalachian Consumer Rate Relief Funding)	49.9	48.0
Other Temporary Investments (March 31, 2022 and December 31, 2021 Amounts Include \$203.3 and \$214.8, Respectively, Related to EIS and Transource Energy)	208.5	220.4
Accounts Receivable:		
Customers	743.1	720.9
Accrued Unbilled Revenues	205.8	204.4
Pledged Accounts Receivable – AEP Credit	990.2	1,038.0
Miscellaneous	51.9	33.9
Allowance for Uncollectible Accounts	(54.4)	(55.6)
Total Accounts Receivable	1,936.6	1,941.6
Fuel	270.4	307.9
Materials and Supplies	696.4	681.3
Risk Management Assets	310.7	194.4
Accrued Tax Benefits	67.5	121.5
Regulatory Asset for Under-Recovered Fuel Costs	840.7	647.8
Assets Held for Sale	2,972.6	2,919.7
Prepayments and Other Current Assets	239.1	323.2
TOTAL CURRENT ASSETS	8,268.0	7,809.2
PROPERTY, PLANT AND EQUIPMENT		
Electric:		
Generation	24,386.6	23,088.1
Transmission	30,305.9	29,911.1
Distribution	24,759.2	24,440.0
Other Property, Plant and Equipment (Including Coal Mining and Nuclear Fuel)	5,756.0	5,682.9
Construction Work in Progress	3,967.3	3,684.3
Total Property, Plant and Equipment	89,175.0	86,806.4
Accumulated Depreciation and Amortization	21,297.0	20,805.1
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	67,878.0	66,001.3
OTHER NONCURRENT ASSETS		
Regulatory Assets	4,087.6	4,142.3
Securitized Assets	527.6	552.8
Spent Nuclear Fuel and Decommissioning Trusts	3,678.4	3,867.0
Goodwill	52.5	52.5
Long-term Risk Management Assets	260.8	267.0
Operating Lease Assets	646.2	578.3
Deferred Charges and Other Noncurrent Assets	4,432.3	4,398.3
TOTAL OTHER NONCURRENT ASSETS	13,685.4	13,858.2
TOTAL ASSETS	\$ 89,831.4	\$ 87,668.7

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
March 31, 2022 and December 31, 2021
(in millions, except per-share and share amounts)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT LIABILITIES		
Accounts Payable	\$ 1,694.3	\$ 2,054.6
Short-term Debt:		
Securitized Debt for Receivables – AEP Credit	750.0	750.0
Other Short-term Debt	2,630.3	1,864.0
Total Short-term Debt	3,380.3	2,614.0
Long-term Debt Due Within One Year (March 31, 2022 and December 31, 2021 Amounts Include \$238.4 and \$190.5, Respectively, Related to Sabine, DCC Fuel, Transition Funding, Restoration Funding, Appalachian Consumer Rate Relief Funding and Transource Energy)	3,008.4	2,153.8
Risk Management Liabilities	130.0	75.4
Customer Deposits	356.2	321.6
Accrued Taxes	1,485.2	1,586.4
Accrued Interest	339.1	273.2
Obligations Under Operating Leases	95.0	97.6
Liabilities Held for Sale	1,873.7	1,880.9
Other Current Liabilities	1,206.4	1,369.2
TOTAL CURRENT LIABILITIES	13,568.6	12,426.7
NONCURRENT LIABILITIES		
Long-term Debt (March 31, 2022 and December 31, 2021 Amounts Include \$743.5 and \$840.5, Respectively, Related to Sabine, DCC Fuel, Transition Funding, Restoration Funding, Appalachian Consumer Rate Relief Funding and Transource Energy)	30,855.7	31,300.7
Long-term Risk Management Liabilities	300.4	230.3
Deferred Income Taxes	8,324.9	8,202.5
Regulatory Liabilities and Deferred Investment Tax Credits	8,486.6	8,686.3
Asset Retirement Obligations	2,750.0	2,676.2
Employee Benefits and Pension Obligations	315.3	328.4
Obligations Under Operating Leases	563.3	492.8
Deferred Credits and Other Noncurrent Liabilities	573.4	601.3
TOTAL NONCURRENT LIABILITIES	52,169.6	52,518.5
TOTAL LIABILITIES	65,738.2	64,945.2
Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)		
MEZZANINE EQUITY		
Contingently Redeemable Performance Share Awards	55.1	43.3
TOTAL MEZZANINE EQUITY	55.1	43.3
EQUITY		
Common Stock – Par Value – \$6.50 Per Share:		
Shares Authorized	600,000,000	600,000,000
Shares Issued	524,777,416	524,416,175
(11,233,240 Shares and 20,204,160 Shares were Held in Treasury as of March 31, 2022 and December 31, 2021, Respectively)		
Paid-in Capital	3,411.1	3,408.7
Retained Earnings	7,964.5	7,172.6
Accumulated Other Comprehensive Income (Loss)	11,985.1	11,667.1
TOTAL AEP COMMON SHAREHOLDERS' EQUITY	430.6	184.8
Noncontrolling Interests	23,791.3	22,433.2
TOTAL EQUITY	24,038.1	22,680.2
TOTAL LIABILITIES, MEZZANINE EQUITY AND TOTAL EQUITY	\$ 89,831.4	\$ 87,668.7

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
OPERATING ACTIVITIES		
Net Income	\$ 718.1	\$ 578.8
Adjustments to Reconcile Net Income to Net Cash Flows from (Used for) Operating Activities:		
Depreciation and Amortization	792.4	696.3
Rockport Rent, Unit 2 Operating Lease Amortization	—	32.8
Deferred Income Taxes	(17.7)	44.3
Allowance for Equity Funds Used During Construction	(31.0)	(33.4)
Mark-to-Market of Risk Management Contracts	282.3	21.0
Amortization of Nuclear Fuel	22.9	22.7
Property Taxes	(82.0)	(74.8)
Deferred Fuel Over/Under-Recovery, Net	(148.8)	(1,225.1)
Change in Other Noncurrent Assets	26.5	(168.9)
Change in Other Noncurrent Liabilities	36.9	83.5
Changes in Certain Components of Working Capital:		
Accounts Receivable, Net	(24.3)	(12.9)
Fuel, Materials and Supplies	27.6	39.5
Accounts Payable	(1.0)	171.8
Accrued Taxes, Net	(51.8)	(80.8)
Other Current Assets	133.9	(26.3)
Other Current Liabilities	(61.8)	(185.7)
Net Cash Flows from (Used for) Operating Activities	1,622.2	(117.2)
INVESTING ACTIVITIES		
Construction Expenditures	(1,686.6)	(1,492.7)
Purchases of Investment Securities	(508.5)	(337.6)
Sales of Investment Securities	497.4	325.5
Acquisitions of Nuclear Fuel	(31.1)	(55.9)
Acquisition of the Dry Lake Solar Project	—	(102.9)
Acquisition of the North Central Wind Energy Facilities	(1,207.3)	—
Other Investing Activities	42.9	29.4
Net Cash Flows Used for Investing Activities	(2,893.2)	(1,634.2)
FINANCING ACTIVITIES		
Issuance of Common Stock	809.5	184.6
Issuance of Long-term Debt	499.6	1,951.5
Issuance of Short-term Debt with Original Maturities greater than 90 Days	271.0	644.2
Change in Short-term Debt with Original Maturities less than 90 Days, Net	710.3	16.9
Retirement of Long-term Debt	(51.0)	(650.7)
Redemption of Short-term Debt with Original Maturities Greater than 90 Days	(215.0)	(92.0)
Principal Payments for Finance Lease Obligations	(14.7)	(15.0)
Dividends Paid on Common Stock	(398.8)	(372.0)
Other Financing Activities	(65.8)	(30.4)
Net Cash Flows from Financing Activities	1,545.1	1,637.1
Net Increase (Decrease) in Cash and Cash Equivalents	274.1	(114.3)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	451.4	438.3
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 725.5	\$ 324.0
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 233.9	\$ 220.5
Net Cash Paid (Received) for Income Taxes	6.9	(0.2)
Noncash Acquisitions Under Finance Leases	7.2	9.0
Construction Expenditures Included in Current Liabilities as of March 31,	758.6	762.7
Acquisition of Nuclear Fuel Included in Current Liabilities as of March 31,	—	6.7
Noncontrolling Interest Assumed - Dry Lake Solar Project	—	18.9

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TEXAS INC. AND SUBSIDIARIES
MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

	Three Months Ended March 31,	
	2022	2021
	(in millions of KWhs)	
Retail:		
Residential	2,843	2,818
Commercial	2,148	2,074
Industrial	2,427	1,880
Miscellaneous	141	137
Total Retail	7,559	6,909

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

Summary of Heating and Cooling Degree Days

	Three Months Ended March 31,	
	2022	2021
	(in degree days)	
Actual – Heating (a)	278	315
Normal – Heating (b)	190	185
Actual – Cooling (c)	88	137
Normal – Cooling (b)	126	126

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Cooling degree days are calculated on a 70 degree temperature base.

AEP Texas Inc. and Subsidiaries
 Reconciliation of First Quarter of 2021 to First Quarter of 2022
 Net Income
 (in millions)

First Quarter of 2021	\$	46.1
Changes in Revenues:		
Retail Revenues		39.4
Transmission Revenues		21.1
Other Revenues		(8.0)
Total Change in Revenues		52.5
Changes in Expenses and Other:		
Other Operation and Maintenance		(7.1)
Depreciation and Amortization		(11.3)
Taxes Other Than Income Taxes		(1.0)
Interest Income		(0.1)
Allowance for Equity Funds Used During Construction		0.2
Non-Service Cost Components of Net Periodic Benefit Cost		1.4
Interest Expense		(2.5)
Total Change in Expenses and Other		(20.4)
Income Tax Expense		(8.6)
First Quarter of 2022	\$	69.6

The major components of the increase in revenues were as follows:

- **Retail Revenues** increased \$39 million primarily due to the following:
 - A \$17 million increase due to prior year refunds of Excess ADIT to customers. This increase was offset in Income Tax Expense below.
 - An \$8 million increase from interim rate increases driven by increased distribution investment.
 - A \$6 million increase from interim rate increases driven by increased transmission investment.
 - A \$6 million increase in revenue from rate riders. This increase was partially offset in other expense items below.
 - A \$6 million increase in weather-normalized revenues primarily in the residential and commercial classes.
- These increases were partially offset by:
 - A \$4 million decrease in weather-related usage primarily due to a 36% decrease in cooling degree days.
- **Transmission Revenues** increased \$21 million primarily due to the following:
 - A \$17 million increase from interim rate increases driven by increased transmission investment.
 - A \$4 million increase due to prior year refunds to customers associated with the most recent base rate case. This increase was offset in Other Revenues below.
- **Other Revenues** decreased \$8 million primarily due to prior year refunds to customers associated with the most recent base rate case. This decrease was partially offset in Retail Revenues and Transmission Revenues above.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$7 million primarily due to the following:
 - A \$3 million increase in vegetation management expenses.
 - A \$3 million increase in employee-related expenses.
- **Depreciation and Amortization** expenses increased \$11 million primarily due to a higher depreciable base of transmission and distribution assets.
- **Income Tax Expense** increased \$9 million primarily due to an increase in pretax book income and a decrease in amortization of Excess ADIT. The decrease in amortization of Excess ADIT is partially offset above in Retail Revenues.

AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
REVENUES		
Electric Transmission and Distribution	\$ 414.7	\$ 361.7
Sales to AEP Affiliates	0.9	1.0
Other Revenues	1.1	1.5
TOTAL REVENUES	416.7	364.2
EXPENSES		
Other Operation	125.8	122.2
Maintenance	22.6	19.1
Depreciation and Amortization	108.8	97.5
Taxes Other Than Income Taxes	37.3	36.3
TOTAL EXPENSES	294.5	275.1
OPERATING INCOME	122.2	89.1
Other Income (Expense):		
Interest Income	0.1	0.2
Allowance for Equity Funds Used During Construction	4.3	4.1
Non-Service Cost Components of Net Periodic Benefit Cost	4.2	2.8
Interest Expense	(45.5)	(43.0)
INCOME BEFORE INCOME TAX EXPENSE	85.3	53.2
Income Tax Expense	15.7	7.1
NET INCOME	\$ 69.6	\$ 46.1

The common stock of AEP Texas is wholly-owned by Parent.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Net Income	\$ 69.6	\$ 46.1
OTHER COMPREHENSIVE INCOME, NET OF TAXES		
Cash Flow Hedges, Net of Tax of \$0.1 and \$0.1 in 2022 and 2021, Respectively	0.3	0.3
TOTAL COMPREHENSIVE INCOME	\$ 69.9	\$ 46.4

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
COMMON SHAREHOLDER'S EQUITY
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2020	\$ 1,457.9	\$ 1,757.0	\$ (8.9)	\$ 3,206.0
Net Income		46.1		46.1
Other Comprehensive Income			0.3	0.3
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2021	<u>\$ 1,457.9</u>	<u>\$ 1,803.1</u>	<u>\$ (8.6)</u>	<u>\$ 3,252.4</u>
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2021	\$ 1,553.9	\$ 2,046.8	\$ (6.5)	\$ 3,594.2
Net Income		69.6		69.6
Other Comprehensive Income			0.3	0.3
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2022	<u>\$ 1,553.9</u>	<u>\$ 2,116.4</u>	<u>\$ (6.2)</u>	<u>\$ 3,664.1</u>

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
March 31, 2022 and December 31, 2021
(in millions)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 0.1	\$ 0.1
Restricted Cash (March 31, 2022 and December 31, 2021 Amounts Include \$39.9 and \$30.4, Respectively, Related to Transition Funding and Restoration Funding)	39.9	30.4
Advances to Affiliates	6.8	6.9
Accounts Receivable:		
Customers	149.4	123.4
Affiliated Companies	6.1	7.9
Accrued Unbilled Revenues	73.9	77.9
Miscellaneous	0.1	—
Allowance for Uncollectible Accounts	(4.1)	(4.0)
Total Accounts Receivable	225.4	205.2
Materials and Supplies	78.8	73.9
Risk Management Assets	0.2	—
Accrued Tax Benefits	16.3	24.8
Prepayments and Other Current Assets	16.8	5.9
TOTAL CURRENT ASSETS	384.3	347.2
PROPERTY, PLANT AND EQUIPMENT		
Electric:		
Transmission	5,963.6	5,849.9
Distribution	4,995.4	4,917.2
Other Property, Plant and Equipment	982.7	961.1
Construction Work in Progress	586.0	551.3
Total Property, Plant and Equipment	12,527.7	12,279.5
Accumulated Depreciation and Amortization	1,685.6	1,644.1
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	10,842.1	10,635.4
OTHER NONCURRENT ASSETS		
Regulatory Assets	277.7	275.2
Securitized Assets (March 31, 2022 and December 31, 2021 Amounts Include \$348.9 and \$367.6, Respectively, Related to Transition Funding and Restoration Funding)	348.9	367.6
Deferred Charges and Other Noncurrent Assets	289.6	211.3
TOTAL OTHER NONCURRENT ASSETS	916.2	854.1
TOTAL ASSETS	\$ 12,142.6	\$ 11,836.7

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
March 31, 2022 and December 31, 2021
(in millions)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT LIABILITIES		
Advances from Affiliates	\$ 262.2	\$ 26.9
Accounts Payable:		
General	237.3	306.3
Affiliated Companies	30.2	32.5
Long-term Debt Due Within One Year – Nonaffiliated (March 31, 2022 and December 31, 2021 Amounts Include \$91.3 and \$91, Respectively, Related to Transition Funding and Restoration Funding)	841.3	716.0
Accrued Taxes	122.7	93.3
Accrued Interest (March 31, 2022 and December 31, 2021 Amounts Include \$2.7 and \$2.3, Respectively, Related to Transition Funding and Restoration Funding)	59.0	44.7
Obligations Under Operating Leases	14.0	14.0
Other Current Liabilities	113.8	78.0
TOTAL CURRENT LIABILITIES	1,680.5	1,311.7
NONCURRENT LIABILITIES		
Long-term Debt – Nonaffiliated (March 31, 2022 and December 31, 2021 Amounts Include \$302.2 and \$313.7, Respectively, Related to Transition Funding and Restoration Funding)	4,329.3	4,464.8
Deferred Income Taxes	1,096.2	1,088.9
Regulatory Liabilities and Deferred Investment Tax Credits	1,248.6	1,242.0
Obligations Under Operating Leases	58.5	61.3
Deferred Credits and Other Noncurrent Liabilities	65.4	73.8
TOTAL NONCURRENT LIABILITIES	6,798.0	6,930.8
TOTAL LIABILITIES	8,478.5	8,242.5
Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)		
COMMON SHAREHOLDER'S EQUITY		
Paid-in Capital	1,553.9	1,553.9
Retained Earnings	2,116.4	2,046.8
Accumulated Other Comprehensive Income (Loss)	(6.2)	(6.5)
TOTAL COMMON SHAREHOLDER'S EQUITY	3,664.1	3,594.2
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	\$ 12,142.6	\$ 11,836.7

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
OPERATING ACTIVITIES		
Net Income	\$ 69.6	\$ 46.1
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	108.8	97.5
Deferred Income Taxes	7.0	1.7
Allowance for Equity Funds Used During Construction	(4.3)	(4.1)
Mark-to-Market of Risk Management Contracts	(0.2)	—
Property Taxes	(79.5)	(71.1)
Change in Other Noncurrent Assets	(17.0)	(14.8)
Change in Other Noncurrent Liabilities	5.8	14.7
Changes in Certain Components of Working Capital:		
Accounts Receivable, Net	(20.2)	(6.8)
Materials and Supplies	(4.9)	0.3
Accounts Payable	9.6	1.4
Accrued Taxes, Net	37.9	34.1
Other Current Assets	0.8	0.3
Other Current Liabilities	16.5	(15.2)
Net Cash Flows from Operating Activities	129.9	84.1
INVESTING ACTIVITIES		
Construction Expenditures	(356.6)	(295.1)
Change in Advances to Affiliates, Net	0.1	0.3
Other Investing Activities	13.7	17.0
Net Cash Flows Used for Investing Activities	(342.8)	(277.8)
FINANCING ACTIVITIES		
Change in Advances from Affiliates, Net	235.3	216.9
Retirement of Long-term Debt – Nonaffiliated	(11.4)	(11.2)
Principal Payments for Finance Lease Obligations	(1.7)	(1.7)
Other Financing Activities	0.2	0.3
Net Cash Flows from Financing Activities	222.4	204.3
Net Increase in Cash, Cash Equivalents and Restricted Cash	9.5	10.6
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	30.5	28.8
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 40.0	\$ 39.4
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 29.9	\$ 30.0
Noncash Acquisitions Under Finance Leases	0.6	0.8
Construction Expenditures Included in Current Liabilities as of March 31,	147.6	120.5

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Summary of Investment in Transmission Assets for AEPTCo

	As of March 31,	
	2022	2021
	(in millions)	
Plant In Service	\$ 11,466.5	\$ 10,144.5
Construction Work in Progress	1,527.8	1,549.5
Accumulated Depreciation and Amortization	830.5	623.6
Total Transmission Property, Net	\$ 12,163.8	\$ 11,070.4

First Quarter of 2022 Compared to First Quarter of 2021

AEP Transmission Company, LLC and Subsidiaries
Reconciliation of First Quarter of 2021 to First Quarter of 2022
Net Income
(in millions)

First Quarter of 2021	\$	151.7
Changes in Transmission Revenues:		
Transmission Revenues		38.7
Total Change in Transmission Revenues		38.7
Changes in Expenses and Other:		
Other Operation and Maintenance		(4.1)
Depreciation and Amortization		(12.5)
Taxes Other Than Income Taxes		(7.8)
Allowance for Equity Funds Used During Construction		(1.1)
Interest Expense		(3.6)
Total Change in Expenses and Other		(29.1)
Income Tax Expense		(5.9)
First Quarter of 2022	\$	155.4

The major components of the increase in transmission revenues, which consists of wholesale sales to affiliates and nonaffiliates were as follows:

- **Transmission Revenues** increased \$39 million primarily due to continued investment in transmission assets.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$4 million primarily due to an increase in employee-related expenses.
- **Depreciation and Amortization** expenses increased \$13 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased \$8 million primarily due to higher property taxes as a result of increased transmission investment.
- **Interest Expense** increased \$4 million primarily due to higher long-term debt balances.
- **Income Tax Expense** increased \$6 million primarily due to an increase in pretax book income and a decrease in parent company loss benefit.

AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
REVENUES		
Transmission Revenues	\$ 75.7	\$ 76.0
Sales to AEP Affiliates	324.7	285.6
Other Revenues	—	0.1
TOTAL REVENUES	400.4	361.7
EXPENSES		
Other Operation	25.5	21.1
Maintenance	3.3	3.6
Depreciation and Amortization	83.1	70.6
Taxes Other Than Income Taxes	65.6	57.8
TOTAL EXPENSES	177.5	153.1
OPERATING INCOME	222.9	208.6
Other Income (Expense):		
Interest Income - Affiliated	0.1	0.1
Allowance for Equity Funds Used During Construction	15.6	16.7
Interest Expense	(37.7)	(34.1)
INCOME BEFORE INCOME TAX EXPENSE	200.9	191.3
Income Tax Expense	45.5	39.6
NET INCOME	\$ 155.4	\$ 151.7

AEPTCo is wholly-owned by AEP Transmission Holdco.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Paid-in Capital	Retained Earnings	Total
TOTAL MEMBER'S EQUITY – DECEMBER 31, 2020	\$ 2,765.6	\$ 1,947.3	\$ 4,712.9
Capital Contribution from Member	124.0		124.0
Net Income		151.7	151.7
TOTAL MEMBER'S EQUITY – MARCH 31, 2021	<u>\$ 2,889.6</u>	<u>\$ 2,099.0</u>	<u>\$ 4,988.6</u>
TOTAL MEMBER'S EQUITY – DECEMBER 31, 2021	\$ 2,949.6	\$ 2,426.5	\$ 5,376.1
Dividends Paid to Member		(40.0)	(40.0)
Net Income		155.4	155.4
TOTAL MEMBER'S EQUITY – MARCH 31, 2022	<u>\$ 2,949.6</u>	<u>\$ 2,541.9</u>	<u>\$ 5,491.5</u>

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

March 31, 2022 and December 31, 2021

(in millions)

(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT ASSETS		
Advances to Affiliates	\$ 3.1	\$ 27.2
Accounts Receivable:		
Customers	29.5	22.5
Affiliated Companies	110.6	96.1
Total Accounts Receivable	140.1	118.6
Materials and Supplies	10.1	9.3
Assets Held for Sale	169.9	167.9
Prepayments and Other Current Assets	2.4	8.3
TOTAL CURRENT ASSETS	325.6	331.3
TRANSMISSION PROPERTY		
Transmission Property	11,037.6	10,886.3
Other Property, Plant and Equipment	428.9	427.4
Construction Work in Progress	1,527.8	1,394.8
Total Transmission Property	12,994.3	12,708.5
Accumulated Depreciation and Amortization	830.5	772.8
TOTAL TRANSMISSION PROPERTY – NET	12,163.8	11,935.7
OTHER NONCURRENT ASSETS		
Regulatory Assets	6.4	8.5
Deferred Property Taxes	214.4	245.7
Deferred Charges and Other Noncurrent Assets	4.2	3.2
TOTAL OTHER NONCURRENT ASSETS	225.0	257.4
TOTAL ASSETS	\$ 12,714.4	\$ 12,524.4

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND MEMBER'S EQUITY
March 31, 2022 and December 31, 2021
(in millions)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT LIABILITIES		
Advances from Affiliates	\$ 322.2	\$ 124.0
Accounts Payable:		
General	295.9	460.1
Affiliated Companies	77.2	69.9
Long-term Debt Due Within One Year – Nonaffiliated	104.0	104.0
Accrued Taxes	420.2	479.0
Accrued Interest	48.3	28.4
Obligations Under Operating Leases	1.1	0.9
Liabilities Held for Sale	27.6	27.6
Other Current Liabilities	19.3	3.0
TOTAL CURRENT LIABILITIES	1,315.8	1,296.9
NONCURRENT LIABILITIES		
Long-term Debt – Nonaffiliated	4,240.5	4,239.9
Deferred Income Taxes	990.0	962.9
Regulatory Liabilities	660.5	644.1
Obligations Under Operating Leases	1.9	1.3
Deferred Credits and Other Noncurrent Liabilities	14.2	3.2
TOTAL NONCURRENT LIABILITIES	5,907.1	5,851.4
TOTAL LIABILITIES	7,222.9	7,148.3
Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)		
MEMBER'S EQUITY		
Paid-in Capital	2,949.6	2,949.6
Retained Earnings	2,541.9	2,426.5
TOTAL MEMBER'S EQUITY	5,491.5	5,376.1
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ 12,714.4	\$ 12,524.4

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
OPERATING ACTIVITIES		
Net Income	\$ 155.4	\$ 151.7
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	83.1	70.6
Deferred Income Taxes	23.1	8.3
Allowance for Equity Funds Used During Construction	(15.6)	(16.7)
Property Taxes	31.3	30.0
Change in Other Noncurrent Assets	2.1	1.4
Change in Other Noncurrent Liabilities	11.8	0.6
Changes in Certain Components of Working Capital:		
Accounts Receivable, Net	(21.8)	(16.5)
Materials and Supplies	(0.8)	(0.3)
Accounts Payable	3.6	(18.9)
Accrued Taxes, Net	(53.7)	(35.1)
Accrued Interest	20.4	24.3
Other Current Assets	0.5	0.9
Other Current Liabilities	(0.6)	1.4
Net Cash Flows from Operating Activities	238.8	201.7
INVESTING ACTIVITIES		
Construction Expenditures	(417.1)	(400.5)
Change in Advances to Affiliates, Net	22.6	3.0
Other Investing Activities	(1.7)	(0.8)
Net Cash Flows Used for Investing Activities	(396.2)	(398.3)
FINANCING ACTIVITIES		
Capital Contributions from Member	—	124.0
Change in Advances from Affiliates, Net	197.4	72.6
Dividends Paid to Member	(40.0)	—
Net Cash Flows from Financing Activities	157.4	196.6
Net Change in Cash and Cash Equivalents	—	—
Cash and Cash Equivalents at Beginning of Period	—	—
Cash and Cash Equivalents at End of Period	\$ —	\$ —
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 16.4	\$ 8.9
Construction Expenditures Included in Current Liabilities as of March 31,	214.6	244.5

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

APPALACHIAN POWER COMPANY
AND SUBSIDIARIES

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

	Three Months Ended March 31,	
	2022	2021
	(in millions of KWhs)	
Retail:		
Residential	3,532	3,695
Commercial	1,519	1,457
Industrial	2,219	2,078
Miscellaneous	213	200
Total Retail	7,483	7,430
Wholesale	363	948
Total KWhs	7,846	8,378

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

Summary of Heating and Cooling Degree Days

	Three Months Ended March 31,	
	2022	2021
	(in degree days)	
Actual – Heating (a)	1,274	1,284
Normal – Heating (b)	1,319	1,315
Actual – Cooling (c)	2	4
Normal – Cooling (b)	6	6

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Cooling degree days are calculated on a 65 degree temperature base.

Appalachian Power Company and Subsidiaries
Reconciliation of First Quarter of 2021 to First Quarter of 2022
Net Income
(in millions)

First Quarter of 2021	\$	122.5
Changes in Gross Margin:		
Retail Margins		70.0
Margins from Off-system Sales		(1.5)
Transmission Revenues		4.0
Other Revenues		1.3
Total Change in Gross Margin		73.8
Changes in Expenses and Other:		
Other Operation and Maintenance		(43.4)
Depreciation and Amortization		(9.4)
Taxes Other Than Income Taxes		(2.5)
Interest Income		(0.2)
Allowance for Equity Funds Used During Construction		(1.5)
Non-Service Cost Components of Net Periodic Benefit Cost		2.6
Interest Expense		0.6
Total Change in Expenses and Other		(53.8)
Income Tax Expense		(22.3)
First Quarter of 2022	\$	120.2

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity were as follows:

- **Retail Margins** increased \$70 million primarily due to the following:
 - A \$45 million increase due to rider revenues in Virginia and West Virginia. This increase was partially offset in other expense items below.
 - A \$16 million increase in weather-normalized margins primarily in the residential and commercial classes.
 - A \$10 million increase due to lower customer refunds related to Tax Reform. This increase was partially offset in Income Tax Expense below.
- **Transmission Revenues** increased \$4 million primarily due to continued investment in transmission assets.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$43 million primarily due to the following:
 - A \$43 million increase in recoverable PJM transmission expenses. This increase was partially offset in Retail Margins above.
 - A \$7 million increase in maintenance expenses at various generation plants.

These increases were partially offset by:

- A \$4 million decrease in transmission formula rate true-up activity. This decrease was partially offset in Retail Margins above.
- **Depreciation and Amortization** expenses increased \$9 million primarily due to a higher depreciable base.
- **Income Tax Expense** increased \$22 million primarily due to a decrease in amortization of Excess ADIT, an increase in pretax book income and a decrease in parent company loss benefit. The decrease in amortization of Excess ADIT was partially offset in Retail Margins above.

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
REVENUES		
Electric Generation, Transmission and Distribution	\$ 847.1	\$ 764.2
Sales to AEP Affiliates	56.9	50.1
Other Revenues	3.3	2.7
TOTAL REVENUES	907.3	817.0
EXPENSES		
Fuel and Other Consumables Used for Electric Generation	60.7	163.9
Purchased Electricity for Resale	209.8	90.1
Other Operation	184.9	150.4
Maintenance	74.1	65.2
Depreciation and Amortization	145.2	135.8
Taxes Other Than Income Taxes	40.2	37.7
TOTAL EXPENSES	714.9	643.1
OPERATING INCOME	192.4	173.9
Other Income (Expense):		
Interest Income	0.1	0.3
Allowance for Equity Funds Used During Construction	2.0	3.5
Non-Service Cost Components of Net Periodic Benefit Cost	7.3	4.7
Interest Expense	(54.3)	(54.9)
INCOME BEFORE INCOME TAX EXPENSE	147.5	127.5
Income Tax Expense	27.3	5.0
NET INCOME	\$ 120.2	\$ 122.5

The common stock of APCo is wholly-owned by Parent.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Net Income	\$ 120.2	\$ 122.5
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES		
Cash Flow Hedges, Net of Tax of \$(0.1) and \$2.4 in 2022 and 2021, Respectively	(0.2)	9.0
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(0.3) and \$(0.3) in 2022 and 2021, Respectively	(1.1)	(1.1)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(1.3)	7.9
TOTAL COMPREHENSIVE INCOME	\$ 118.9	\$ 130.4

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
COMMON SHAREHOLDER'S EQUITY
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2020	\$ 260.4	\$ 1,828.7	\$ 2,248.0	\$ 7.2	\$ 4,344.3
Common Stock Dividends			(12.5)		(12.5)
Net Income			122.5		122.5
Other Comprehensive Income				7.9	7.9
TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2021	<u>\$ 260.4</u>	<u>\$ 1,828.7</u>	<u>\$ 2,358.0</u>	<u>\$ 15.1</u>	<u>\$ 4,462.2</u>
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2021	\$ 260.4	\$ 1,828.7	\$ 2,534.4	\$ 24.4	\$ 4,647.9
Common Stock Dividends			(18.8)		(18.8)
Net Income			120.2		120.2
Other Comprehensive Loss				(1.3)	(1.3)
TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2022	<u>\$ 260.4</u>	<u>\$ 1,828.7</u>	<u>\$ 2,635.8</u>	<u>\$ 23.1</u>	<u>\$ 4,748.0</u>

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

March 31, 2022 and December 31, 2021
(in millions)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 6.0	\$ 2.5
Restricted Cash for Securitized Funding	10.0	17.6
Advances to Affiliates	19.7	20.8
Accounts Receivable:		
Customers	142.7	158.5
Affiliated Companies	76.4	129.9
Accrued Unbilled Revenues	51.9	54.0
Miscellaneous	0.5	0.2
Allowance for Uncollectible Accounts	(2.1)	(1.6)
Total Accounts Receivable	269.4	341.0
Fuel	48.4	67.1
Materials and Supplies	109.0	109.8
Risk Management Assets	7.0	42.0
Regulatory Asset for Under-Recovered Fuel Costs	301.6	201.3
Margin Deposits	10.5	71.8
Prepayments and Other Current Assets	28.4	51.4
TOTAL CURRENT ASSETS	810.0	925.3
PROPERTY, PLANT AND EQUIPMENT		
Electric:		
Generation	6,697.1	6,683.9
Transmission	4,363.2	4,322.4
Distribution	4,729.9	4,683.3
Other Property, Plant and Equipment	699.1	696.6
Construction Work in Progress	530.4	469.9
Total Property, Plant and Equipment	17,019.7	16,856.1
Accumulated Depreciation and Amortization	5,146.4	5,051.8
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	11,873.3	11,804.3
OTHER NONCURRENT ASSETS		
Regulatory Assets	733.9	757.6
Securitized Assets	178.8	185.1
Employee Benefits and Pension Assets	224.2	220.5
Operating Lease Assets	63.8	66.9
Deferred Charges and Other Noncurrent Assets	140.3	129.2
TOTAL OTHER NONCURRENT ASSETS	1,341.0	1,359.3
TOTAL ASSETS	\$ 14,024.3	\$ 14,088.9

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
March 31, 2022 and December 31, 2021
(Unaudited)

	March 31, 2022	December 31, 2021
	(in millions)	
CURRENT LIABILITIES		
Advances from Affiliates	\$ 35.5	\$ 199.3
Accounts Payable:		
General	254.4	262.2
Affiliated Companies	118.8	118.6
Long-term Debt Due Within One Year – Nonaffiliated	480.9	480.7
Customer Deposits	75.1	73.9
Accrued Taxes	125.0	119.7
Accrued Interest	79.0	47.9
Obligations Under Operating Leases	14.9	15.1
Other Current Liabilities	90.5	98.5
TOTAL CURRENT LIABILITIES	1,274.1	1,415.9
NONCURRENT LIABILITIES		
Long-term Debt – Nonaffiliated	4,446.3	4,458.2
Deferred Income Taxes	1,819.0	1,804.7
Regulatory Liabilities and Deferred Investment Tax Credits	1,210.3	1,238.8
Asset Retirement Obligations	402.5	394.9
Employee Benefits and Pension Obligations	40.9	41.5
Obligations Under Operating Leases	49.4	52.4
Deferred Credits and Other Noncurrent Liabilities	33.8	34.6
TOTAL NONCURRENT LIABILITIES	8,002.2	8,025.1
TOTAL LIABILITIES	9,276.3	9,441.0
Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)		
COMMON SHAREHOLDER'S EQUITY		
Common Stock – No Par Value:		
Authorized – 30,000,000 Shares		
Outstanding – 13,499,500 Shares	260.4	260.4
Paid-in Capital	1,828.7	1,828.7
Retained Earnings	2,635.8	2,534.4
Accumulated Other Comprehensive Income (Loss)	23.1	24.4
TOTAL COMMON SHAREHOLDER'S EQUITY	4,748.0	4,647.9
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	\$ 14,024.3	\$ 14,088.9

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
OPERATING ACTIVITIES		
Net Income	\$ 120.2	\$ 122.5
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	145.2	135.8
Deferred Income Taxes	4.1	(1.7)
Allowance for Equity Funds Used During Construction	(2.0)	(3.5)
Mark-to-Market of Risk Management Contracts	34.3	12.1
Deferred Fuel Over/Under-Recovery, Net	(100.3)	(6.4)
Change in Other Noncurrent Assets	1.4	(54.3)
Change in Other Noncurrent Liabilities	(20.4)	6.8
Changes in Certain Components of Working Capital:		
Accounts Receivable, Net	72.4	25.1
Fuel, Materials and Supplies	19.5	25.2
Margin Deposits	61.4	(5.2)
Accounts Payable	33.6	46.0
Accrued Taxes, Net	26.1	8.2
Other Current Assets	2.3	1.6
Other Current Liabilities	18.3	3.1
Net Cash Flows from Operating Activities	416.1	315.3
INVESTING ACTIVITIES		
Construction Expenditures	(233.9)	(187.5)
Change in Advances to Affiliates, Net	1.1	(239.7)
Other Investing Activities	9.7	6.6
Net Cash Flows Used for Investing Activities	(223.1)	(420.6)
FINANCING ACTIVITIES		
Issuance of Long-term Debt – Nonaffiliated	—	494.3
Change in Advances from Affiliates, Net	(163.8)	(18.6)
Retirement of Long-term Debt – Nonaffiliated	(12.7)	(362.5)
Principal Payments for Finance Lease Obligations	(2.0)	(1.9)
Dividends Paid on Common Stock	(18.8)	(12.5)
Other Financing Activities	0.2	0.2
Net Cash Flows from (Used for) Financing Activities	(197.1)	99.0
Net Decrease in Cash, Cash Equivalents and Restricted Cash for Securitized Funding	(4.1)	(6.3)
Cash, Cash Equivalents and Restricted Cash for Securitized Funding at Beginning of Period	20.1	22.7
Cash, Cash Equivalents and Restricted Cash for Securitized Funding at End of Period	\$ 16.0	\$ 16.4
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 21.0	\$ 28.9
Noncash Acquisitions Under Finance Leases	0.3	0.4
Construction Expenditures Included in Current Liabilities as of March 31,	94.9	96.1

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

**INDIANA MICHIGAN POWER COMPANY
AND SUBSIDIARIES**

INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

	Three Months Ended March 31,	
	2022	2021
	(in millions of KWhs)	
Retail:		
Residential	1,539	1,532
Commercial	1,119	1,078
Industrial	1,790	1,802
Miscellaneous	16	17
Total Retail	4,464	4,429
Wholesale	1,957	1,945
Total KWhs	6,421	6,374

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

Summary of Heating and Cooling Degree Days

	Three Months Ended March 31,	
	2022	2021
	(in degree days)	
Actual – Heating (a)	2,240	2,056
Normal – Heating (b)	2,171	2,170
Actual – Cooling (c)	—	—
Normal – Cooling (b)	1	1

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Cooling degree days are calculated on a 65 degree temperature base.

Indiana Michigan Power Company and Subsidiaries
Reconciliation of First Quarter of 2021 to First Quarter of 2022
Net Income
(in millions)

First Quarter of 2021	\$	70.8
Changes in Gross Margin:		
Retail Margins		31.8
Margins from Off-system Sales		0.7
Transmission Revenues		1.6
Other Revenues		(1.0)
Total Change in Gross Margin		33.1
Changes in Expenses and Other:		
Other Operation and Maintenance		13.3
Depreciation and Amortization		(25.7)
Taxes Other Than Income Taxes		1.0
Other Income		(0.4)
Non-Service Cost Components of Net Periodic Benefit Cost		2.2
Interest Expense		(3.0)
Total Change in Expenses and Other		(12.6)
Income Tax Expense		(1.8)
First Quarter of 2022	\$	89.5

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity were as follows:

- **Retail Margins** increased \$32 million primarily due to the following:
 - A \$20 million increase primarily due to an increase in rider revenues and a prior year provision for refund. This increase was partially offset in other expense items below.
 - A \$7 million increase in weather-normalized retail margins primarily in commercial and industrial classes.
 - A \$5 million increase in weather-related usage primarily due to a 9% increase in heating degree days.
- **Other Revenues** decreased \$1 million primarily due to a \$5 million decrease in barging revenues by River Transportation Division (RTD), partially offset by a \$4 million increase due to the sale of allowances. The decrease in RTD barging revenues was partially offset in Other Operation and Maintenance expenses below and the increase due to the sale of emission allowances was partially offset in Retail Margins above.

Expenses and Other and Income Taxes Expense changed between years as follows:

- **Other Operation and Maintenance** expenses decreased \$13 million primarily due to the following:
 - A \$17 million decrease in steam generation expenses primarily due to the modification of the Rockport Plant, Unit 2 lease, which resulted in a change in lease classification from an operating lease to a finance lease in December 2021. This decrease was partially offset in Depreciation Expense below.
 - A \$5 million decrease in nonutility operation expenses primarily due to a decrease in RTD expenses. This decrease was partially offset in Other Revenues above.
 - A \$4 million decrease due to an increased Nuclear Electric Insurance Limited distribution in 2022.
 These decreases were partially offset by:
 - A \$7 million increase in transmission expenses primarily due to a \$10 million increase in recoverable PJM expenses partially offset by a \$2 million decrease in formula rate true up activity. The increase in recoverable PJM expenses was partially offset in Retail Margins above.

- A \$3 million increase in nuclear expenses at the Cook Plant primarily due to various maintenance activities.
- **Depreciation and Amortization** expenses increased \$26 million primarily due to the modification of the Rockport Plant, Unit 2 lease, which resulted in a change in lease classification from an operating lease to a finance lease in December 2021, and a higher depreciable base. The increase resulting from the lease modification was partially offset in Other Operation and Maintenance above.
- **Income Tax Expense** increased \$2 million primarily due to an increase in pretax book income and a decrease in parent company loss benefit, partially offset by an increase in amortization of Excess ADIT and an increase in flow through tax benefits. The increase in amortization of Excess ADIT is partially offset in Retail Margins above.

INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
REVENUES		
Electric Generation, Transmission and Distribution	\$ 612.0	\$ 547.7
Sales to AEP Affiliates	2.0	0.8
Other Revenues – Affiliated	8.4	14.3
Other Revenues – Nonaffiliated	2.8	1.7
TOTAL REVENUES	625.2	564.5
EXPENSES		
Fuel and Other Consumables Used for Electric Generation	50.0	36.3
Purchased Electricity for Resale	55.7	47.3
Purchased Electricity from AEP Affiliates	57.1	51.6
Other Operation	139.3	154.6
Maintenance	51.0	49.0
Depreciation and Amortization	134.9	109.2
Taxes Other Than Income Taxes	25.2	26.2
TOTAL EXPENSES	513.2	474.2
OPERATING INCOME	112.0	90.3
Other Income (Expense):		
Other Income	2.6	3.0
Non-Service Cost Components of Net Periodic Benefit Cost	6.3	4.1
Interest Expense	(30.3)	(27.3)
INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)	90.6	70.1
Income Tax Expense (Benefit)	1.1	(0.7)
NET INCOME	\$ 89.5	\$ 70.8

The common stock of I&M is wholly-owned by Parent.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Net Income	\$ 89.5	\$ 70.8
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES		
Cash Flow Hedges, Net of Tax of \$0.1 and \$0.1 in 2022 and 2021, Respectively	0.4	0.5
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$0 in 2022 and 2021, Respectively	(0.1)	—
TOTAL OTHER COMPREHENSIVE INCOME	0.3	0.5
TOTAL COMPREHENSIVE INCOME	\$ 89.8	\$ 71.3

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
COMMON SHAREHOLDER'S EQUITY
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2020	\$ 56.6	\$ 980.9	\$ 1,718.7	\$ (7.0)	\$ 2,749.2
Common Stock Dividends			(25.0)		(25.0)
Net Income			70.8		70.8
Other Comprehensive Income				0.5	0.5
TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2021	<u>\$ 56.6</u>	<u>\$ 980.9</u>	<u>\$ 1,764.5</u>	<u>\$ (6.5)</u>	<u>\$ 2,795.5</u>
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2021	\$ 56.6	\$ 980.9	\$ 1,748.5	\$ (1.3)	\$ 2,784.7
Common Stock Dividends			(25.0)		(25.0)
Net Income			89.5		89.5
Other Comprehensive Income				0.3	0.3
TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2022	<u>\$ 56.6</u>	<u>\$ 980.9</u>	<u>\$ 1,813.0</u>	<u>\$ (1.0)</u>	<u>\$ 2,849.5</u>

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS
March 31, 2022 and December 31, 2021
(in millions)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3.3	\$ 1.3
Advances to Affiliates	21.5	21.5
Accounts Receivable:		
Customers	42.4	40.6
Affiliated Companies	50.9	78.2
Miscellaneous	2.5	2.5
Allowance for Uncollectible Accounts	—	(0.1)
Total Accounts Receivable	95.8	121.2
Fuel	54.8	56.8
Materials and Supplies	170.7	175.2
Risk Management Assets	1.5	3.3
Regulatory Asset for Under-Recovered Fuel Costs	4.6	6.4
Prepayments and Other Current Assets	47.2	53.7
TOTAL CURRENT ASSETS	399.4	439.4
PROPERTY, PLANT AND EQUIPMENT		
Electric:		
Generation	5,535.2	5,531.8
Transmission	1,787.6	1,783.1
Distribution	2,847.7	2,800.1
Other Property, Plant and Equipment (Including Coal Mining and Nuclear Fuel)	802.3	792.9
Construction Work in Progress	331.1	302.8
Total Property, Plant and Equipment	11,303.9	11,210.7
Accumulated Depreciation, Depletion and Amortization	3,991.7	3,899.8
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	7,312.2	7,310.9
OTHER NONCURRENT ASSETS		
Regulatory Assets	408.4	410.9
Spent Nuclear Fuel and Decommissioning Trusts	3,678.4	3,867.0
Operating Lease Assets	56.8	63.5
Deferred Charges and Other Noncurrent Assets	301.9	316.5
TOTAL OTHER NONCURRENT ASSETS	4,445.5	4,657.9
TOTAL ASSETS	\$ 12,157.1	\$ 12,408.2

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
March 31, 2022 and December 31, 2021
(dollars in millions)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT LIABILITIES		
Advances from Affiliates	\$ 73.6	\$ 93.3
Accounts Payable:		
General	153.9	174.4
Affiliated Companies	97.1	94.9
Long-term Debt Due Within One Year – Nonaffiliated (March 31, 2022 and December 31, 2021 Amounts Include \$52 and \$65, Respectively, Related to DCC Fuel)	304.0	67.0
Risk Management Liabilities	0.4	5.0
Customer Deposits	48.5	45.2
Accrued Taxes	117.3	106.5
Accrued Interest	24.7	37.0
Obligations Under Finance Leases	130.7	130.5
Obligations Under Operating Leases	13.4	15.5
Regulatory Liability for Over-Recovered Fuel Costs	5.8	1.5
Other Current Liabilities	87.0	123.2
TOTAL CURRENT LIABILITIES	1,056.4	894.0
NONCURRENT LIABILITIES		
Long-term Debt – Nonaffiliated	2,867.7	3,128.0
Deferred Income Taxes	1,102.2	1,100.2
Regulatory Liabilities and Deferred Investment Tax Credits	2,218.2	2,447.9
Asset Retirement Obligations	1,966.6	1,946.2
Obligations Under Operating Leases	44.3	48.9
Deferred Credits and Other Noncurrent Liabilities	52.2	58.3
TOTAL NONCURRENT LIABILITIES	8,251.2	8,729.5
TOTAL LIABILITIES	9,307.6	9,623.5
Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)		
COMMON SHAREHOLDER'S EQUITY		
Common Stock – No Par Value:		
Authorized – 2,500,000 Shares		
Outstanding – 1,400,000 Shares	56.6	56.6
Paid-in Capital	980.9	980.9
Retained Earnings	1,813.0	1,748.5
Accumulated Other Comprehensive Income (Loss)	(1.0)	(1.3)
TOTAL COMMON SHAREHOLDER'S EQUITY	2,849.5	2,784.7
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	\$ 12,157.1	\$ 12,408.2

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
OPERATING ACTIVITIES		
Net Income	\$ 89.5	\$ 70.8
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	134.9	109.2
Rockport Plant, Unit 2 Operating Lease Amortization	—	16.6
Deferred Income Taxes	(11.5)	(12.1)
Amortization (Deferral) of Incremental Nuclear Refueling Outage Expenses, Net	(6.5)	4.9
Allowance for Equity Funds Used During Construction	(2.9)	(3.5)
Mark-to-Market of Risk Management Contracts	(2.8)	2.7
Amortization of Nuclear Fuel	22.9	22.7
Deferred Fuel Over/Under-Recovery, Net	6.1	(9.3)
Change in Other Noncurrent Assets	(5.2)	2.6
Change in Other Noncurrent Liabilities	2.4	24.1
Changes in Certain Components of Working Capital:		
Accounts Receivable, Net	25.9	14.4
Fuel, Materials and Supplies	6.3	8.8
Accounts Payable	3.8	(14.8)
Accrued Taxes, Net	22.3	21.6
Other Current Assets	15.3	5.2
Other Current Liabilities	(53.6)	(45.8)
Net Cash Flows from Operating Activities	246.9	218.1
INVESTING ACTIVITIES		
Construction Expenditures	(129.9)	(120.2)
Purchases of Investment Securities	(507.7)	(336.9)
Sales of Investment Securities	493.5	320.0
Acquisitions of Nuclear Fuel	(31.1)	(55.9)
Other Investing Activities	0.3	3.2
Net Cash Flows Used for Investing Activities	(174.9)	(189.8)
FINANCING ACTIVITIES		
Change in Advances from Affiliates, Net	(19.7)	21.6
Retirement of Long-term Debt – Nonaffiliated	(23.8)	(24.1)
Principal Payments for Finance Lease Obligations	(1.6)	(1.5)
Dividends Paid on Common Stock	(25.0)	(25.0)
Other Financing Activities	0.1	0.2
Net Cash Flows Used for Financing Activities	(70.0)	(28.8)
Net Increase (Decrease) in Cash and Cash Equivalents	2.0	(0.5)
Cash and Cash Equivalents at Beginning of Period	1.3	3.3
Cash and Cash Equivalents at End of Period	\$ 3.3	\$ 2.8
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 41.6	\$ 42.0
Noncash Acquisitions Under Finance Leases	0.3	2.4
Construction Expenditures Included in Current Liabilities as of March 31,	60.7	50.5
Acquisition of Nuclear Fuel Included in Current Liabilities as of March 31,	—	6.7

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

OHIO POWER COMPANY AND SUBSIDIARIES
MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

	Three Months Ended March 31,	
	2022	2021
	(in millions of KWhs)	
Retail:		
Residential	4,134	4,106
Commercial	3,851	3,502
Industrial	3,503	3,401
Miscellaneous	30	29
Total Retail (a)	11,518	11,038
Wholesale (b)	571	603
Total KWhs	12,089	11,641

(a) Represents energy delivered to distribution customers.

(b) Primarily Ohio's contractually obligated purchases of OVEC power sold to PJM.

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

Summary of Heating and Cooling Degree Days

	Three Months Ended March 31,	
	2022	2021
	(in degree days)	
Actual – Heating (a)	1,864	1,777
Normal – Heating (b)	1,886	1,883
Actual – Cooling (c)	1	—
Normal – Cooling (b)	3	3

(a) Heating degree days are calculated on a 55 degree temperature base.

(b) Normal Heating/Cooling represents the thirty-year average of degree days.

(c) Cooling degree days are calculated on a 65 degree temperature base.

Ohio Power Company and Subsidiaries
Reconciliation of First Quarter of 2021 to First Quarter of 2022
Net Income
(in millions)

First Quarter of 2021	\$	68.2
Changes in Gross Margin:		
Retail Margins		71.5
Margins from Off-system Sales		12.7
Transmission Revenues		3.0
Other Revenues		(8.3)
Total Change in Gross Margin		78.9
Changes in Expenses and Other:		
Other Operation and Maintenance		(54.7)
Depreciation and Amortization		0.2
Taxes Other Than Income Taxes		(5.7)
Interest Income		(0.1)
Carrying Costs Income		(0.4)
Allowance for Equity Funds Used During Construction		0.3
Non-Service Cost Components of Net Periodic Benefit Cost		1.8
Interest Expense		2.4
Total Change in Expenses and Other		(56.2)
Income Tax Expense		(7.7)
First Quarter of 2022	\$	83.2

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of purchased electricity were as follows:

- **Retail Margins** increased \$72 million primarily due to the following:
 - A \$42 million net increase in Basic Transmission Cost Rider revenues and recoverable PJM expenses. This increase was partially offset in Other Operation and Maintenance expenses below.
 - A \$19 million increase in weather-normalized retail margins primarily in the commercial class partially offset by residential and industrial classes.
 - A \$12 million increase related to various rider revenues. This increase was partially offset in Margins from Off-system Sales, Other Revenues and other expense items below.
- **Margins from Off-system Sales** increased \$13 million primarily due to an increase in off-system sales at OVEC driven by higher market prices. This increase was offset in Retail Margins above and Other Revenues below.
- **Transmission Revenues** increased \$3 million primarily due to continued investment in transmission assets.
- **Other Revenues** decreased \$8 million primarily due to third-party Legacy Generation Resource Rider revenue related to the recovery of OVEC costs. This decrease was offset in Retail Margins and Margins from Off-system Sales above.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$55 million primarily due to the following:
 - A \$34 million increase in transmission expenses, primarily due to a \$36 million increase in recoverable PJM expenses, partially offset by a \$4 million decrease in transmission formula rate true-up activity. The recoverable PJM expenses were offset in Retail Margins above.
 - A \$6 million increase in remitted Universal Service Fund surcharge payments to the Ohio Department of Development to fund an energy assistance program for qualified Ohio customers. This increase was offset in Retail Margins above.
 - A \$5 million increase in factored customer accounts receivable expenses primarily due to bad debt expenses and a prior year adjustment to allowance for doubtful accounts.
- **Taxes Other Than Income Taxes** increased \$6 million primarily due to increased property taxes driven by additional investments in transmission and distribution assets and higher tax rates.
- **Income Tax Expense** increased \$8 million primarily due to an increase in pretax book income and a favorable discrete adjustment recorded in 2021 that did not recur in 2022.

OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
REVENUES		
Electricity, Transmission and Distribution	\$ 824.2	\$ 716.7
Sales to AEP Affiliates	3.7	4.8
Other Revenues	2.1	2.4
TOTAL REVENUES	830.0	723.9
EXPENSES		
Purchased Electricity for Resale	226.3	175.3
Purchased Electricity from AEP Affiliates	6.3	30.1
Other Operation	237.6	184.6
Maintenance	40.4	38.7
Depreciation and Amortization	74.9	75.1
Taxes Other Than Income Taxes	127.0	121.3
TOTAL EXPENSES	712.5	625.1
OPERATING INCOME	117.5	98.8
Other Income (Expense):		
Interest Income	0.1	0.2
Carrying Costs Income	0.1	0.5
Allowance for Equity Funds Used During Construction	3.0	2.7
Non-Service Cost Components of Net Periodic Benefit Cost	5.5	3.7
Interest Expense	(29.2)	(31.6)
INCOME BEFORE INCOME TAX EXPENSE	97.0	74.3
Income Tax Expense	13.8	6.1
NET INCOME	\$ 83.2	\$ 68.2

The common stock of OPCo is wholly-owned by Parent.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
COMMON SHAREHOLDER'S EQUITY
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Common Stock	Paid-in Capital	Retained Earnings	Total
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2020	\$ 321.2	\$ 838.8	\$ 1,532.7	\$ 2,692.7
Common Stock Dividends			(21.9)	(21.9)
Net Income			68.2	68.2
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2021	<u>\$ 321.2</u>	<u>\$ 838.8</u>	<u>\$ 1,579.0</u>	<u>\$ 2,739.0</u>
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2021	\$ 321.2	\$ 838.8	\$ 1,686.3	\$ 2,846.3
Common Stock Dividends			(15.0)	(15.0)
Net Income			83.2	83.2
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2022	<u>\$ 321.2</u>	<u>\$ 838.8</u>	<u>\$ 1,754.5</u>	<u>\$ 2,914.5</u>

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
March 31, 2022 and December 31, 2021
(in millions)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 7.4	\$ 3.0
Advances to Affiliates	—	42.0
Accounts Receivable:		
Customers	84.8	71.6
Affiliated Companies	77.6	71.8
Accrued Unbilled Revenues	14.7	1.3
Miscellaneous	3.0	5.9
Allowance for Uncollectible Accounts	(0.1)	(0.6)
Total Accounts Receivable	180.0	150.0
Materials and Supplies	80.0	74.1
Renewable Energy Credits	40.2	30.5
Prepayments and Other Current Assets	19.3	27.9
TOTAL CURRENT ASSETS	326.9	327.5
PROPERTY, PLANT AND EQUIPMENT		
Electric:		
Transmission	3,028.0	2,992.8
Distribution	6,141.3	6,070.6
Other Property, Plant and Equipment	996.9	992.9
Construction Work in Progress	385.2	365.0
Total Property, Plant and Equipment	10,551.4	10,421.3
Accumulated Depreciation and Amortization	2,483.9	2,458.3
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	8,067.5	7,963.0
OTHER NONCURRENT ASSETS		
Regulatory Assets	279.4	293.0
Operating Lease Assets	79.2	81.2
Deferred Charges and Other Noncurrent Assets	505.1	601.1
TOTAL OTHER NONCURRENT ASSETS	863.7	975.3
TOTAL ASSETS	\$ 9,258.1	\$ 9,265.8

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
March 31, 2022 and December 31, 2021
(Unaudited)

	March 31, 2022	December 31, 2021
	(in millions)	
CURRENT LIABILITIES		
Advances from Affiliates	\$ 55.7	\$ —
Accounts Payable:		
General	201.8	213.5
Affiliated Companies	117.6	125.4
Long-term Debt Due Within One Year – Nonaffiliated	0.1	0.1
Risk Management Liabilities	1.5	6.7
Customer Deposits	90.5	66.4
Accrued Taxes	544.2	702.4
Obligations Under Operating Leases	13.2	13.1
Other Current Liabilities	137.1	118.1
TOTAL CURRENT LIABILITIES	1,161.7	1,245.7
NONCURRENT LIABILITIES		
Long-term Debt – Nonaffiliated	2,968.9	2,968.4
Long-term Risk Management Liabilities	67.0	85.8
Deferred Income Taxes	1,014.7	1,000.9
Regulatory Liabilities and Deferred Investment Tax Credits	1,033.9	1,020.9
Obligations Under Operating Leases	66.6	68.6
Deferred Credits and Other Noncurrent Liabilities	30.8	29.2
TOTAL NONCURRENT LIABILITIES	5,181.9	5,173.8
TOTAL LIABILITIES	6,343.6	6,419.5
Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)		
COMMON SHAREHOLDER'S EQUITY		
Common Stock – No Par Value:		
Authorized – 40,000,000 Shares		
Outstanding – 27,952,473 Shares	321.2	321.2
Paid-in Capital	838.8	838.8
Retained Earnings	1,754.5	1,686.3
TOTAL COMMON SHAREHOLDER'S EQUITY	2,914.5	2,846.3
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	\$ 9,258.1	\$ 9,265.8

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
OPERATING ACTIVITIES		
Net Income	\$ 83.2	\$ 68.2
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	74.9	75.1
Deferred Income Taxes	9.5	4.5
Allowance for Equity Funds Used During Construction	(3.0)	(2.7)
Mark-to-Market of Risk Management Contracts	(24.0)	(6.3)
Property Taxes	87.0	78.3
Change in Other Noncurrent Assets	(1.2)	(20.9)
Change in Other Noncurrent Liabilities	11.0	3.8
Changes in Certain Components of Working Capital:		
Accounts Receivable, Net	(28.8)	(31.8)
Materials and Supplies	(5.0)	(3.7)
Accounts Payable	4.0	(6.4)
Customer Deposits	24.1	(0.7)
Accrued Taxes, Net	(158.3)	(144.7)
Other Current Assets	13.5	(0.2)
Other Current Liabilities	20.3	(1.3)
Net Cash Flows from Operating Activities	107.2	11.2
INVESTING ACTIVITIES		
Construction Expenditures	(188.7)	(178.2)
Change in Advances to Affiliates, Net	42.0	(0.5)
Other Investing Activities	4.2	2.6
Net Cash Flows Used for Investing Activities	(142.5)	(176.1)
FINANCING ACTIVITIES		
Issuance of Long-term Debt – Nonaffiliated	—	445.8
Change in Advances from Affiliates, Net	55.7	(259.2)
Principal Payments for Finance Lease Obligations	(1.2)	(1.2)
Dividends Paid on Common Stock	(15.0)	(21.9)
Other Financing Activities	0.2	0.1
Net Cash Flows from Financing Activities	39.7	163.6
Net Increase (Decrease) in Cash and Cash Equivalents	4.4	(1.3)
Cash and Cash Equivalents at Beginning of Period	3.0	7.4
Cash and Cash Equivalents at End of Period	\$ 7.4	\$ 6.1
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 19.5	\$ 15.8
Noncash Acquisitions Under Finance Leases	0.6	0.4
Construction Expenditures Included in Current Liabilities as of March 31,	67.0	72.4

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

PUBLIC SERVICE COMPANY OF OKLAHOMA
MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

	Three Months Ended March 31,	
	2022	2021
	(in millions of KWhs)	
Retail:		
Residential	1,558	1,577
Commercial	1,120	1,050
Industrial	1,386	1,304
Miscellaneous	283	270
Total Retail	4,347	4,201
Wholesale	343	67
Total KWhs	4,690	4,268

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

Summary of Heating and Cooling Degree Days

	Three Months Ended March 31,	
	2022	2021
	(in degree days)	
Actual – Heating (a)	1,134	1,150
Normal – Heating (b)	1,040	1,033
Actual – Cooling (c)	11	7
Normal – Cooling (b)	17	17

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Cooling degree days are calculated on a 65 degree temperature base.

Public Service Company of Oklahoma
 Reconciliation of First Quarter of 2021 to First Quarter of 2022
 Net Income (Loss)
 (in millions)

First Quarter of 2021	\$	(2.7)
Changes in Gross Margin:		
Retail Margins (a)		24.4
Transmission Revenues		0.1
Other Revenues		(0.8)
Total Change in Gross Margin		23.7
Changes in Expenses and Other:		
Other Operation and Maintenance		(10.7)
Depreciation and Amortization		(2.8)
Taxes Other Than Income Taxes		(1.7)
Interest Income		1.6
Allowance for Equity Funds Used During Construction		0.7
Non-Service Cost Components of Net Periodic Benefit Cost		1.0
Interest Expense		(4.5)
Total Change in Expenses and Other		(16.4)
Income Tax Expense		1.2
First Quarter of 2022	\$	5.8

(a) Includes firm wholesale sales to municipals and cooperatives.

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity were as follows:

- **Retail Margins** increased \$24 million primarily due to the following:
 - A \$27 million increase primarily due to a \$15 million increase in rider revenues and a \$12 million increase in base rate revenues. These increases were partially offset in other expense items below.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$11 million primarily due to the following:
 - A \$6 million increase in transmission expense primarily due to a \$14 million increase in transmission investment offset by an \$8 million decrease in recoverable SPP transmission expense. The recoverable SPP transmission expense was partially offset in Retail Margins above.
 - A \$2 million increase in employee-related expenses.
- **Interest Expense** increased \$5 million due to higher long-term debt balances.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
REVENUES		
Electric Generation, Transmission and Distribution	\$ 386.4	\$ 293.6
Sales to AEP Affiliates	0.6	1.0
Other Revenues	0.6	1.5
TOTAL REVENUES	387.6	296.1
EXPENSES		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	188.7	120.9
Other Operation	88.8	79.1
Maintenance	25.4	24.4
Depreciation and Amortization	52.7	49.9
Taxes Other Than Income Taxes	14.2	12.5
TOTAL EXPENSES	369.8	286.8
OPERATING INCOME	17.8	9.3
Other Income (Expense):		
Interest Income	1.7	0.1
Allowance for Equity Funds Used During Construction	1.1	0.4
Non-Service Cost Components of Net Periodic Benefit Cost	3.1	2.1
Interest Expense	(18.9)	(14.4)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)	4.8	(2.5)
Income Tax Expense (Benefit)	(1.0)	0.2
NET INCOME (LOSS)	\$ 5.8	\$ (2.7)

The common stock of PSO is wholly-owned by Parent.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Net Income (Loss)	\$ 5.8	\$ (2.7)
OTHER COMPREHENSIVE LOSS, NET OF TAXES		
Cash Flow Hedges, Net of Tax of \$0 and \$0 in 2022 and 2021, Respectively	—	(0.1)
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ 5.8	\$ (2.8)

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED STATEMENTS OF CHANGES IN
COMMON SHAREHOLDER'S EQUITY
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2020	\$ 157.2	\$ 414.0	\$ 974.3	\$ 0.1	\$ 1,545.6
Capital Contribution from Parent		425.0			425.0
Net Loss			(2.7)		(2.7)
Other Comprehensive Loss				(0.1)	(0.1)
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2021	<u>\$ 157.2</u>	<u>\$ 839.0</u>	<u>\$ 971.6</u>	<u>\$ —</u>	<u>\$ 1,967.8</u>
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2021	\$ 157.2	\$ 1,039.0	\$ 1,095.4	\$ —	\$ 2,291.6
Net Income			5.8		5.8
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2022	<u>\$ 157.2</u>	<u>\$ 1,039.0</u>	<u>\$ 1,101.2</u>	<u>\$ —</u>	<u>\$ 2,297.4</u>

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED BALANCE SHEETS
ASSETS
March 31, 2022 and December 31, 2021
(in millions)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2.9	\$ 1.3
Accounts Receivable:		
Customers	40.7	41.5
Affiliated Companies	24.6	35.0
Miscellaneous	0.3	0.6
Total Accounts Receivable	65.6	77.1
Fuel	8.5	14.5
Materials and Supplies	63.1	56.2
Risk Management Assets	6.7	12.1
Accrued Tax Benefits	2.4	17.6
Regulatory Asset for Under-Recovered Fuel Costs	219.2	194.6
Prepayments and Other Current Assets	11.4	13.4
TOTAL CURRENT ASSETS	379.8	386.8
PROPERTY, PLANT AND EQUIPMENT		
Electric:		
Generation	2,375.5	1,802.4
Transmission	1,115.4	1,107.7
Distribution	3,040.2	3,004.9
Other Property, Plant and Equipment	447.7	437.0
Construction Work in Progress	165.3	156.0
Total Property, Plant and Equipment	7,144.1	6,508.0
Accumulated Depreciation and Amortization	1,739.6	1,705.2
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	5,404.5	4,802.8
OTHER NONCURRENT ASSETS		
Regulatory Assets	1,042.0	1,037.4
Employee Benefits and Pension Assets	96.0	95.2
Operating Lease Assets	107.9	68.9
Deferred Charges and Other Noncurrent Assets	47.1	7.9
TOTAL OTHER NONCURRENT ASSETS	1,293.0	1,209.4
TOTAL ASSETS	\$ 7,077.3	\$ 6,399.0

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
March 31, 2022 and December 31, 2021
(Unaudited)

	March 31, 2022	December 31, 2021
	(in millions)	
CURRENT LIABILITIES		
Advances from Affiliates	\$ 211.8	\$ 72.3
Accounts Payable:		
General	127.7	157.4
Affiliated Companies	42.3	51.0
Long-term Debt Due Within One Year – Nonaffiliated	625.5	125.5
Risk Management Liabilities	0.1	3.7
Customer Deposits	58.2	56.2
Accrued Taxes	57.0	27.0
Obligations Under Operating Leases	7.7	6.9
Other Current Liabilities	59.7	62.7
TOTAL CURRENT LIABILITIES	1,190.0	562.7
NONCURRENT LIABILITIES		
Long-term Debt – Nonaffiliated	1,788.1	1,788.0
Deferred Income Taxes	779.0	782.3
Regulatory Liabilities and Deferred Investment Tax Credits	831.3	835.3
Asset Retirement Obligations	71.1	57.5
Obligations Under Operating Leases	100.9	62.2
Deferred Credits and Other Noncurrent Liabilities	19.5	19.4
TOTAL NONCURRENT LIABILITIES	3,589.9	3,544.7
TOTAL LIABILITIES	4,779.9	4,107.4
Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)		
COMMON SHAREHOLDER'S EQUITY		
Common Stock – Par Value – \$15 Per Share:		
Authorized – 11,000,000 Shares		
Issued – 10,482,000 Shares		
Outstanding – 9,013,000 Shares	157.2	157.2
Paid-in Capital	1,039.0	1,039.0
Retained Earnings	1,101.2	1,095.4
TOTAL COMMON SHAREHOLDER'S EQUITY	2,297.4	2,291.6
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	\$ 7,077.3	\$ 6,399.0

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
OPERATING ACTIVITIES		
Net Income (Loss)	\$ 5.8	\$ (2.7)
Adjustments to Reconcile Net Income (Loss) to Net Cash Flows from (Used for) Operating Activities:		
Depreciation and Amortization	52.7	49.9
Deferred Income Taxes	(17.4)	(0.8)
Allowance for Equity Funds Used During Construction	(1.1)	(0.4)
Mark-to-Market of Risk Management Contracts	1.8	4.8
Property Taxes	(37.8)	(32.8)
Deferred Fuel Over/Under-Recovery, Net	(26.4)	(703.5)
Change in Other Noncurrent Assets	(3.9)	(7.3)
Change in Other Noncurrent Liabilities	6.2	1.5
Changes in Certain Components of Working Capital:		
Accounts Receivable, Net	11.5	(11.2)
Fuel, Materials and Supplies	—	4.5
Accounts Payable	(20.8)	15.2
Accrued Taxes, Net	45.2	22.4
Other Current Assets	1.9	(0.3)
Other Current Liabilities	(1.8)	(24.7)
Net Cash Flows from (Used for) Operating Activities	15.9	(685.4)
INVESTING ACTIVITIES		
Construction Expenditures	(104.1)	(79.9)
Acquisition of the North Central Wind Energy Facilities	(549.3)	—
Other Investing Activities	0.4	0.5
Net Cash Flows Used for Investing Activities	(653.0)	(79.4)
FINANCING ACTIVITIES		
Capital Contributions from Parent	—	425.0
Issuance of Long-term Debt – Nonaffiliated	500.0	500.0
Change in Advances from Affiliates, Net	139.5	90.3
Retirement of Long-term Debt – Nonaffiliated	(0.1)	(250.1)
Principal Payments for Finance Lease Obligations	(0.8)	(0.9)
Other Financing Activities	0.1	0.3
Net Cash Flows from Financing Activities	638.7	764.6
Net Increase (Decrease) in Cash and Cash Equivalents	1.6	(0.2)
Cash and Cash Equivalents at Beginning of Period	1.3	2.6
Cash and Cash Equivalents at End of Period	\$ 2.9	\$ 2.4
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 21.3	\$ 16.9
Noncash Acquisitions Under Finance Leases	0.3	1.0
Construction Expenditures Included in Current Liabilities as of March 31,	37.1	22.2

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

	Three Months Ended March 31,	
	2022	2021
	(in millions of KWhs)	
Retail:		
Residential	1,636	1,700
Commercial	1,266	1,209
Industrial	1,115	971
Miscellaneous	18	18
Total Retail	4,035	3,898
Wholesale	1,759	1,541
Total KWhs	5,794	5,439

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

Summary of Heating and Cooling Degree Days

	Three Months Ended March 31,	
	2022	2021
	(in degree days)	
Actual – Heating (a)	694	763
Normal – Heating (b)	700	697
Actual – Cooling (c)	30	45
Normal – Cooling (b)	40	40

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Cooling degree days are calculated on a 65 degree temperature base.

Reconciliation of First Quarter of 2021 to First Quarter of 2022
Earnings Attributable to SWEPCo Common Shareholder
(in millions)

First Quarter of 2021	\$	62.4
Changes in Gross Margin:		
Retail Margins (a)		(12.4)
Margins from Off-system Sales		(13.1)
Transmission Revenues		6.0
Other Revenues		(0.2)
Total Change in Gross Margin		(19.7)
Changes in Expenses and Other:		
Other Operation and Maintenance		2.7
Depreciation and Amortization		(8.2)
Taxes Other Than Income Taxes		0.2
Interest Income		2.6
Allowance for Equity Funds Used During Construction		(0.5)
Non-Service Cost Components of Net Periodic Benefit Cost		1.0
Interest Expense		(3.8)
Total Change in Expenses and Other		(6.0)
Income Tax Expense		7.8
Equity Earnings of Unconsolidated Subsidiary		(0.4)
First Quarter of 2022	\$	44.1

(a) Includes firm wholesale sales to municipals and cooperatives.

The major components of the decrease in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity were as follows:

- **Retail Margins** decreased \$12 million primarily due to the following:
 - A \$21 million decrease in municipal and cooperative revenues primarily due to the February 2021 severe winter weather event.
 - A \$6 million decrease in recoverable fuel costs primarily due to timing of recovery.
 - A \$4 million decrease in weather-related usage primarily due to a 9% decrease in heating degree days.

These decreases were partially offset by:

- A \$10 million increase primarily due to a base rate revenue increase in Texas and rider increases in all retail jurisdictions. These increases were partially offset in other expense items below.
- A \$9 million increase in weather-normalized margins.
- **Margins from Off-system Sales** decreased \$13 million primarily due to Turk Plant merchant sales as a result of the February 2021 severe winter weather event.
- **Transmission Revenues** increased \$6 million primarily due to transmission investment.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses decreased \$3 million primarily due to the following:
 - A \$5 million decrease in generation plant maintenance expenses.
 - A \$3 million decrease in distribution expense primarily driven by prior year storm expenses.

These decreases were partially offset by:

- A \$4 million increase in transmission expense primarily due to an increase in vegetation management expenses.
- **Depreciation and Amortization** expenses increased \$8 million primarily due to the implementation of new rates in Texas and a higher depreciable base.
- **Interest Expense** increased \$4 million primarily due to higher long-term debt balances.
- **Income Tax Expense** decreased \$8 million primarily due to an increase in PTC and a decrease in pretax book income, partially offset by a decrease in amortization of Excess ADIT. The decrease in amortization of Excess ADIT was partially offset in Retail Margins above.

**SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME**
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
REVENUES		
Electric Generation, Transmission and Distribution	\$ 484.2	\$ 607.7
Sales to AEP Affiliates	10.0	7.8
Other Revenues	0.6	0.6
TOTAL REVENUES	494.8	616.1
EXPENSES		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	198.2	299.8
Other Operation	91.5	90.3
Maintenance	30.1	34.0
Depreciation and Amortization	77.8	69.6
Taxes Other Than Income Taxes	29.8	30.0
TOTAL EXPENSES	427.4	523.7
OPERATING INCOME	67.4	92.4
Other Income (Expense):		
Interest Income	3.6	1.0
Allowance for Equity Funds Used During Construction	1.6	2.1
Non-Service Cost Components of Net Periodic Benefit Cost	3.1	2.1
Interest Expense	(33.1)	(29.3)
INCOME BEFORE INCOME TAX EXPENSE (BENEFIT) AND EQUITY EARNINGS	42.6	68.3
Income Tax Expense (Benefit)	(2.2)	5.6
Equity Earnings of Unconsolidated Subsidiary	0.3	0.7
NET INCOME	45.1	63.4
Net Income Attributable to Noncontrolling Interest	1.0	1.0
EARNINGS ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER	\$ 44.1	\$ 62.4

The common stock of SWEPCo is wholly-owned by Parent.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

**SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Net Income	\$ 45.1	\$ 63.4
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES		
Cash Flow Hedges, Net of Tax of \$0 and \$0.1 in 2022 and 2021, Respectively	0.1	0.4
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(0.1) and \$(0.1) in 2022 and 2021, Respectively	(0.4)	(0.4)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(0.3)	—
TOTAL COMPREHENSIVE INCOME	44.8	63.4
Total Comprehensive Income Attributable to Noncontrolling Interest	1.0	1.0
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SWEPCC₀ COMMON SHAREHOLDER	\$ 43.8	\$ 62.4

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

**SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	SWEPCo Common Shareholder							
	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total		
TOTAL EQUITY – DECEMBER 31, 2020	\$ 0.1	\$ 812.2	\$ 1,811.9	\$ 1.9	\$ 1.6	\$ 2,627.7		
Capital Contribution from Parent		100.0				100.0		
Common Stock Dividends – Nonaffiliated					(1.0)	(1.0)		
Net Income			62.4		1.0	63.4		
TOTAL EQUITY – MARCH 31, 2021	<u>\$ 0.1</u>	<u>\$ 912.2</u>	<u>\$ 1,874.3</u>	<u>\$ 1.9</u>	<u>\$ 1.6</u>	<u>\$ 2,790.1</u>		
TOTAL EQUITY – DECEMBER 31, 2021	\$ 0.1	\$ 1,092.2	\$ 2,050.9	\$ 6.7	\$ (0.1)	\$ 3,149.8		
Capital Contribution from Parent		350.0				350.0		
Common Stock Dividends – Nonaffiliated					(0.8)	(0.8)		
Net Income			44.1		1.0	45.1		
Other Comprehensive Loss				(0.3)		(0.3)		
TOTAL EQUITY – MARCH 31, 2022	<u>\$ 0.1</u>	<u>\$ 1,442.2</u>	<u>\$ 2,095.0</u>	<u>\$ 6.4</u>	<u>\$ 0.1</u>	<u>\$ 3,543.8</u>		

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

**SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED BALANCE SHEETS**

ASSETS
March 31, 2022 and December 31, 2021
(in millions)
(Unaudited)

	March 31, 2022	December 31, 2021
CURRENT ASSETS		
Cash and Cash Equivalents (March 31, 2022 and December 31, 2021 Amounts Include \$54.8 and \$49.9, Respectively, Related to Sabine)	\$ 58.1	\$ 51.2
Advances to Affiliates	2.1	155.9
Accounts Receivable:		
Customers	31.5	35.8
Affiliated Companies	28.4	38.3
Miscellaneous	18.9	12.3
Total Accounts Receivable	78.8	86.4
Fuel (March 31, 2022 and December 31, 2021 Amounts Include \$19.5 and \$13.1, Respectively, Related to Sabine)	81.5	82.2
Materials and Supplies (March 31, 2022 and December 31, 2021 Amounts Include \$11 and \$12, Respectively, Related to Sabine)	84.3	81.9
Risk Management Assets	15.8	9.8
Accrued Tax Benefits	13.2	17.8
Regulatory Asset for Under-Recovered Fuel Costs	209.8	143.9
Prepayments and Other Current Assets	34.2	39.4
TOTAL CURRENT ASSETS	577.8	668.5
PROPERTY, PLANT AND EQUIPMENT		
Electric:		
Generation	5,434.3	4,734.5
Transmission	2,357.2	2,316.9
Distribution	2,548.3	2,514.3
Other Property, Plant and Equipment (March 31, 2022 and December 31, 2021 Amounts Include \$219.9 and \$219.9, Respectively, Related to Sabine)	781.5	764.0
Construction Work in Progress	213.8	240.7
Total Property, Plant and Equipment	11,335.1	10,570.4
Accumulated Depreciation and Amortization (March 31, 2022 and December 31, 2021 Amounts Include \$179.3 and \$168.1, Respectively, Related to Sabine)	3,247.8	3,170.3
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	8,087.3	7,400.1
OTHER NONCURRENT ASSETS		
Regulatory Assets	962.3	1,005.3
Deferred Charges and Other Noncurrent Assets	338.4	251.8
TOTAL OTHER NONCURRENT ASSETS	1,300.7	1,257.1
TOTAL ASSETS	\$ 9,965.8	\$ 9,325.7

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

**SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
March 31, 2022 and December 31, 2021
(Unaudited)**

	March 31, 2022	December 31, 2021
	(in millions)	
CURRENT LIABILITIES		
Advances from Affiliates	\$ 202.9	\$ —
Accounts Payable:		
General	125.1	163.6
Affiliated Companies	42.7	61.4
Long-term Debt Due Within One Year – Nonaffiliated	6.2	6.2
Risk Management Liabilities	—	2.1
Customer Deposits	64.1	62.4
Accrued Taxes	115.4	44.3
Accrued Interest	29.4	36.0
Obligations Under Operating Leases	8.5	8.1
Other Current Liabilities	108.0	154.6
TOTAL CURRENT LIABILITIES	702.3	538.7
NONCURRENT LIABILITIES		
Long-term Debt – Nonaffiliated	3,387.9	3,389.0
Deferred Income Taxes	1,084.5	1,087.6
Regulatory Liabilities and Deferred Investment Tax Credits	822.1	806.9
Asset Retirement Obligations	219.8	192.7
Employee Benefits and Pension Obligations	21.0	20.3
Obligations Under Operating Leases	124.2	77.7
Deferred Credits and Other Noncurrent Liabilities	60.2	63.0
TOTAL NONCURRENT LIABILITIES	5,719.7	5,637.2
TOTAL LIABILITIES	6,422.0	6,175.9
Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)		
EQUITY		
Common Stock – Par Value – \$18 Per Share:		
Authorized – 3,680 Shares		
Outstanding – 3,680 Shares	0.1	0.1
Paid-in Capital	1,442.2	1,092.2
Retained Earnings	2,095.0	2,050.9
Accumulated Other Comprehensive Income (Loss)	6.4	6.7
TOTAL COMMON SHAREHOLDER'S EQUITY	3,543.7	3,149.9
Noncontrolling Interest	0.1	(0.1)
TOTAL EQUITY	3,543.8	3,149.8
TOTAL LIABILITIES AND EQUITY	\$ 9,965.8	\$ 9,325.7

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

**SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
For the Three Months Ended March 31, 2022 and 2021
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
OPERATING ACTIVITIES		
Net Income	\$ 45.1	\$ 63.4
Adjustments to Reconcile Net Income to Net Cash Flows from (Used for) Operating Activities:		
Depreciation and Amortization	77.8	69.6
Deferred Income Taxes	(9.5)	8.6
Allowance for Equity Funds Used During Construction	(1.6)	(2.1)
Mark-to-Market of Risk Management Contracts	(7.0)	1.1
Property Taxes	(64.5)	(61.6)
Deferred Fuel Over/Under-Recovery, Net	9.2	(461.1)
Change in Regulatory Assets	(3.5)	(89.1)
Change in Other Noncurrent Assets	33.4	6.1
Change in Other Noncurrent Liabilities	16.7	16.6
Changes in Certain Components of Working Capital:		
Accounts Receivable, Net	7.6	(105.8)
Fuel, Materials and Supplies	(0.6)	0.4
Accounts Payable	(35.1)	95.1
Accrued Taxes, Net	75.7	73.9
Other Current Assets	3.8	8.2
Other Current Liabilities	(56.7)	(51.0)
Net Cash Flows from (Used for) Operating Activities	90.8	(427.7)
INVESTING ACTIVITIES		
Construction Expenditures	(129.5)	(91.4)
Change in Advances to Affiliates, Net	153.8	—
Acquisition of the North Central Wind Energy Facilities	(658.0)	—
Other Investing Activities	1.9	0.1
Net Cash Flows Used for Investing Activities	(631.8)	(91.3)
FINANCING ACTIVITIES		
Capital Contribution from Parent	350.0	100.0
Issuance of Long-term Debt – Nonaffiliated	—	496.8
Change in Short-term Debt – Nonaffiliated	—	(30.0)
Change in Advances from Affiliates, Net	202.9	(37.7)
Retirement of Long-term Debt – Nonaffiliated	(1.6)	(1.6)
Principal Payments for Finance Lease Obligations	(2.7)	(2.6)
Dividends Paid on Common Stock – Nonaffiliated	(0.8)	(1.0)
Other Financing Activities	0.1	0.1
Net Cash Flows from Financing Activities	547.9	524.0
Net Increase in Cash and Cash Equivalents	6.9	5.0
Cash and Cash Equivalents at Beginning of Period	51.2	13.2
Cash and Cash Equivalents at End of Period	\$ 58.1	\$ 18.2
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 37.7	\$ 39.7
Noncash Acquisitions Under Finance Leases	1.0	1.5
Construction Expenditures Included in Current Liabilities as of March 31,	47.8	40.2

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 115.

INDEX OF CONDENSED NOTES TO CONDENSED FINANCIAL STATEMENTS OF REGISTRANTS

The condensed notes to condensed financial statements are a combined presentation for the Registrants. The following list indicates Registrants to which the notes apply. Specific disclosures within each note apply to all Registrants unless indicated otherwise:

Note	Registrant	Page Number
Significant Accounting Matters	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	116
New Accounting Standards	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	118
Comprehensive Income	AEP, AEP Texas, APCo, I&M, PSO, SWEPCo	119
Rate Matters	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	124
Commitments, Guarantees and Contingencies	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	138
Acquisitions and Assets and Liabilities Held for Sale	AEP, AEPTCo, PSO, SWEPCo	144
Benefit Plans	AEP, AEP Texas, APCo, I&M, OPCo, PSO, SWEPCo	148
Business Segments	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	150
Derivatives and Hedging	AEP, AEP Texas, APCo, I&M, OPCo, PSO, SWEPCo	154
Fair Value Measurements	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	169
Income Taxes	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	184
Financing Activities	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	186
Property, Plant and Equipment	AEP, PSO, SWEPCo	193
Revenue from Contracts with Customers	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	194

Restricted Cash (Applies to AEP, AEP Texas and APCo)

Restricted Cash primarily includes funds held by trustees for the payment of securitization bonds.

Reconciliation of Cash, Cash Equivalents and Restricted Cash

The following tables provide a reconciliation of Cash, Cash Equivalents and Restricted Cash reported within the balance sheets that sum to the total of the same amounts shown on the statements of cash flows:

	March 31, 2022		
	AEP	AEP Texas	APCo
	(in millions)		
Cash and Cash Equivalents	\$ 675.6	\$ 0.1	\$ 6.0
Restricted Cash	49.9	39.9	10.0
Total Cash, Cash Equivalents and Restricted Cash	\$ 725.5	\$ 40.0	\$ 16.0

	December 31, 2021		
	AEP	AEP Texas	APCo
	(in millions)		
Cash and Cash Equivalents	\$ 403.4	\$ 0.1	\$ 2.5
Restricted Cash	48.0	30.4	17.6
Total Cash, Cash Equivalents and Restricted Cash	\$ 451.4	\$ 30.5	\$ 20.1

2. NEW ACCOUNTING STANDARDS

The disclosures in this note apply to all Registrants unless indicated otherwise.

During the FASB's standard-setting process and upon issuance of final standards, management reviews the new accounting literature to determine its relevance, if any, to the Registrants' business. There are no new standards expected to have a material impact on the Registrants' financial statements.

3. COMPREHENSIVE INCOME

The disclosures in this note apply to all Registrants except AEPTCo and OPCo.

Presentation of Comprehensive Income

The following tables provide the components of changes in AOCI and details of reclassifications from AOCI. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 7 - Benefit Plans for additional information.

AEP

Three Months Ended March 31, 2022	Cash Flow Hedges		Pension and OPEB	Total
	Commodity	Interest Rate		
	(in millions)			
Balance in AOCI as of December 31, 2021	\$ 163.7	\$ (21.3)	\$ 42.4	\$ 184.8
Change in Fair Value Recognized in AOCI	278.2	6.8 (a)	—	285.0
Amount of (Gain) Loss Reclassified from AOCI				
Generation & Marketing Revenues (b)	(0.1)	—	—	(0.1)
Purchased Electricity for Resale (b)	(47.9)	—	—	(47.9)
Interest Expense (b)	—	1.1	—	1.1
Amortization of Prior Service Cost (Credit)	—	—	(4.9)	(4.9)
Amortization of Actuarial (Gains) Losses	—	—	2.1	2.1
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(48.0)	1.1	(2.8)	(49.7)
Income Tax (Expense) Benefit	(10.1)	0.2	(0.6)	(10.5)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(37.9)	0.9	(2.2)	(39.2)
Net Current Period Other Comprehensive Income (Loss)	240.3	7.7	(2.2)	245.8
Balance in AOCI as of March 31, 2022	\$ 404.0	\$ (13.6)	\$ 40.2	\$ 430.6

Three Months Ended March 31, 2021	Cash Flow Hedges		Pension and OPEB	Total
	Commodity	Interest Rate		
	(in millions)			
Balance in AOCI as of December 31, 2020	\$ (60.6)	\$ (47.5)	\$ 23.0	\$ (85.1)
Change in Fair Value Recognized in AOCI	177.3	13.1 (a)	—	190.4
Amount of (Gain) Loss Reclassified from AOCI				
Generation & Marketing Revenues (b)	0.8	—	—	0.8
Purchased Electricity for Resale (b)	(172.0)	—	—	(172.0)
Interest Expense (b)	—	1.5	—	1.5
Amortization of Prior Service Cost (Credit)	—	—	(4.8)	(4.8)
Amortization of Actuarial (Gains) Losses	—	—	2.3	2.3
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(171.2)	1.5	(2.5)	(172.2)
Income Tax (Expense) Benefit	(36.0)	0.4	(0.5)	(36.1)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(135.2)	1.1	(2.0)	(136.1)
Net Current Period Other Comprehensive Income (Loss)	42.1	14.2	(2.0)	54.3
Balance in AOCI as of March 31, 2021	\$ (18.5)	\$ (33.3)	\$ 21.0	\$ (30.8)

AFP Texas

Three Months Ended March 31, 2022	Cash Flow Hedge – Interest Rate	Pension and OPEB (in millions)	Total
Balance in AOCI as of December 31, 2021	\$ (1.3)	\$ (5.2)	\$ (6.5)
Change in Fair Value Recognized in AOCI	—	—	—
Amount of (Gain) Loss Reclassified from AOCI	—	—	—
Interest Expense (b)	0.4	—	0.4
Reclassifications from AOCI, before Income Tax (Expense) Benefit	0.4	—	0.4
Income Tax (Expense) Benefit	0.1	—	0.1
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	0.3	—	0.3
Net Current Period Other Comprehensive Income (Loss)	0.3	—	0.3
Balance in AOCI as of March 31, 2022	\$ (1.0)	\$ (5.2)	\$ (6.2)

Three Months Ended March 31, 2021	Cash Flow Hedge – Interest Rate	Pension and OPEB (in millions)	Total
Balance in AOCI as of December 31, 2020	\$ (2.3)	\$ (6.6)	\$ (8.9)
Change in Fair Value Recognized in AOCI	0.1	—	0.1
Amount of (Gain) Loss Reclassified from AOCI	—	—	—
Interest Expense (b)	0.3	—	0.3
Reclassifications from AOCI, before Income Tax (Expense) Benefit	0.3	—	0.3
Income Tax (Expense) Benefit	0.1	—	0.1
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	0.2	—	0.2
Net Current Period Other Comprehensive Income (Loss)	0.3	—	0.3
Balance in AOCI as of March 31, 2021	\$ (2.0)	\$ (6.6)	\$ (8.6)

APCo

Three Months Ended March 31, 2022	Cash Flow Hedge – Interest Rate	Pension and OPEB (in millions)	Total
Balance in AOCI as of December 31, 2021	\$ 7.5	\$ 16.9	\$ 24.4
Change in Fair Value Recognized in AOCI	—	—	—
Amount of (Gain) Loss Reclassified from AOCI	—	—	—
Interest Expense (b)	(0.3)	—	(0.3)
Amortization of Prior Service Cost (Credit)	—	(1.4)	(1.4)
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(0.3)	(1.4)	(1.7)
Income Tax (Expense) Benefit	(0.1)	(0.3)	(0.4)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(0.2)	(1.1)	(1.3)
Net Current Period Other Comprehensive Income (Loss)	(0.2)	(1.1)	(1.3)
Balance in AOCI as of March 31, 2022	\$ 7.3	\$ 15.8	\$ 23.1

Three Months Ended March 31, 2021	Cash Flow Hedge – Interest Rate	Pension and OPEB (in millions)	Total
Balance in AOCI as of December 31, 2020	\$ (0.8)	\$ 8.0	\$ 7.2
Change in Fair Value Recognized in AOCI	9.3	—	9.3
Amount of (Gain) Loss Reclassified from AOCI	—	—	—
Interest Expense (b)	(0.4)	—	(0.4)
Amortization of Prior Service Cost (Credit)	—	(1.4)	(1.4)
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(0.4)	(1.4)	(1.8)
Income Tax (Expense) Benefit	(0.1)	(0.3)	(0.4)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(0.3)	(1.1)	(1.4)
Net Current Period Other Comprehensive Income (Loss)	9.0	(1.1)	7.9
Balance in AOCI as of March 31, 2021	\$ 8.2	\$ 6.9	\$ 15.1

I&M

Three Months Ended March 31, 2022	Cash Flow Hedge – Interest Rate	Pension and OPEB (in millions)	Total
Balance in AOCI as of December 31, 2021	\$ (6.7)	\$ 5.4	\$ (1.3)
Change in Fair Value Recognized in AOCI	—	—	—
Amount of (Gain) Loss Reclassified from AOCI			
Interest Expense (b)	0.5	—	0.5
Amortization of Prior Service Cost (Credit)	—	(0.2)	(0.2)
Amortization of Actuarial (Gains) Losses	—	0.1	0.1
Reclassifications from AOCI, before Income Tax (Expense) Benefit	0.5	(0.1)	0.4
Income Tax (Expense) Benefit	0.1	—	0.1
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	0.4	(0.1)	0.3
Net Current Period Other Comprehensive Income (Loss)	0.4	(0.1)	0.3
Balance in AOCI as of March 31, 2022	\$ (6.3)	\$ 5.3	\$ (1.0)

Three Months Ended March 31, 2021	Cash Flow Hedge – Interest Rate	Pension and OPEB (in millions)	Total
Balance in AOCI as of December 31, 2020	\$ (8.3)	\$ 1.3	\$ (7.0)
Change in Fair Value Recognized in AOCI	—	—	—
Amount of (Gain) Loss Reclassified from AOCI			
Interest Expense (b)	0.6	—	0.6
Amortization of Prior Service Cost (Credit)	—	(0.2)	(0.2)
Amortization of Actuarial (Gains) Losses	—	0.2	0.2
Reclassifications from AOCI, before Income Tax (Expense) Benefit	0.6	—	0.6
Income Tax (Expense) Benefit	0.1	—	0.1
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	0.5	—	0.5
Net Current Period Other Comprehensive Income (Loss)	0.5	—	0.5
Balance in AOCI as of March 31, 2021	\$ (7.8)	\$ 1.3	\$ (6.5)

PSO

Three Months Ended March 31, 2022	Cash Flow Hedge – Interest Rate (in millions)
Balance in AOCI as of December 31, 2021	\$ —
Change in Fair Value Recognized in AOCI	—
Amount of (Gain) Loss Reclassified from AOCI	—
Interest Expense (b)	—
Reclassifications from AOCI, before Income Tax (Expense) Benefit	—
Income Tax (Expense) Benefit	—
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	—
Net Current Period Other Comprehensive Income (Loss)	—
Balance in AOCI as of March 31, 2022	\$ —

Three Months Ended March 31, 2021	Cash Flow Hedge – Interest Rate (in millions)
Balance in AOCI as of December 31, 2020	\$ 0.1
Change in Fair Value Recognized in AOCI	—
Amount of (Gain) Loss Reclassified from AOCI	—
Interest Expense (b)	(0.1)
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(0.1)
Income Tax (Expense) Benefit	—
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(0.1)
Net Current Period Other Comprehensive Income (Loss)	(0.1)
Balance in AOCI as of March 31, 2021	\$ —

SWEPCo

Three Months Ended March 31, 2022	Cash Flow Hedge – Interest Rate	Pension and OPEB (in millions)	Total
Balance in AOCI as of December 31, 2021	\$ 1.2	\$ 5.5	\$ 6.7
Change in Fair Value Recognized in AOCI	—	—	—
Amount of (Gain) Loss Reclassified from AOCI			
Interest Expense (b)	0.1	—	0.1
Amortization of Prior Service Cost (Credit)	—	(0.5)	(0.5)
Reclassifications from AOCI, before Income Tax (Expense) Benefit	0.1	(0.5)	(0.4)
Income Tax (Expense) Benefit	—	(0.1)	(0.1)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	0.1	(0.4)	(0.3)
Net Current Period Other Comprehensive Income (Loss)	0.1	(0.4)	(0.3)
Balance in AOCI as of March 31, 2022	\$ 1.3	\$ 5.1	\$ 6.4

Three Months Ended March 31, 2021	Cash Flow Hedge – Interest Rate	Pension and OPEB (in millions)	Total
Balance in AOCI as of December 31, 2020	\$ (0.3)	\$ 2.2	\$ 1.9
Change in Fair Value Recognized in AOCI	—	—	—
Amount of (Gain) Loss Reclassified from AOCI			
Interest Expense (b)	0.5	—	0.5
Amortization of Prior Service Cost (Credit)	—	(0.5)	(0.5)
Reclassifications from AOCI, before Income Tax (Expense) Benefit	0.5	(0.5)	—
Income Tax (Expense) Benefit	0.1	(0.1)	—
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	0.4	(0.4)	—
Net Current Period Other Comprehensive Income (Loss)	0.4	(0.4)	—
Balance in AOCI as of March 31, 2021	\$ 0.1	\$ 1.8	\$ 1.9

- (a) The change in fair value includes \$4 million and \$4 million related to AEP's investment in joint venture wind farms acquired as part of the purchase of Sempra Renewables LLC for the three months ended March 31, 2022 and 2021, respectively.
(b) Amounts reclassified to the referenced line item on the statements of income.

4. RATE MATTERS

The disclosures in this note apply to all Registrants unless indicated otherwise.

As discussed in the 2021 Annual Report, the Registrants are involved in rate and regulatory proceedings at the FERC and their state commissions. The Rate Matters note within the 2021 Annual Report should be read in conjunction with this report to gain a complete understanding of material rate matters still pending that could impact net income, cash flows and possibly financial condition. The following discusses ratemaking developments in 2022 and updates the 2021 Annual Report.

Coal-Fired Generation Plants (Applies to AEP, PSO and SWEPCo)

Compliance with extensive environmental regulations requires significant capital investment in environmental monitoring, installation of pollution control equipment, emission fees, disposal costs and permits. Management continuously evaluates cost estimates of complying with these regulations which has resulted in, and in the future may result in, a decision to retire coal-fired generating facilities earlier than their currently estimated useful lives.

Management is seeking or will seek regulatory recovery, as necessary, for any net book value remaining when the plants are retired. To the extent the net book value of these generation assets are not deemed recoverable, it could materially reduce future net income and cash flows and impact financial condition.

Regulated Generating Units that have been Retired

SWEPCo

In April 2016, Welsh Plant, Unit 2 was retired. As part of the 2016 Texas Base Rate Case, the PUCT authorized recovery of SWEPCo's Texas jurisdictional share of Welsh Plant, Unit 2, but denied SWEPCo the ability to earn a return on this investment resulting in a disallowance of \$7 million in 2017. See "2016 Texas Base Rate Case" section below for additional information. As part of the 2019 Arkansas Base Rate Case, SWEPCo received approval from the APSC to recover the Arkansas jurisdictional share of Welsh Plant, Unit 2. In December 2020, SWEPCo filed a request with the LPSC to recover the Louisiana jurisdictional share of Welsh Plant, Unit 2. See "2020 Louisiana Base Rate Case" section below for additional information. As of March 31, 2022, SWEPCo had a regulatory asset for plant retirement costs pending approval recorded on its balance sheet of \$35 million related to the Louisiana jurisdictional share of Welsh Plant, Unit 2.

In December 2021, the Dolet Hills Power Station was retired. As part of the 2020 Texas Base Rate Case, the PUCT authorized recovery of SWEPCo's Texas jurisdictional share of the Dolet Hills Power Station, but denied SWEPCo the ability to earn a return on this investment resulting in a disallowance of \$12 million in 2021. SWEPCo has also requested recovery of the Dolet Hills Power Station in the Arkansas and Louisiana jurisdictions through base rate cases. See "2020 Texas Base Rate Case", "2020 Louisiana Base Rate Case" and "2021 Arkansas Base Rate Case" sections below for additional information. The Dolet Hills Power Station is currently being recovered through 2026 in the Louisiana jurisdiction and through 2046 in the Arkansas and Texas jurisdictions. As of March 31, 2022, SWEPCo had a regulatory asset for the Dolet Hills Power Station pending approval recorded on its balance sheet of \$72 million related to the Arkansas and Louisiana jurisdictional shares.

Regulated Generating Units to be Retired

PSO

In 2014, PSO received final approval from the Federal EPA to close Northeastern Plant, Unit 3, in 2026. The plant was originally scheduled to close in 2040. As a result of the early retirement date, PSO revised the useful life of Northeastern Plant, Unit 3, to the projected retirement date of 2026 and the incremental depreciation is being deferred as a regulatory asset. As part of the 2021 Oklahoma Base Rate Case, PSO will continue to recover Northeastern Plant, Unit 3 through 2040.

SWEPCo

In November 2020, management announced plans to retire Pirkey Power Plant in 2023 and that it will cease using coal at the Welsh Plant in 2028. As a result of the announcement, SWEPCo began recording a regulatory asset for accelerated depreciation.

The table below summarizes the net book value including CWIP, before cost of removal and materials and supplies, as of March 31, 2022, of generating facilities planned for early retirement:

Plant	Net Book Value	Accelerated Depreciation Regulatory Asset	Regulatory	Cost of Removal Regulatory Liability	Projected Retirement Date	Current Authorized Recovery Period	Annual Depreciation (a)
	(dollars in millions)						
Northeastern Plant, Unit 3	\$ 159.1	\$	132.5	\$ 20.1	(b) 2026	(c)	\$ 14.9
Pirkey Power Plant	99.6		107.7	39.3	2023	(d)	13.4
Welsh Plant, Units 1 and 3	467.2		55.7	58.6	(e) 2028	(f)	37.3

- (a) Represents the amount of annual depreciation that has been collected from customers over the prior 12-month period.
- (b) Includes Northeastern Plant, Unit 4, which was retired in 2016. Removal of Northeastern Plant, Unit 4, will be performed with Northeastern Plant, Unit 3, after retirement.
- (c) Northeastern Plant, Unit 3 is currently being recovered through 2040.
- (d) Pirkey Power Plant is currently being recovered through 2025 in the Louisiana jurisdiction and through 2045 in the Arkansas and Texas jurisdictions.
- (e) Includes Welsh Plant, Unit 2, which was retired in 2016. Removal of Welsh Plant, Unit 2, will be performed with Welsh Plant, Units 1 and 3, after retirement.
- (f) Unit 1 is being recovered through 2027 in the Louisiana jurisdiction and through 2037 in the Arkansas and Texas jurisdictions. Unit 3 is being recovered through 2032 in the Louisiana jurisdiction and through 2042 in the Arkansas and Texas jurisdictions.

Dolet Hills Power Station and Related Fuel Operations (Applies to AEP and SWEPCo)

In December 2021, the Dolet Hills Power Station was retired. The Dolet Hills Power Station non-fuel costs are recoverable by SWEPCo through base rates and through a rate rider in the Texas jurisdiction. As of March 31, 2022, SWEPCo's share of the net investment in the Dolet Hills Power Station was \$108 million, including materials and supplies, net of cost of removal collected in rates.

Fuel costs incurred by the Dolet Hills Power Station are recoverable by SWEPCo through active fuel clauses. As of March 31, 2022, SWEPCo had a net under-recovered fuel balance of \$84 million, excluding impacts of the February 2021 severe winter weather event, which includes fuel consumed at the Dolet Hills Power Station. Additional reclamation and other land-related costs incurred by DHLC and Oxbow will be billed to SWEPCo and included in existing fuel clauses.

In March 2021, the LPSC issued an order allowing SWEPCo to recover up to \$20 million of fuel costs in 2021 and defer approximately \$30 million of additional costs with a recovery period to be determined at a later date. In November 2021, the LPSC issued a directive which deferred the issues regarding modification of the level and timing of recovery of the Dolet Hills Power Station from SWEPCo's pending rate case to a separate existing docket. In addition, the recovery of the deferred fuel costs are planned to be addressed.

In March 2021, the APSC approved fuel rates that provide recovery of the Arkansas share of the 2021 Dolet Hills Power Station fuel costs over five years through the existing fuel clause.

If any of these costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

Pirkey Power Plant and Related Fuel Operations (Applies to AEP and SWEPCo)

In 2020, management announced plans to retire the Pirkey Power Plant in 2023. The Pirkey Power Plant non-fuel costs are recoverable by SWEPCo through base rates and fuel costs are recovered through active fuel clauses. As of March 31, 2022, SWEPCo's share of the net investment in the Pirkey Power Plant was \$207 million, including CWIP, before cost of removal. Sabine is a mining operator providing mining services to the Pirkey Power Plant. Under the provisions of the mining agreement, SWEPCo is required to pay, as part of the cost of lignite delivered, an amount equal to mining costs plus a management fee. SWEPCo expects fuel deliveries, including billings of all fixed and operating costs, from Sabine to cease during the first quarter of 2023. Under the fuel agreements, SWEPCo's fuel inventory and unbilled fuel costs from mining related activities were \$87 million as of March 31, 2022. As of March 31, 2022, SWEPCo had a net under-recovered fuel balance of \$84 million, excluding impacts of the February 2021 severe winter weather event, which includes fuel consumed at the Pirkey Power Plant. Additional operational, reclamation and other land-related costs incurred by Sabine will be billed to SWEPCo and included in existing fuel clauses. If any of these costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

Regulatory Assets Pending Final Regulatory Approval (Applies to all Registrants except AEPTCo)

	AEP	
	March 31, 2022	December 31, 2021
Noncurrent Regulatory Assets		
(in millions)		
Regulatory Assets Currently Earning a Return		
Unrecovered Winter Storm Fuel Costs (a)	\$ 236.8	\$ 430.2
Pirkey Power Plant Accelerated Depreciation	107.7	87.0
Dolet Hills Power Station Accelerated Depreciation	72.2	72.3
Welsh Plant, Units 1 and 3 Accelerated Depreciation	55.7	45.9
Plant Retirement Costs – Unrecovered Plant, Louisiana	35.2	35.2
Dolet Hills Power Station Fuel Costs - Louisiana	31.3	30.9
Other Regulatory Assets Pending Final Regulatory Approval	10.5	9.2
Regulatory Assets Currently Not Earning a Return		
Storm-Related Costs	279.6	256.9
Plant Retirement Costs – Asset Retirement Obligation Costs	25.9	25.9
COVID-19	11.9	11.2
Other Regulatory Assets Pending Final Regulatory Approval	46.1	43.9
Total Regulatory Assets Pending Final Regulatory Approval	\$ 912.9	\$ 1,048.6

(a) Includes \$63 million and \$63 million of unrecovered winter storm fuel costs recorded as a current regulatory asset as of March 31, 2022 and December 31, 2021, respectively.

	AEP Texas	
	March 31, 2022	December 31, 2021
Noncurrent Regulatory Assets		
(in millions)		
Regulatory Assets Currently Earning a Return		
Mobile Generation Lease Payments	\$ 1.3	\$ —
Regulatory Assets Currently Not Earning a Return		
Storm-Related Costs	23.6	22.4
Vegetation Management Program	5.2	5.2
Texas Retail Electric Provider Bad Debt Expense	4.1	4.1
COVID-19	3.6	2.1
Other Regulatory Assets Pending Final Regulatory Approval	8.0	7.4
Total Regulatory Assets Pending Final Regulatory Approval	\$ 45.8	\$ 41.2

	APCo	
	March 31, 2022	December 31, 2021
Noncurrent Regulatory Assets		
(in millions)		
Regulatory Assets Currently Earning a Return		
COVID-19 – Virginia	\$ 6.8	\$ 6.8
Regulatory Assets Currently Not Earning a Return		
Storm-Related Costs	75.2	68.8
Plant Retirement Costs – Asset Retirement Obligation Costs	25.9	25.9
Other Regulatory Assets Pending Final Regulatory Approval	5.0	3.6
Total Regulatory Assets Pending Final Regulatory Approval	\$ 112.9	\$ 105.1

	I&M	
	March 31, 2022	December 31, 2021
Noncurrent Regulatory Assets	(in millions)	
<u>Regulatory Assets Currently Earning a Return</u>		
Other Regulatory Assets Pending Final Regulatory Approval	\$ 0.1	\$ 0.1
<u>Regulatory Assets Currently Not Earning a Return</u>		
COVID-19	0.2	1.7
Other Regulatory Assets Pending Final Regulatory Approval	0.8	1.9
Total Regulatory Assets Pending Final Regulatory Approval	\$ 1.1	\$ 3.7
	OPCo	
	March 31, 2022	December 31, 2021
Noncurrent Regulatory Assets	(in millions)	
<u>Regulatory Assets Currently Not Earning a Return</u>		
Storm-Related Costs	\$ 9.1	\$ 3.8
Total Regulatory Assets Pending Final Regulatory Approval	\$ 9.1	\$ 3.8
	PSO	
	March 31, 2022	December 31, 2021
Noncurrent Regulatory Assets	(in millions)	
<u>Regulatory Assets Currently Not Earning a Return</u>		
Storm-Related Costs	\$ 20.5	\$ 13.9
COVID-19	—	0.3
Total Regulatory Assets Pending Final Regulatory Approval	\$ 20.5	\$ 14.2
	SWEPCo	
	March 31, 2022	December 31, 2021
Noncurrent Regulatory Assets	(in millions)	
<u>Regulatory Assets Currently Earning a Return</u>		
Unrecovered Winter Storm Fuel Costs (a)	\$ 236.8	\$ 430.2
Pirkey Power Plant Accelerated Depreciation	107.7	87.0
Dolet Hills Power Station Accelerated Depreciation	72.2	72.3
Welsh Plant, Units 1 and 3 Accelerated Depreciation	55.7	45.9
Plant Retirement Costs – Unrecovered Plant, Louisiana	35.2	35.2
Dolet Hills Power Station Fuel Costs- Louisiana	31.3	30.9
Other Regulatory Assets Pending Final Regulatory Approval	2.3	2.4
<u>Regulatory Assets Currently Not Earning a Return</u>		
Storm-Related Costs	151.2	148.0
Asset Retirement Obligation - Louisiana	10.6	10.3
Other Regulatory Assets Pending Final Regulatory Approval	20.0	18.4
Total Regulatory Assets Pending Final Regulatory Approval	\$ 723.0	\$ 880.6

(a) Includes \$63 million and \$63 million of unrecovered winter storm fuel costs recorded as a current regulatory asset as of March 31, 2022 and December 31, 2021, respectively.

If these costs are ultimately determined not to be recoverable, it could reduce future net income and cash flows and impact financial condition.

AEP Texas Rate Matters (Applies to AEP and AEP Texas)

AEP Texas Interim Transmission and Distribution Rates

Through March 31, 2022, AEP Texas' cumulative revenues from interim base rate increases that are subject to review is approximately \$368 million. A base rate review could result in a refund to customers if AEP Texas incurs a disallowance of the transmission or distribution investment on which an interim increase was based. Management is unable to determine a range of potential losses, if any, that are reasonably possible of occurring. A revenue decrease, including a refund of interim transmission and distribution rates, could reduce future net income and cash flows and impact financial condition. AEP Texas is required to file for a comprehensive rate review no later than April 5, 2024.

APCo and WPCo Rate Matters (Applies to AEP and APCo)

2017-2019 Virginia Triennial Review

In November 2020, the Virginia SCC issued an order on APCo's 2017-2019 Triennial Review filing concluding that APCo earned above its authorized ROE but within its ROE band for the 2017-2019 period, resulting in no refund to customers and no change to APCo base rates on a prospective basis. The Virginia SCC approved a prospective 9.2% ROE for APCo's 2020-2022 triennial review period with the continuation of a 140 basis point band (8.5% bottom, 9.2% midpoint, 9.9% top).

In December 2020, an intervenor filed a petition at the Virginia SCC requesting reconsideration of: (a) the failure of the Virginia SCC to apply a threshold earnings test to the approved regulatory asset for APCo's closed coal-fired generation assets and (b) the Virginia SCC's use of a 2011 benchmark study to measure the replacement value of capacity for purposes of APCo's 2017 – 2019 earnings test.

In December 2020, APCo filed a petition at the Virginia SCC requesting reconsideration of: (a) certain issues related to APCo's going-forward rates and (b) the Virginia SCC's decision to deny APCo tariff changes that align rates with underlying costs. For APCo's going-forward rates, APCo requested that the Virginia SCC clarify its final order and clarify whether APCo's current rates will allow it to earn a fair return. If the Virginia SCC's order did conclude that APCo was able to earn a fair return through existing base rates, APCo further requested that the Virginia SCC clarify whether it has the authority to also permit an increase in base rates.

In March 2021, an intervenor filed its appeal with the Virginia Supreme Court related to the November 2020 order in which it stated the Virginia SCC erred: (a) in determining that Virginia law did not apply to its determination to permit amortization for recovery of costs associated with retired coal-fired generation assets, (b) in establishing a new regulatory asset for a cost incurred outside of the triennial review period due to its failure to apply a threshold earnings test before approving deferred cost recovery and (c) in misapplying the requirement that APCo bear the burden of demonstrating that power purchases made by APCo from its affiliate, OVEC, were priced at the lower of OVEC's cost or the market price for nonaffiliated power.

In March 2021, APCo filed its appeal with the Virginia Supreme Court related to the November 2020 order in which it stated the Virginia SCC erred: (a) in finding that costs associated with asset impairments related to early retirement determinations made by APCo for certain generation facilities should not be attributed to the test periods under review and deemed fully recovered in the period recorded, (b) in finding that it was permitted to evaluate the reasonableness of APCo's decision to record, per books for financial reporting purposes, asset impairments related to early retirement determinations for certain generation facilities, (c) as a result of the errors described in (a) and (b), in denying APCo an increase in rates, (d) in failing to review and make any findings regarding whether APCo's rates would allow it to earn a fair rate of return going forward, (e) in denying APCo an increase in base rates by

failing to ensure that APCo has an opportunity to recover its costs and earn a fair rate of return, thereby resulting in a taking of private property for public use without just compensation and (f) in retroactively adjusting APCo's depreciation expense for purposes of calculating APCo's earnings for the 2017-2019 triennial period.

In March 2021, the Virginia SCC issued an order confirming certain decisions from the November 2020 order and rejecting the various requests for reconsideration from APCo and an intervenor. In March 2021, APCo filed a notice of appeal of the reconsideration order with the Virginia Supreme Court. In September 2021, APCo submitted its brief before the Virginia Supreme Court. The brief was in alignment with the previous items of appeal filed by APCo in March 2021. In October 2021, the Virginia SCC and additional intervenors filed briefs with the Virginia Supreme Court disagreeing with the items appealed by APCo in the Triennial Review decision. Additionally, the Virginia SCC and APCo filed briefs disagreeing with the items appealed by an intervenor in a separate appeal of the same decision. In March 2022, oral arguments were held at the Virginia Supreme Court and APCo is currently awaiting the Virginia Supreme Court's decision.

APCo ultimately seeks an increase in base rates through its appeal to the Virginia Supreme Court. Among other issues, this appeal includes APCo's request for proper treatment of the closed coal-fired plant assets in APCo's 2017-2019 triennial period, reducing APCo's earnings below the bottom of its authorized ROE band. If APCo's appeal regarding treatment of the closed coal plants is granted by the Virginia Supreme Court, it could initially reduce future net income and impact financial condition as a consequence of expensing the closed coal-fired plant regulatory asset established as a result of the Virginia SCC's decision in the 2017-2019 Triennial Review. A Virginia Supreme Court decision in favor of APCo's original expensing of the closed coal-fired plant asset balances would likely result in a remand to the Virginia SCC. Upon a subsequent Virginia SCC order, the initial negative impact for the write-off of the closed coal-fired plant asset balances could potentially be offset by an increase in base rates for earning below APCo's 2017-2019 authorized ROE band.

CCR/ELG Compliance Plan Filings

In December 2020, APCo submitted filings with the Virginia SCC and WVPSC requesting approvals necessary to implement CCR/ELG compliance plans at the Amos and Mountaineer Plants. Intervenors in Virginia and West Virginia recommended that only the CCR-related investments be constructed at Amos and Mountaineer and, as a consequence, that APCo close these generating facilities at the end of 2028.

In August 2021, the Virginia SCC issued an order approving APCo's request to construct CCR-related investments at the Amos and Mountaineer Plants and approved recovery of CCR-related other operation and maintenance expenses and investments through an active rider. The order denied APCo's request to construct the ELG investments and denied recovery of previously incurred ELG costs. In March 2022, APCo refiled for approval of the ELG investments and previously incurred ELG costs. A hearing is scheduled to take place in September 2022 and an order is anticipated in the fourth quarter of 2022.

Also in August 2021, the WVPSC approved the request to construct CCR/ELG investments at the Amos and Mountaineer Plants and approved recovery of the West Virginia jurisdictional share of these costs through an active rider. In October 2021, due to the Virginia SCC previously rejecting the ELG investments, the WVPSC issued an order directing APCo to proceed with CCR/ELG compliance plans that would allow the plants to continue operating beyond 2028. The October order further states that APCo will not share capacity and energy from the plants with customers from Virginia if those customers are not paying for ELG compliance costs, or for any new capital investment or continuing operations costs incurred, to allow the plants to operate beyond 2028 or prevent downgrades prior to 2028. The WVPSC also ordered that APCo will be given the opportunity to recover, from West Virginia customers, the new capital and operating costs arising solely from the WVPSC's directive to operate the plants beyond 2028 if the WVPSC finds that the costs are reasonably and prudently incurred. In October and November 2021, intervenors filed petitions for reconsideration at the WVPSC requesting clarification on certain aspects of the order, primarily the jurisdictional allocation of future operating expenses and plant costs.

APCo expects total Amos and Mountaineer Plant ELG investment, excluding AFUDC, to be approximately \$197 million. As of March 31, 2022, APCo's Virginia jurisdictional share of the net book value, before cost of removal including CWIP and inventory, of the Amos and Mountaineer Plants was approximately \$1.5 billion and APCo's Virginia jurisdictional share of its ELG investment balance in CWIP for these plants was \$41 million.

If any of the ELG costs are not approved for recovery and/or the retirement dates of the Amos and Mountaineer plants are accelerated to 2028 without commensurate cost recovery, it would reduce future net income and cash flows and impact financial condition.

2021 and 2022 ENEC (Expanded Net Energy Cost) Filings

In April 2021, APCo and WPCo (the Companies) requested a \$73 million annual increase in ENEC rates based on a cumulative combined \$55 million ENEC under-recovery as of February 28, 2021 and a combined \$18 million increase in projected ENEC costs for the period September 2021 through August 2022. In September 2021, the WVPSC issued an order approving a \$7 million overall increase in ENEC rates, including an approval for recovery of the Companies' cumulative \$55 million ENEC under-recovery balance and a \$48 million reduction in projected costs for the period September 2021 through August 2022. Subsequently, the Companies submitted a request for reconsideration of this order, identifying flaws in the WVPSC's calculation of forecasted future year fuel expense and purchased power costs.

In March 2022, the WVPSC issued an order modifying the original \$48 million reduction to a \$17 million reduction related to projected costs for the period September 2021 through August 2022. The order also reopened the 2021 ENEC case to require the Companies to explain the significant growth in the reported under-recovery of ENEC costs and to provide various other information including revised projections related to projected costs for the period March 2022 through August 2022. Also, in March 2022, the Companies filed testimony providing the information requested in the WVPSC's order and requested a \$155 million annual increase in ENEC rates effective May 1, 2022. It is anticipated that the WVPSC will issue an order on the reopened 2021 ENEC filing in the second quarter of 2022.

In April 2022, the Companies submitted their 2022 annual ENEC filing with the WVPSC requesting a \$297 million annual increase in ENEC revenues, inclusive of the previously requested \$155 million increase, effective September 1, 2022. As of March 31, 2022, the Companies' cumulative ENEC under-recovery was \$243 million. If any deferred ENEC costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

ETT Rate Matters (Applies to AEP)

ETT Interim Transmission Rates

AEP has a 50% equity ownership interest in ETT. Predominantly all of ETT's revenues are based on interim rate changes that can be filed twice annually and are subject to review and possible true-up in the next base rate proceeding. Through March 31, 2022, AEP's share of ETT's cumulative revenues that are subject to review is approximately \$1.4 billion. A base rate review could produce a refund if ETT incurs a disallowance of the transmission investment on which an interim increase was based. A revenue decrease, including a refund of interim transmission rates, could reduce future net income and cash flows and impact financial condition. Management is unable to determine a range of potential losses, if any, that are reasonably possible of occurring. ETT is required to file for a comprehensive rate review no later than February 1, 2023, during which the \$1.4 billion of cumulative revenues above will be subject to review.

I&M Rate Matters (Applies to AEP)

Michigan Power Supply Cost Recovery (PSCR) Reconciliation

In April 2022, an Administrative Law Judge (ALJ) issued a Proposal for Decision (PFD) for I&M's PSCR reconciliation for the 12-month period ending December 31, 2020, recommending the MPSC disallow approximately \$8 million of purchased power costs that I&M incurred under the Inter-Company Power Agreement with OVEC and the Unit Power Agreement with AEGCo. Management disagrees with the ALJ's recommended cost disallowances and intends to file exceptions to the PFD. I&M anticipates that the MPSC will issue a final decision in the second half of 2022. Management is unable to predict the impact, if any, that the MPSC's final decision may have on future results of operations, financial condition and cash flows.

KPCo Rate Matters (Applies to AEP)

CCR/ELG Compliance Plan Filings

KPCo and WPCo each own a 50% interest in the Mitchell Plant. In December 2020 and February 2021, WPCo and KPCo filed requests with the WVPSC and KPSC, respectively, to obtain the regulatory approvals necessary to implement CCR and ELG compliance plans and seek recovery of the estimated \$132 million investment for the Mitchell Plant that would allow the plant to continue operating beyond 2028. Within those requests, WPCo and KPCo also filed a \$25 million alternative to implement only the CCR-related investments with the WVPSC and KPSC, respectively, which would allow the Mitchell Plant to continue operating only through 2028.

In July 2021, the KPSC issued an order approving the CCR only alternative and rejecting the full CCR and ELG compliance plan. In August 2021, the WVPSC approved the full CCR and ELG compliance plan for the WPCo share of the Mitchell Plant. In September 2021, WPCo submitted a filing with the WVPSC to reopen the CCR/ELG case that was approved by the WVPSC in August 2021. Due to the rejection by the KPSC of the KPCo share of the ELG investments, WPCo requested the WVPSC consider approving the construction and recovery of all ELG costs at the plant. In October 2021, the WVPSC affirmed its August 2021 order approving the construction of CCR/ELG investments and directed WPCo to proceed with CCR/ELG compliance plans that would allow the plant to continue operating beyond 2028. The WVPSC's order further states WPCo will not share capacity and energy from the plant with KPCo customers if those customers are not paying for ELG compliance costs, or for any new capital investment or continuing operations costs incurred, to allow the plant to operate beyond 2028 or prevent downgrades prior to 2028. The WVPSC also ordered that WPCo will be given the opportunity to recover, from its customers, the new capital and operating costs arising solely from the WVPSC's directive to operate the plant beyond 2028 if the WVPSC finds that the costs are reasonably and prudently incurred. In October and November 2021, intervenors filed petitions for reconsideration at the WVPSC requesting clarification on certain aspects of the order, primarily the jurisdictional allocation of future operating expenses and plant costs.

In November 2021, AEP made filings with the KPSC, WVPSC and FERC seeking approval of a proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement between KPCo and WPCo pursuant to which WPCo would replace KPCo as the operator of the Mitchell Plant. In February 2022, AEP filed a motion to withdraw its filing with the FERC, noting that AEP intends to re-file its request after the KPSC and WVPSC have reviewed the agreements. See "Disposition of KPCo and KTCo" section of Note 6 for additional information.

As of March 31, 2022, KPCo's share of the Mitchell Plant's ELG investment balance in CWIP was \$4 million. As of March 31, 2022, the net book value of KPCo's share of the Mitchell Plant, before cost of removal including CWIP and inventory, was \$585 million.

If any of the ELG costs are not approved for recovery and/or the retirement date of the Mitchell Plant is accelerated to 2028 without commensurate cost recovery, it would reduce future net income and cash flows and impact financial condition.

OPCo Rate Matters (Applies to AEP and OPCo)

OVEC Cost Recovery Audits

In December 2021, as part of OVEC cost recovery audits pending before the PUCO, intervenors filed positions claiming that costs incurred by OPCo during the 2018-2019 audit period were imprudent and should be disallowed. Management disagrees with these claims and is unable to predict the impact, if any, these disputes may have on future results of operations, financial condition and cash flows. See "OVEC" section of Note 17 in the 2021 Annual Report for additional information on AEP and OPCo's investment in OVEC.

PSO Rate Matters (Applies to AEP and PSO)

February 2021 Severe Winter Weather Impacts in SPP

In February 2021, severe winter weather had a significant impact in SPP, resulting in the declaration of Energy Emergency Alert Levels 2 and 3 for the first time in SPP's history. The winter storm increased the demand for natural gas and restricted the available natural gas supply resulting in significantly increased market prices for natural gas power plants to meet reliability needs for the SPP electric system. For the time period of February 9, 2021, to February 20, 2021, PSO's natural gas expenses and purchases of electricity still to be recovered from customers are \$681 million as of March 31, 2022.

In April 2021, the OCC approved a waiver for PSO allowing the deferral of the extraordinary fuel and purchases of electricity, including a carrying charge at an interim rate of 0.75%, over a longer time period than what the FAC traditionally allows. In January 2022, PSO, OCC staff and certain intervenors filed a joint stipulation and settlement agreement with the OCC to approve PSO's securitization of the extraordinary fuel and purchases of electricity. The agreement includes a determination that all of PSO's extraordinary fuel and purchases of electricity were prudent and reasonable and a 0.75% carrying charge, subject to true-up based on actual financing costs. In February 2022, the OCC approved the joint stipulation and settlement agreement in its financing order. The issuance of the securitization bonds must be approved by the Supreme Court of Oklahoma. A ruling by the Supreme Court is expected in the second quarter of 2022. PSO expects to complete the securitization process in 2022, subject to market conditions.

SWEPCo Rate Matters (Applies to AEP and SWEPCo)

2012 Texas Base Rate Case

In 2012, SWEPCo filed a request with the PUCT to increase annual base rates primarily due to the completion of the Turk Plant. In 2013, the PUCT issued an order affirming the prudence of the Turk Plant but determined that the Turk Plant's Texas jurisdictional capital cost cap established in a previous Certificate of Convenience and Necessity case also limited SWEPCo's recovery of AFUDC in addition to limits on its recovery of cash construction costs.

Upon rehearing in 2014, the PUCT reversed its initial ruling and determined that AFUDC was excluded from the Turk Plant's Texas jurisdictional capital cost cap. As a result, SWEPCo reversed \$114 million of a previously recorded regulatory disallowance in 2013. In 2017, the Texas District Court upheld the PUCT's 2014 order and intervenors filed appeals with the Texas Third Court of Appeals.

In July 2018, the Texas Third Court of Appeals reversed the PUCT's judgment affirming the prudence of the Turk Plant and remanded the issue back to the PUCT. In January 2019, SWEPCo and the PUCT filed petitions for review with the Texas Supreme Court. In March 2021, the Texas Supreme Court issued an opinion reversing the July 2018 judgment of the Texas Third Court of Appeals and agreeing with the PUCT's judgment affirming the prudence of the Turk Plant. In addition, the Texas Supreme Court remanded the AFUDC dispute back to the Texas Third Court of Appeals. No parties filed a motion for rehearing with the Texas Supreme Court. In August 2021, the Texas Third Court of Appeals reversed the Texas District Court judgment affirming the PUCT's order on

AFUDC, concluding that the language of the PUCT's original 2008 order intended to include AFUDC in the Texas jurisdictional capital cost cap, and remanded the case to the PUCT for future proceedings. SWEPCo disagrees with the Court of Appeals decision and submitted a Petition for Review with the Texas Supreme Court in November 2021. The Texas Supreme Court has requested responses to the Petition for Review, which are due at the end of April 2022.

If SWEPCo is ultimately unable to recover capitalized Turk Plant costs, including AFUDC in excess of the Texas jurisdictional capital cost cap, it would be expected to result in a pretax net disallowance ranging from \$80 million to \$90 million. In addition, if AFUDC is ultimately determined to be included in the Texas jurisdictional capital cost cap, SWEPCo estimates it may be required to make customer refunds ranging from \$0 to \$180 million related to revenues collected from February 2013 through March 2022 and such determination may reduce SWEPCo's future revenues by approximately \$15 million on an annual basis.

2016 Texas Base Rate Case

In 2016, SWEPCo filed a request with the PUCT for a net increase in Texas annual revenues of \$69 million based upon a 10% ROE. In January 2018, the PUCT issued a final order approving a net increase in Texas annual revenues of \$50 million based upon a ROE of 9.6%, effective May 2017. The final order also included: (a) approval to recover the Texas jurisdictional share of environmental investments placed in-service, as of June 30, 2016, at various plants, including Welsh Plant, Units 1 and 3, (b) approval of recovery of, but no return on, the Texas jurisdictional share of the net book value of Welsh Plant, Unit 2, (c) approval of \$2 million in additional vegetation management expenses and (d) the rejection of SWEPCo's proposed transmission cost recovery mechanism.

As a result of the final order, in 2017 SWEPCo: (a) recorded an impairment charge of \$19 million, which included \$7 million associated with the lack of return on Welsh Plant, Unit 2 and \$12 million related to other disallowed plant investments, (b) recognized \$32 million of additional revenues, for the period of May 2017 through December 2017, that was surcharged to customers in 2018 and (c) recognized an additional \$7 million of expenses consisting primarily of depreciation expense and vegetation management expense, offset by the deferral of rate case expense. SWEPCo implemented new rates in February 2018 billings. The \$32 million of additional 2017 revenues was collected during 2018. In March 2018, the PUCT clarified and corrected portions of the final order, without changing the overall decision or amounts of the rate change. The order has been appealed by various intervenors. The appeal will move forward following the conclusion of the 2012 Texas Base Rate Case. If certain parts of the PUCT order are overturned, it could reduce future net income and cash flows and impact financial condition.

2020 Texas Base Rate Case

In October 2020, SWEPCo filed a request with the PUCT for a \$105 million annual increase in Texas base rates based upon a proposed 10.35% ROE. The request would move transmission and distribution interim revenues recovered through riders into base rates. Eliminating these riders would result in a net annual requested base rate increase of \$90 million primarily due to increased investments. The proposed net annual increase: (a) includes \$5 million related to vegetation management to maintain and improve the reliability of SWEPCo's Texas jurisdictional distribution system, (b) requests a \$10 million annual depreciation increase and (c) seeks \$2 million annually to establish a storm catastrophe reserve. In addition, SWEPCo also requested recovery of the Texas jurisdictional share of the Dolet Hills Power Station of \$45 million which was retired in December 2021. SWEPCo subsequently filed a request with the PUCT lowering the requested annual increase in Texas base rates to \$100 million which would result in an \$85 million net annual base rate increase after moving the proposed riders to rate base.

In January 2022, the PUCT issued a final order approving an annual revenue increase of \$39 million based upon a 9.25% ROE. The order also includes: (a) rates implemented retroactively back to March 18, 2021, (b) \$5 million of the proposed increase related to vegetation management, (c) \$2 million annually to establish a storm catastrophe reserve and (d) the creation of a rider that would recover the Dolet Hills Power Station as if it were in rate base until its retirement at the end of 2021 and starting in 2022 the remaining net book value would be recovered as a

regulatory asset through 2046. As a result of the final order, SWEPCo recorded a disallowance of \$12 million in 2021 associated with the lack of return on the Dolet Hills Power Station. In February 2022, SWEPCo filed a motion for rehearing with the PUCT challenging several errors in the order, which include challenges of the approved ROE, the denial of a reasonable return or carrying costs on the Dolet Hills Power Station and the calculation of the Texas jurisdictional share of the storm catastrophe reserve. In April 2022, the PUCT denied the motion for rehearing.

2020 Louisiana Base Rate Case

In December 2020, SWEPCo filed a request with the LPSC for a \$134 million annual increase in Louisiana base rates based upon a proposed 10.35% ROE. SWEPCo subsequently revised the requested annual increase to \$114 million to reflect removing hurricane storm restoration costs from the base case filing. The hurricane costs have been requested in a separate storm filing. See "2021 Louisiana Storm Cost Filing" below for more information. The base case filing would extend the formula rate plan for five years and includes modifications to the formula rate plan to allow for forward-looking transmission costs, reflects the impact of net operating losses associated with the acceleration of certain tax benefits and incorporates future federal corporate income tax changes. The proposed net annual increase requests a \$32 million annual depreciation increase to recover Louisiana's share of the Dolet Hills Power Station, Pirkey Power Plant and Welsh Plant, all of which are expected to be retired early.

In July 2021, the LPSC staff filed testimony supporting a \$6 million annual increase in base rates based upon a ROE of 9.1% while other intervenors recommended a ROE ranging from 9.35% to 9.8%. The primary differences between SWEPCo's requested annual increase in base rates and the LPSC staff's recommendation include: (a) a reduction in depreciation expense, (b) recovery of Dolet Hills Power Station and Pirkey Power Plant in a separate rider mechanism, (c) the rejection of SWEPCo's proposed adjustment to include a stand-alone net operating loss carryforward deferred tax asset in rate base and (d) a reduction in the proposed ROE.

In September 2021, SWEPCo filed rebuttal testimony supporting a revised requested annual increase in base rates of \$95 million. The primary differences in the rebuttal testimony from the previous revised request of \$114 million are modifications to the proposed recovery of the Dolet Hills Power Station and revisions to various proposed amortizations. LPSC staff and intervenor responses to SWEPCo's rebuttal testimony were filed in October 2021. The procedural schedule for the case is on hold due to ongoing settlement discussions.

If any of these costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

2021 Arkansas Base Rate Case

In July 2021, SWEPCo filed a request with the APSC for an \$85 million annual increase in Arkansas base rates based upon a proposed 10.35% ROE with a capital structure of 48.7% debt and 51.3% common equity. The proposed annual increase includes: (a) a \$41 million revenue requirement for the North Central Wind Facilities, (b) a \$14 million annual depreciation increase primarily due to recovery of the Dolet Hills Power Station through 2026 and Pirkey Plant and Welsh Plant, Units 1 and 3 through 2037 and (c) a \$6 million increase due to SPP costs. SWEPCo requested that rates become effective in June 2022.

APSC staff filed testimony supporting a \$47 million annual increase in base rates based upon a ROE of 9.3% while other intervenors recommended a ROE ranging from 8.75% to 9.25%. The primary differences between SWEPCo's requested annual increase in base rates and the APSC staff's recommendation include: (a) recovery of the Dolet Hills Power Station through 2046 with no debt or equity return, (b) a reduction in the proposed ROE with a capital structure of 55.5% debt and 44.5% common equity and (c) lower depreciation rates. The APSC staff also recommended future generating facility retirements be treated similar to the Dolet Hills Power Station recommendation of recovery with no debt or equity return. Also, an intervenor recommended no debt or equity return on the Pirkey Power Plant after its retirement, which is currently expected to be in 2023. SWEPCo filed rebuttal testimony in January 2022 revising the requested annual increase in Arkansas base rates to \$81 million with

rates to be effective in June 2022. A hearing was held at the APSC in March 2022. If any of these costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

2021 Louisiana Storm Cost Filing

In 2020, Hurricanes Laura and Delta caused power outages and extensive damage to the SWEPCo service territories, primarily impacting the Louisiana jurisdiction. Following both hurricanes, the LPSC issued orders allowing Louisiana utilities, including SWEPCo, to establish regulatory assets to track and defer expenses associated with these storms. In February 2021, severe winter weather impacted the Louisiana jurisdiction and in March 2021, the LPSC approved the deferral of incremental storm restoration expenses related to the winter storm. In October 2021, SWEPCo filed a request with the LPSC for recovery of \$145 million in deferred storm costs associated with the three storms. As part of the filing, SWEPCo requested recovery of the carrying charges on the deferred regulatory asset at a weighted average cost of capital through a rider beginning in January 2022. LPSC staff testimony is due to the LPSC in May 2022 and an order is expected before the end of 2022. If any of the storm costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

February 2021 Severe Winter Weather Impacts in SPP

As discussed in the "PSO Rate Matters" section above, severe winter weather had a significant impact in SPP, resulting in significantly increased market prices for natural gas power plants to meet reliability needs for the SPP electric system. For the time period of February 9, 2021, to February 20, 2021, SWEPCo's natural gas expenses and purchases of electricity still to be recovered from customers are \$418 million as of March 31, 2022, of which \$96 million, \$141 million and \$181 million is related to the Arkansas, Louisiana and Texas jurisdictions, respectively.

In March 2021, the APSC issued an order authorizing recovery of the Arkansas jurisdictional share of the retail customer fuel costs over five years, with the appropriate carrying charge to be determined at a later date. Subsequently, SWEPCo began recovery of these fuel costs. SWEPCo is currently recovering the fuel costs at an interim carrying charge of 0.3%. In April 2021, SWEPCo filed testimony supporting a five-year recovery with a carrying charge of 6.05%, which has been supported by APSC staff. Various other parties have recommended recovery periods ranging from 5-20 years with a carrying charge of 1.65%. SWEPCo is awaiting a decision from the APSC. The prudence of these fuel costs is expected to be addressed in a separate proceeding.

In March 2021, the LPSC approved a special order granting a temporary modification to the FAC and shortly after SWEPCo began recovery of its Louisiana jurisdictional share of these fuel costs based on a five-year recovery period inclusive of an interim carrying charge of 3.25%. SWEPCo will work with the LPSC to finalize the actual recovery period and determine the appropriate carrying charge in future proceedings.

In August 2021, SWEPCo filed an application with the PUCT to implement a net interim fuel surcharge for the Texas jurisdictional share of these retail fuel costs. The application requested a five-year recovery with a carrying charge of 7.18%. In March 2022, the PUCT ordered SWEPCo to recover the Texas jurisdictional share of the fuel costs over five years with a carrying charge of 1.65% and ordered SWEPCo to file a fuel reconciliation addressing fuel costs from January 1, 2020 through December 31, 2021.

If SWEPCo is unable to recover any of the costs relating to the extraordinary fuel and purchases of electricity, or obtain authorization of a reasonable carrying charge on these costs, it could reduce future net income and cash flows and impact financial condition.

FERC Rate Matters

FERC SPP Transmission Formula Rate Challenge (Applies to AEP, AEPTCo, PSO and SWEPCo)

In May 2021, certain joint customers submitted a formal challenge at the FERC related to the 2020 Annual Update of the 2019 SPP Transmission Formula Rates of the AEP transmission owning subsidiaries within SPP. In March 2022, the FERC issued an order on the formal challenge which ruled in favor of the joint customers on several issues. Management has determined that the result of the order will have an immaterial impact to the financial statements of AEP, AEPTCo, PSO and SWEPCo.

Independence Energy Connection Project (Applies to AEP)

In 2016, PJM approved the Independence Energy Connection Project (IEC) and included it in its Regional Transmission Expansion Plan to alleviate congestion. Transource Energy owns the IEC, which is located in Maryland and Pennsylvania. In June 2020, the Maryland Public Service Commission approved a Certificate of Public Convenience and Necessity to construct the portion of the IEC in Maryland. In May 2021, the Pennsylvania Public Utility Commission (PAPUC) denied the IEC certificate for siting and construction of the portion in Pennsylvania. Transource Energy has appealed the PAPUC ruling in Pennsylvania state court and challenged the ruling before the United States District Court for the Middle District of Pennsylvania. The case before the state court is pending and the case before the United States District Court for the Middle District of Pennsylvania is currently suspended, pending the outcome of the case in the Pennsylvania state court.

In September 2021, PJM notified Transource Energy that the IEC was suspended to allow for the regulatory and related appeals process to proceed in an orderly manner without breaching milestone dates in the project agreement. PJM stated that the IEC has not been cancelled and remains necessary to alleviate congestion. As of March 31, 2022, AEP's share of IEC capital expenditures was approximately \$82 million, located in Total Property, Plant and Equipment - Net on AEP's balance sheets. The FERC has previously granted abandonment benefits for this project, allowing the full recovery of prudently incurred costs if the project is cancelled for reasons outside the control of Transource Energy. If any of the IEC costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

FERC RTO Incentive Complaint (Applies to AEP, AEPTCo and OPCo)

In February 2022, the Office of the Ohio Consumer's Council filed a complaint against AEPSC, American Transmission Systems, Inc. and Duke Energy Ohio, alleging the 50 basis point RTO incentive included in Ohio Transmission Owners' respective transmission formula rates is not just and reasonable and therefore should be eliminated on the basis that RTO participation is not voluntary, but rather is required by Ohio law. In March 2022, AEPSC filed a motion to dismiss the Ohio Consumer's Council February 2022 complaint with the FERC on the basis of certain deficiencies, including that the complaint fails to request relief that can be granted under FERC regulations because AEPSC is not a public utility nor does it have a transmission rate on file with the FERC. Management believes its financial statements adequately address the impact of the February 2022 complaint. If the FERC orders revenue reductions as a result of the complaint, including refunds from the date of the complaint filing, it could reduce future net income and cash flows and impact financial condition.

5. COMMITMENTS, GUARANTEES AND CONTINGENCIES

The disclosures in this note apply to all Registrants unless indicated otherwise.

The Registrants are subject to certain claims and legal actions arising in the ordinary course of business. In addition, the Registrants' business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation against the Registrants cannot be predicted. Management accrues contingent liabilities only when management concludes that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum possible loss exposure. Circumstances change over time and actual results may vary significantly from estimates.

For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements. The Commitments, Guarantees and Contingencies note within the 2021 Annual Report should be read in conjunction with this report.

GUARANTEES

Liabilities for guarantees are recorded in accordance with the accounting guidance for "Guarantees." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third-parties unless specified below.

Letters of Credit (Applies to AEP and AEP Texas)

Standby letters of credit are entered into with third-parties. These letters of credit are issued in the ordinary course of business and cover items such as natural gas and electricity risk management contracts, construction contracts, insurance programs, security deposits and debt service reserves.

AEP has \$4 billion and \$1 billion revolving credit facilities due in March 2027 and 2024, respectively, under which up to \$1.2 billion may be issued as letters of credit on behalf of subsidiaries. As of March 31, 2022, no letters of credit were issued under the revolving credit facility.

An uncommitted facility gives the issuer of the facility the right to accept or decline each request made under the facility. AEP issues letters of credit on behalf of subsidiaries under five uncommitted facilities totaling \$400 million. The Registrants' maximum future payments for letters of credit issued under the uncommitted facilities as of March 31, 2022 were as follows:

<u>Company</u>	<u>Amount</u> <u>(in millions)</u>	<u>Maturity</u>
AEP	\$ 308.7	April 2022 to March 2023
AEP Texas	2.2	July 2022

Guarantees of Equity Method Investees (Applies to AEP)

In 2019, AEP acquired Sempra Renewables LLC. The transaction resulted in the acquisition of a 50% ownership interest in five non-consolidated joint ventures and the acquisition of two tax equity partnerships. Parent has issued guarantees over the performance of the joint ventures. If a joint venture were to default on payments or performance, Parent would be required to make payments on behalf of the joint venture. As of March 31, 2022, the maximum potential amount of future payments associated with these guarantees was \$142 million, with the last guarantee expiring in December 2037. The non-contingent liability recorded associated with these guarantees was \$27 million, with an additional \$2 million expected credit loss liability for the contingent portion of the guarantees. In accordance with the accounting guidance for guarantees, the initial recognition of the non-contingent liabilities increased AEP's carrying values of the respective equity method investees. Management considered historical losses, economic conditions and reasonable and supportable forecasts in the calculation of the expected credit loss. As the joint ventures generate cash flows through PPAs, the measurement of the contingent portion of the guarantee liability is based upon assessments of the credit quality and default probabilities of the respective PPA counterparties.

Indemnifications and Other Guarantees

Contracts

The Registrants enter into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of March 31, 2022, there were no material liabilities recorded for any indemnifications.

AEPSC conducts power purchase-and-sale activity on behalf of APCo, I&M, KPCo and WPCo, who are jointly and severally liable for activity conducted on their behalf. AEPSC also conducts power purchase-and-sale activity on behalf of PSO and SWEPCo, who are jointly and severally liable for activity conducted on their behalf.

Master Lease Agreements (Applies to all Registrants except AEPTCo)

The Registrants lease certain equipment under master lease agreements. Under the lease agreements, the lessor is guaranteed a residual value up to a stated percentage of the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, the Registrants are committed to pay the difference between the actual fair value and the residual value guarantee. Historically, at the end of the lease term the fair value has been in excess of the amount guaranteed. As of March 31, 2022, the maximum potential loss by the Registrants for these lease agreements assuming the fair value of the equipment is zero at the end of the lease term was as follows:

Company	Maximum Potential Loss (in millions)
AEP	\$ 47.2
AEP Texas	11.0
APCo	6.1
I&M	4.1
OPCo	7.6
PSO	4.6
SWEPCo	5.2

Rockport Lease (Applies to AEP and I&M)

AEGCo and I&M entered into a sale-and-leaseback transaction in 1989 with Wilmington Trust Company (Owner Trustee), an unrelated, unconsolidated trustee for Rockport Plant, Unit 2. The trusts were capitalized with equity from six owner participants with no relationship to AEP or any of its subsidiaries and debt from a syndicate of banks and securities in a private placement to certain institutional investors.

The trusts own undivided interests in Rockport Plant, Unit 2 and leases equal portions to AEGCo and I&M. In April 2021, AEGCo and I&M executed an agreement to purchase 100% of the interests in the Rockport Plant, Unit 2 effective at the end of the lease term in December 2022. In December 2021, AEGCo and I&M satisfied the necessary regulatory approvals to complete the acquisition. Upon receipt of the regulatory approval, the addition of the lessee forward purchase obligation resulted in the modified lease changing classification from operating to finance for AEGCo and I&M. The future minimum lease payments as of March 31, 2022, inclusive of the purchase obligation, were as follows:

Future Minimum Lease Payments	AEP (a)	I&M
	(in millions)	
2022	\$ 248.7	\$ 124.4
Total Future Minimum Lease Payments	\$ 248.7	\$ 124.4

(a) AEP's future minimum lease payments include equal shares from AEGCo and I&M.

The lease modification also created variable interests in the trusts that own the undivided interests in Rockport Plant, Unit 2 for AEGCo and I&M. Neither AEGCo nor I&M are the primary beneficiaries of the trusts because AEGCo nor I&M has the power to direct the most significant activities of the trusts. AEP and I&M's maximum exposure to loss associated with the trust is equal to the total future minimum lease payments, inclusive of the purchase obligation, as shown in the table above.

AEPRO Boat and Barge Leases (Applies to AEP)

In 2015, AEP sold its commercial barge transportation subsidiary, AEPRO, to a nonaffiliated party. Certain boat and barge leases acquired by the nonaffiliated party are subject to an AEP guarantee in favor of the respective lessors, ensuring future payments under such leases with maturities up to 2027. As of March 31, 2022, the maximum potential amount of future payments required under the guaranteed leases was \$40 million. Under the terms of certain of the arrangements, upon the lessors exercising their rights after an event of default by the nonaffiliated party, AEP is entitled to enter into new lease arrangements as a lessee that would have substantially the same terms as the existing leases. Alternatively, for the arrangements with one of the lessors, upon an event of default by the nonaffiliated party and the lessor exercising its rights, payment to the lessor would allow AEP to step into the lessor's rights as well as obtaining title to the assets. Under either situation, AEP would have the ability to utilize the assets in the normal course of barging operations. AEP would also have the right to sell the acquired assets for which it obtained title. As of March 31, 2022, AEP's boat and barge lease guarantee liability was \$2 million, of which \$1 million was recorded in Other Current Liabilities and \$1 million was recorded in Deferred Credits and Other Noncurrent Liabilities on AEP's balance sheets.

In February 2020, the nonaffiliated party filed Chapter 11 bankruptcy. The party entered into a restructuring support agreement and has announced it expected to continue their operations as normal. In March 2020, the bankruptcy court approved the party's recapitalization plan. In April 2020, the nonaffiliated party emerged from bankruptcy. Management has determined that it is reasonably possible that enforcement of AEP's liability for future payments under these leases will be exercised within the next twelve months. In such an event, if AEP is unable to sell or incorporate any of the acquired assets into its fleet operations, it could reduce future net income and cash flows and impact financial condition.

ENVIRONMENTAL CONTINGENCIES (Applies to all Registrants except AEPTCo)

The Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation

By-products from the generation of electricity include materials such as ash, slag, sludge, low-level radioactive waste and SNF. Coal combustion by-products, which constitute the overwhelming percentage of these materials, are typically treated and deposited in captive disposal facilities or are beneficially utilized. In addition, the generation plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls and other hazardous and non-hazardous materials. The Registrants currently incur costs to dispose of these substances safely. For remediation processes not specifically discussed, management does not anticipate that the liabilities, if any, arising from such remediation processes would have a material effect on the financial statements.

NUCLEAR CONTINGENCIES (Applies to AEP and I&M)

I&M owns and operates the Cook Plant under licenses granted by the Nuclear Regulatory Commission. I&M has a significant future financial commitment to dispose of SNF and to safely decommission and decontaminate the plant. The licenses to operate the two nuclear units at the Cook Plant expire in 2034 and 2037. The operation of a nuclear facility also involves special risks, potential liabilities and specific regulatory and safety requirements. By agreement, I&M is partially liable, together with all other electric utility companies that own nuclear generation units, for a nuclear power plant incident at any nuclear plant in the U.S. Should a nuclear incident occur at any nuclear power plant in the U.S., the resultant liability could be substantial.

OPERATIONAL CONTINGENCIES

Rockport Plant Litigation (Applies to AEP and I&M)

In 2013, the Wilmington Trust Company filed suit in the U.S. District Court for the Southern District of New York against AEGCo and I&M alleging that it would be unlawfully burdened by the terms of the modified NSR consent decree after the Rockport Plant, Unit 2 lease expiration in December 2022. The terms of the consent decree allow the installation of environmental emission control equipment, repowering, refueling or retirement of the unit. The plaintiffs sought a judgment declaring that the defendants breached the lease, must satisfy obligations related to installation of emission control equipment and indemnify the plaintiffs.

After the litigation proceeded at the district court and appellate court, in April 2021, I&M and AEGCo reached an agreement to acquire 100% of the interests in Rockport Plant, Unit 2 for \$116 million from certain financial institutions that own the unit through trusts established by Wilmington Trust, the nonaffiliated owner trustee of the ownership interests in the unit, with closing to occur as of the end of the Rockport Plant, Unit 2 lease in December 2022. The agreement is subject to customary closing conditions and as of the closing will result in a final settlement of, and release of claims in, the lease litigation. As a result, in May 2021, at the parties' request, the district court entered a stipulation and order dismissing the case without prejudice to plaintiffs asserting their claims in a re-filed action or a new action. The required regulatory approvals at the IURC and FERC have been obtained that would allow the closing to occur as of the end of the lease in December 2022. The IURC order approved a settlement agreement addressing the future use of Rockport Plant, Unit 2 as a capacity and energy resource and associated adjustments to I&M's Indiana retail rates, along with certain other matters. Management believes its financial statements appropriately reflect the resolution of the litigation.

Claims Challenging Transition of American Electric Power System Retirement Plan to Cash Balance Formula

Four participants in The American Electric Power System Retirement Plan (the Plan) filed a class action complaint in December 2021 in the U.S. District Court for the Southern District of Ohio against AEPSC and the Plan. When the Plan's benefit formula was changed in the year 2000, AEP provided a special provision for employees hired before January 1, 2001, allowing them to continue benefit accruals under the then benefit formula for a full 10 years alongside of the new cash balance benefit formula then being implemented. Employees who were hired on or after January 1, 2001 accrued benefits only under the new cash balance benefit formula. The Plaintiffs assert a number of claims on behalf of themselves and the purported class, including that: (a) the Plan violates the requirements under the Employee Retirement Income Security Act (ERISA) intended to preclude back-loading the accrual of benefits to the end of a participant's career, (b) the Plan violates the age discrimination prohibitions of ERISA and the Age Discrimination in Employment Act and (c) AEP failed to provide required notice regarding the changes to the Plan. Among other relief, the Complaint seeks reformation of the Plan to provide additional benefits and the recovery of plan benefits for former employees under such reformed plan. The Plaintiffs previously had submitted claims for additional plan benefits to AEP, which were denied. On February 15, 2022, AEPSC and the Plan filed a motion to dismiss the complaint for failure to state a claim. AEP will continue to defend against the claims. Management is unable to determine a range of potential losses that is reasonably possible of occurring.

Litigation Related to Ohio House Bill 6 (HB 6)

In 2019, Ohio adopted and implemented HB 6 which benefits OPCo by authorizing rate recovery for certain costs including renewable energy contracts and OVEC's coal-fired generating units. OPCo engaged in lobbying efforts and provided testimony during the legislative process in connection with HB 6. In July 2020, an investigation led by the U.S. Attorney's Office resulted in a federal grand jury indictment of an Ohio legislator and associates in connection with an alleged racketeering conspiracy involving the adoption of HB 6. After AEP learned of the criminal allegations against the Ohio legislator and others relating to HB 6, AEP, with assistance from outside advisors, conducted a review of the circumstances surrounding the passage of the bill. Management does not believe that AEP was involved in any wrongful conduct in connection with the passage of HB 6.

In August 2020, an AEP shareholder filed a putative class action lawsuit in the United States District Court for the Southern District of Ohio against AEP and certain of its officers for alleged violations of securities laws. The amended complaint alleged misrepresentations or omissions by AEP regarding: (a) its alleged participation in or connection to public corruption with respect to the passage of HB 6 and (b) its regulatory, legislative, political contribution, 501(c) (4) organization contribution and lobbying activities in Ohio. The complaint sought monetary damages, among other forms of relief. In December 2021, the District Court issued an opinion and order dismissing the securities litigation complaint with prejudice, determining that the complaint failed to plead any actionable misrepresentations or omissions. The plaintiffs did not appeal the ruling.

In January 2021, an AEP shareholder filed a derivative action in the United States District Court for the Southern District of Ohio purporting to assert claims on behalf of AEP against certain AEP officers and directors. In February 2021, a second AEP shareholder filed a similar derivative action in the Court of Common Pleas of Franklin County, Ohio. In April 2021, a third AEP shareholder filed a similar derivative action in the U.S. District Court for the Southern District of Ohio and a fourth AEP shareholder filed a similar derivative action in the Supreme Court for the State of New York, Nassau County. These derivative complaints allege the officers and directors made misrepresentations and omissions similar to those alleged in the putative securities class action lawsuit filed against AEP. The derivative complaints together assert claims for: (a) breach of fiduciary duty, (b) waste of corporate assets, (c) unjust enrichment, (d) breach of duty for insider trading and (e) contribution for violations of sections 10(b) and 21D of the Securities Exchange Act of 1934; and seek monetary damages and changes to AEP's corporate governance and internal policies among other forms of relief. The court has entered a scheduling order in the New York state court derivative action setting a deadline of April 29, 2022 for AEP to file a motion to dismiss the complaint and staying the case other than with respect to briefing the motion to dismiss. The two derivative actions pending in federal district court in Ohio have been consolidated and the plaintiffs in the consolidated action filed an amended complaint. AEP's motion to dismiss the amended complaint is due May 3, 2022 and discovery is stayed pending the district court's ruling on the motion to dismiss. The Ohio state court derivative action has been stayed until a decision by the federal district court on the motion to dismiss the amended

complaint. The defendants will continue to defend against the claims. Management is unable to determine a range of potential losses that is reasonably possible of occurring.

In March 2021, AEP received a litigation demand letter from counsel representing a purported AEP shareholder. The litigation demand letter is directed to the Board of Directors of AEP and contains factual allegations involving HB 6 that are generally consistent with those in the derivative litigation filed in state and federal court. The letter demands, among other things, that the AEP Board undertake an independent investigation into alleged legal violations by directors and officers, and that, following such investigation, AEP commence a civil action for breaches of fiduciary duty and related claims and take appropriate disciplinary action against those individuals who allegedly harmed the company. The shareholder that sent the letter has since withdrawn the litigation demand, which is now terminated and of no further effect.

In May 2021, AEP received a subpoena from the SEC's Division of Enforcement seeking various documents, including documents relating to the benefits to AEP from the passage of HB 6 and documents relating to AEP's financial processes and controls. AEP is cooperating fully with the SEC's subpoena. Although the outcome of the SEC's investigation cannot be predicted, management does not believe the results of this inquiry will have a material impact on financial condition, results of operations, or cash flows.

6. ACQUISITIONS AND ASSETS AND LIABILITIES HELD FOR SALE

The disclosures in this note apply to AEP unless indicated otherwise.

ACQUISITIONS

Dry Lake Solar Project (Generation & Marketing Segment) (Applies to AEP)

In November 2020, AEP signed a Purchase and Sale Agreement with a nonaffiliate to acquire a 75% interest in the entity that owns the 100 MW Dry Lake Solar Project (collectively referred to as Dry Lake) located in southern Nevada for approximately \$114 million. In March 2021, AEP closed the transaction and the solar project was placed in-service in May 2021. Approximately \$103 million of the purchase price was paid upon closing of the transaction and the remaining \$11 million was paid when the project was placed in-service. In accordance with the accounting guidance for "Business Combinations," management determined that the acquisition of Dry Lake represents an asset acquisition. Additionally, and in accordance with the accounting guidance for "Consolidation," management concluded that Dry Lake is a VIE and that AEP is the primary beneficiary based on its power as managing member to direct the activities that most significantly impact Dry Lake's economic performance. As the primary beneficiary of Dry Lake, AEP consolidates Dry Lake into its financial statements. As a result, to account for the initial consolidation of Dry Lake, management applied the acquisition method by allocating the purchase price based on the relative fair value of the assets acquired and noncontrolling interest assumed. The fair value of the primary assets acquired and the noncontrolling interest assumed was determined using the market approach. The key input assumptions were the transaction price paid for AEP's interest in Dry Lake and recent third-party market transactions for similar solar generation facilities. The nonaffiliated interest in Dry Lake is presented in Noncontrolling Interests on the balance sheets. Subsequent to close of the transaction, the noncontrolling interest made additional asset contributions of \$16 million. As of March 31, 2022, AEP recognized approximately \$145 million of Property, Plant and Equipment and approximately \$35 million of Noncontrolling Interest on the balance sheets.

North Central Wind Energy Facilities (Vertically Integrated Utilities Segment) (Applies to AEP, PSO and SWEPCo)

In 2020, PSO and SWEPCo received regulatory approvals to acquire the NCWF, comprised of three Oklahoma wind facilities totaling 1,484 MWs, on a fixed cost turn-key basis at completion. PSO and SWEPCo own undivided interests of 45.5% and 54.5% of the NCWF, respectively. In total, the three wind facilities cost approximately \$2 billion and consist of Traverse (998 MW), Maverick (287 MW) and Sundance (199 MW). Output from the NCWF serves retail load in PSO's Oklahoma service territory and both retail and FERC wholesale load in SWEPCo's service territories in Arkansas and Louisiana. The Oklahoma and Louisiana portions of the NCWF revenue requirement, net of PTC benefit, are recoverable through authorized riders beginning at commercial operation and until such time as amounts are reflected in base rates. Recovery of the Arkansas portion of the NCWF revenue requirement is requested in SWEPCo's pending 2021 Arkansas Base Rate Case. The NCWF are subject to various regulatory performance requirements. If these performance requirements are not met, PSO and SWEPCo would recognize a regulatory liability to refund retail customers.

In April 2021, PSO and SWEPCo acquired respective undivided ownership interests in the entity that owned Sundance during its development and construction for \$270 million, the first of the three NCWF acquisitions. Immediately following the acquisition, PSO and SWEPCo liquidated the entity and simultaneously distributed the Sundance assets in proportion to their undivided ownership interests. Sundance was placed in-service in April 2021.

In September 2021, PSO and SWEPCo acquired respective undivided ownership interests in the entity that owned Maverick during its development and construction for \$383 million, the second of the three NCWF acquisitions. Immediately following the acquisition, PSO and SWEPCo liquidated the entity and simultaneously distributed the

Maverick assets in proportion to their undivided ownership interests. Maverick was placed in-service in September 2021.

In March 2022, PSO and SWEPCo acquired respective undivided ownership interests in the entity that owned Traverse during its development and construction for \$1.2 billion, the third of the three NCWF acquisitions. Immediately following the acquisition, PSO and SWEPCo liquidated the entity and simultaneously distributed the Traverse assets in proportion to their undivided ownership interests. Traverse was placed in-service in March 2022.

In accordance with the guidance for "Business Combinations," management determined that the acquisitions of the NCWF projects represent asset acquisitions. As of March 31, 2022, PSO and SWEPCo had approximately \$887 million and \$1.1 billion, of gross Property, Plant and Equipment on the balance sheets, respectively, related to the NCWF projects. On an ongoing basis, management further determined that PSO and SWEPCo should apply the joint plant accounting model to account for their respective undivided interests in the assets, liabilities, revenues and expenses of the NCWF projects.

The respective Purchase and Sale Agreements (PSAs) include interests in numerous land contracts, as originally executed between the nonaffiliated party and the respective owners of the properties as defined in the contracts. These contracts provide for easement and access rights to the land that Sundance, Maverick and Traverse were built upon. The lessee interests in the land contracts were transferred to Sundance, Maverick and Traverse (and subsequently to PSO and SWEPCo) as a part of the closings of the respective PSAs. The Current Obligations Under Operating Leases related to the NCWF projects were immaterial as of March 31, 2022 and December 31, 2021 for PSO and SWEPCo. See the table below for the Noncurrent Obligations Under Operating Leases for the NCWF projects for PSO and SWEPCo:

Project	PSO		SWEPCo	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
	(in millions)			
Sundance	\$ 12.6	\$ 12.6	\$ 15.0	\$ 15.1
Maverick	18.0	18.0	21.6	21.6
Traverse	40.0	—	48.0	—
Total	\$ 70.6	\$ 30.6	\$ 84.6	\$ 36.7

ASSETS AND LIABILITIES HELD FOR SALE

Disposition of KPCo and KTCo (Vertically Integrated Utilities and AEP Transmission Holdco Segments) (Applies to AEP and AEPTCo)

In October 2021, AEP entered into a Stock Purchase Agreement to sell KPCo and KTCo to Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corp. (Liberty), for approximately a \$2.85 billion enterprise value. The sale is subject to regulatory approvals from the FERC and KPSC. Clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and clearance from the Committee on Foreign Investment in the United States has been received.

Proposed Operations and Maintenance Agreement and Plant Ownership Agreement

KPCo currently operates and owns a 50% undivided interest in the 1,560 MW coal-fired Mitchell Plant with the remaining 50% owned by WPCo. The Stock Purchase Agreement is further contingent upon the issuance by the KPSC, WVPSC and FERC of orders regarding a new proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement between KPCo and WPCo.

In November 2021, AEP made filings with the KPSC, WVPSC and FERC seeking approval of a proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement, pursuant to which WPCo would replace KPCo as the operator of the Mitchell Plant and KPCo employees at the Mitchell Plant would become employees of WPCo. Under this originally proposed Ownership Agreement, WPCo is obligated to purchase KPCo's 50% undivided interest in the Mitchell Plant on December 31, 2028 unless KPCo and WPCo have agreed to retire the Mitchell Plant earlier or, absent such agreement, if WPCo elects prior to December 31, 2027 to retire the Mitchell Plant on December 31, 2028. The Ownership Agreement provides that the purchase price for KPCo's 50% ownership interest in the Mitchell Plant will be determined through the mutual agreement of WPCo and KPCo (subject to approval from the KPSC and WVPSC) or through a fair market valuation determination conducted by independent appraisals, with offsets for estimated decommissioning costs and the cost of ELG investments made by WPCo, if KPCo and WPCo are unable to reach agreement as to the purchase price.

In January 2022, intervenor testimony was filed with the KPSC, recommending the KPSC either reject the new proposed Mitchell Plant Ownership Agreement or approve the agreement with certain modifications including a revision to the buyout provision that would set WPCo's Mitchell Plant purchase price at the greater of fair market value or net book value. The intervenor testimony also recommends the KPSC reject the proposed Mitchell Plant Operations and Maintenance Agreement, which the testimony stated should be modified to remove references to the Mitchell Plant Ownership Agreement. In February 2022, AEP filed rebuttal testimony with the KPSC opposing the intervenor testimony filed in January 2022. AEP's rebuttal testimony also discusses an alternative proposal to the fair market value provision included in the proposed Mitchell Plant Ownership Agreement. Under the alternative proposal, KPCo's and WPCo's interest in the Mitchell Plant would be divided by unit if the plant is not retired before the end of 2028 and a mutual agreement cannot be reached on a buyout price. Under the alternative proposal, mutual agreement on the buyout price or unit disposition would need to be finalized by May 2025, with a division of plant ownership by unit effective January 1, 2029, unless otherwise agreed. In March 2022, a hearing was held on the agreements with the KPSC. Following the hearing, KPCo amended its November 2021 filing with a new version of the Mitchell Plant Ownership Agreement that provided further details about the alternative proposal. As amended, the proposed Mitchell Plant Ownership Agreement creates procedures, subject to all required regulatory approvals, that provide the option for WPCo and KPCo to negotiate a sale of KPCo's interest in the Mitchell Plant to WPCo, split the Mitchell Plant units with additional agreements for KPCo to utilize WPCo's ELG assets, if necessary, or to agree on the procedures and timetable to retire one or both units. As amended, the proposed Mitchell Plant Ownership Agreement replaced certain aspects of the originally proposed agreement including the buyout provision at fair market value. A hearing on the amended filing was held on March 30, 2022. A decision from the KPSC is expected in the second quarter of 2022.

For the filing at the WVPSC, intervenor testimony filed in March 2022 and briefs filed in April 2022 recommended various clarifying modifications to the Mitchell Ownership Agreement and the Mitchell Operations and Maintenance Agreement. A decision from the WVPSC is expected in the second quarter of 2022.

The KPSC and WVPSC intervened in the FERC proceeding and have recommended that FERC dismiss or reject AEP's request, or defer ruling on AEP's request until both the retail commissions have rendered decisions. In February 2022, AEP filed a motion to withdraw its filing with the FERC, noting that AEP intends to re-file its request after the KPSC and WVPSC have reviewed the agreements.

Transfer of Ownership

In December 2021, Liberty, KPCo and KTCO sought approval from the FERC under Section 203 of the Federal Power Act for the sale. In February 2022, several intervenors in the case filed protests related to whether the sale will negatively impact the wholesale transmission and generation rates of applicants. In April 2022, the FERC issued a deficiency letter stating that the Section 203 application is deficient and that additional information is required to process it. Liberty, KPCo and KTCO plan to respond to provide additional information in response to the letter. An order from the FERC is expected on the matter in the second quarter of 2022.

In January 2022, KPCo and Liberty filed a joint application requesting the KPSC authorize the transfer of ownership of KPCo to Liberty. In February 2022, certain intervenors filed testimony recommending that the KPSC not approve the transfer of ownership. If, however, the KPSC does approve the transfer, these intervenors recommend that the KPSC require AEP to compensate KPCo customers \$578 million for alleged future increased

costs and higher rates that the intervenors claim will exist under Liberty's ownership. AEP disagrees with the recommendation and filed rebuttal testimony in March 2022. AEP has committed to fund, through a reduction in Liberty's purchase price, \$20 million of Liberty's commitment to provide \$40 million of benefits to KPCo customers in bill reductions to help offset fuel costs. Intervenors also recommended imposing certain conditions on Liberty, including conditions related to recovering certain costs, inter-company agreement filing requirements, KPCo's capital structure and future generation resource planning processes and analyses. In addition, certain intervenors argue that the commission should not approve the new proposed Mitchell Plant Ownership Agreement and Mitchell Plant Operations and Maintenance Agreement, and that deciding the request to transfer ownership of KPCo should be separated from approval of the Mitchell agreements even though such approval is a condition to the transaction closing. AEP also disagrees with this argument. A hearing was held with the KPSC in March 2022. In April 2022, certain intervenors filed briefs with the KPSC in support of their original recommendations, including both recommendations for and against approval of the transfer of KPCo to Liberty. A final order is expected in the second quarter of 2022.

Subject to receipt of regulatory approval and resolution of the Mitchell ownership and operating issues disclosed above, the sale is expected to close in the second quarter of 2022 with Liberty acquiring the assets and assuming the liabilities of KPCo and KTCO, excluding pension and other post-retirement benefit plan assets and liabilities. AEP expects to provide customary transition services to Liberty for a period of time after closing of the transaction.

AEP expects to receive approximately \$1.4 billion in cash, net of taxes and transaction fees. AEP plans to use the proceeds to eliminate forecasted equity needs in 2022 as the company invests in regulated renewables, transmission and other projects. AEP and AEPTCo expect the sale to have a one-time impact on after-tax earnings that is not material.

The Income Before Income Tax Expense (Benefit) and Equity Earnings of KPCo and KTCO were not material to AEP and AEPTCo for the three months ended March 31, 2022 and 2021, respectively.

The major classes of KPCo and KTCO's assets and liabilities presented in Assets Held for Sale and Liabilities Held for Sale on the balance sheets of AEP and AEPTCo are shown in the table below:

	AEP		AEPTCo	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
	(in millions)			
ASSETS				
Accounts Receivable and Accrued Unbilled Revenues	\$ 75.3	\$ 33.2	\$ 1.8	\$ 1.5
Fuel, Materials and Supplies	37.4	30.6	—	—
Property, Plant and Equipment, Net	2,323.1	2,302.7	165.8	165.3
Regulatory Assets	492.7	484.7	—	—
Other Classes of Assets that are not Major	44.1	68.5	2.3	1.1
Assets Held for Sale	\$ 2,972.6	\$ 2,919.7	\$ 169.9	\$ 167.9
LIABILITIES				
Accounts Payable	\$ 57.5	\$ 53.4	\$ 1.1	\$ 1.1
Long-term Debt Due Within One Year	200.0	200.0	—	—
Customer Deposits	34.2	32.4	—	—
Deferred Income Taxes	440.9	441.6	15.8	15.4
Long-term Debt	903.2	903.1	—	—
Regulatory Liabilities and Deferred Investment Tax Credits	140.2	148.1	7.8	7.6
Other Classes of Liabilities that are not Major	97.7	102.3	2.9	3.5
Liabilities Held for Sale	\$ 1,873.7	\$ 1,880.9	\$ 27.6	\$ 27.6

7. BENEFIT PLANS

The disclosures in this note apply to all Registrants except AEPTCo.

AEP sponsors a qualified pension plan and two unfunded nonqualified pension plans. Substantially all AEP employees are covered by the qualified plan or both the qualified and a nonqualified pension plan. AEP also sponsors OPEB plans to provide health and life insurance benefits for retired employees.

Components of Net Periodic Benefit Cost

The following tables provide the components of net periodic benefit cost (credit) by Registrant for the plans:

AEP

	Pension Plans				OPEB			
	Three Months Ended March 31,				Three Months Ended March 31,			
	2022		2021		2022		2021	
	(in millions)							
Service Cost	\$	30.8	\$	32.3	\$	1.8	\$	2.4
Interest Cost		37.0		34.3		7.3		7.6
Expected Return on Plan Assets		(63.4)		(57.5)		(27.5)		(22.8)
Amortization of Prior Service Credit		—		—		(17.8)		(17.7)
Amortization of Net Actuarial Loss		15.8		25.4		—		—
Net Periodic Benefit Cost (Credit)	\$	20.2	\$	34.5	\$	(36.2)	\$	(30.5)

AEP Texas

	Pension Plans				OPEB			
	Three Months Ended March 31,				Three Months Ended March 31,			
	2022		2021		2022		2021	
	(in millions)							
Service Cost	\$	2.8	\$	3.0	\$	0.1	\$	0.2
Interest Cost		3.0		2.8		0.6		0.6
Expected Return on Plan Assets		(5.3)		(4.9)		(2.3)		(1.9)
Amortization of Prior Service Credit		—		—		(1.5)		(1.5)
Amortization of Net Actuarial Loss		1.3		2.1		—		—
Net Periodic Benefit Cost (Credit)	\$	1.8	\$	3.0	\$	(3.1)	\$	(2.6)

APCo

	Pension Plans				OPEB			
	Three Months Ended March 31,				Three Months Ended March 31,			
	2022		2021		2022		2021	
	(in millions)							
Service Cost	\$	2.9	\$	3.0	\$	0.2	\$	0.3
Interest Cost		4.4		4.1		1.2		1.2
Expected Return on Plan Assets		(8.1)		(7.3)		(4.1)		(3.4)
Amortization of Prior Service Credit		—		—		(2.6)		(2.6)
Amortization of Net Actuarial Loss		1.8		3.0		—		—
Net Periodic Benefit Cost (Credit)	\$	1.0	\$	2.8	\$	(5.3)	\$	(4.5)

I&M

	Pension Plans				OPEB			
	Three Months Ended March 31,				Three Months Ended March 31,			
	2022	2021	(in millions)		2022	2021		
Service Cost	\$ 4.0	\$ 4.4	\$ 0.2	\$ 0.3				
Interest Cost	4.2	4.0	0.8	0.9				
Expected Return on Plan Assets	(8.0)	(7.2)	(3.4)	(2.8)				
Amortization of Prior Service Credit	—	—	(2.4)	(2.4)				
Amortization of Net Actuarial Loss	1.8	2.9	—	—				
Net Periodic Benefit Cost (Credit)	\$ 2.0	\$ 4.1	\$ (4.8)	\$ (4.0)				

OPCo

	Pension Plans				OPEB			
	Three Months Ended March 31,				Three Months Ended March 31,			
	2022	2021	(in millions)		2022	2021		
Service Cost	\$ 2.7	\$ 2.9	\$ 0.2	\$ 0.2				
Interest Cost	3.4	3.1	0.7	0.8				
Expected Return on Plan Assets	(6.2)	(5.6)	(3.0)	(2.4)				
Amortization of Prior Service Credit	—	—	(1.8)	(1.8)				
Amortization of Net Actuarial Loss	1.4	2.2	—	—				
Net Periodic Benefit Cost (Credit)	\$ 1.3	\$ 2.6	\$ (3.9)	\$ (3.2)				

PSO

	Pension Plans				OPEB			
	Three Months Ended March 31,				Three Months Ended March 31,			
	2022	2021	(in millions)		2022	2021		
Service Cost	\$ 1.9	\$ 1.9	\$ 0.1	\$ 0.2				
Interest Cost	1.8	1.7	0.4	0.4				
Expected Return on Plan Assets	(3.4)	(3.1)	(1.5)	(1.3)				
Amortization of Prior Service Credit	—	—	(1.1)	(1.1)				
Amortization of Net Actuarial Loss	0.7	1.3	—	—				
Net Periodic Benefit Cost (Credit)	\$ 1.0	\$ 1.8	\$ (2.1)	\$ (1.8)				

SWEPCo

	Pension Plans				OPEB			
	Three Months Ended March 31,				Three Months Ended March 31,			
	2022	2021	(in millions)		2022	2021		
Service Cost	\$ 2.6	\$ 2.9	\$ 0.1	\$ 0.1				
Interest Cost	2.3	2.1	0.5	0.5				
Expected Return on Plan Assets	(3.7)	(3.4)	(1.9)	(1.5)				
Amortization of Prior Service Credit	—	—	(1.3)	(1.3)				
Amortization of Net Actuarial Loss	1.0	1.5	—	—				
Net Periodic Benefit Cost (Credit)	\$ 2.2	\$ 3.1	\$ (2.6)	\$ (2.2)				

8. BUSINESS SEGMENTS

The disclosures in this note apply to all Registrants unless indicated otherwise.

AEP's Reportable Segments

AEP's primary business is the generation, transmission and distribution of electricity. Within its Vertically Integrated Utilities segment, AEP centrally dispatches generation assets and manages its overall utility operations on an integrated basis because of the substantial impact of cost-based rates and regulatory oversight. Intersegment sales and transfers are generally based on underlying contractual arrangements and agreements.

AEP's reportable segments and their related business activities are outlined below:

Vertically Integrated Utilities

- Generation, transmission and distribution of electricity for sale to retail and wholesale customers through assets owned and operated by AEGCo, APCo, I&M, KGPCo, KPCo, PSO, SWEPCo and WPCo.

Transmission and Distribution Utilities

- Transmission and distribution of electricity for sale to retail and wholesale customers through assets owned and operated by AEP Texas and OPCo.
- OPCo purchases energy and capacity to serve standard service offer customers and provides transmission and distribution services for all connected load.

AEP Transmission Holdco

- Development, construction and operation of transmission facilities through investments in AEPTCo. These investments have FERC-approved ROEs.
- Development, construction and operation of transmission facilities through investments in AEP's transmission-only joint ventures. These investments have PUCT-approved or FERC-approved ROEs.

Generation & Marketing

- Contracted renewable energy investments and management services.
- Marketing, risk management and retail activities in ERCOT, PJM, SPP and MISO.
- Competitive generation in PJM.

The remainder of AEP's activities is presented as Corporate and Other. While not considered a reportable segment, Corporate and Other primarily includes the purchasing of receivables from certain AEP utility subsidiaries, Parent's guarantee revenue received from affiliates, investment income, interest income, interest expense, income tax expense and other nonallocated costs.

The tables below represent AEP's reportable segment income statement information for the three months ended March 31, 2022 and 2021 and reportable segment balance sheet information as of March 31, 2022 and December 31, 2021.

Three Months Ended March 31, 2022								
Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated		
(in millions)								
Revenues from:								
External Customers	\$ 2,646.8	\$ 1,242.2	\$ 83.4	\$ 609.5	\$ 10.7	\$ —	\$ 4,592.6	
Other Operating Segments	40.6	4.6	328.0	9.8	9.2	(392.2)	—	
Total Revenues	\$ 2,687.4	\$ 1,246.8	\$ 411.4	\$ 619.3	\$ 19.9	\$ (392.2)	\$ 4,592.6	
Net Income (Loss)	\$ 299.2	\$ 152.8	\$ 173.7	\$ 116.0	\$ (23.6)	\$ —	\$ 718.1	

Three Months Ended March 31, 2021								
Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated		
(in millions)								
Revenues from:								
External Customers	\$ 2,504.5	\$ 1,082.3	\$ 87.9	\$ 601.7	\$ 4.7	\$ —	\$ 4,281.1	
Other Operating Segments	32.8	5.8	289.1	32.5	8.2	(368.4)	—	
Total Revenues	\$ 2,537.3	\$ 1,088.1	\$ 377.0	\$ 634.2	\$ 12.9	\$ (368.4)	\$ 4,281.1	
Net Income (Loss)	\$ 271.4	\$ 114.4	\$ 173.2	\$ 38.2	\$ (18.4)	\$ —	\$ 578.8	

March 31, 2022								
Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated		
(in millions)								
Total Assets (d)	\$ 48,073.4	\$ 21,413.9	\$ 14,083.9	\$ 4,790.7	\$ 6,743.6 (b)	\$ (5,274.1) (c)	\$ 89,831.4	

December 31, 2021								
Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated		
(in millions)								
Total Assets (d)	\$ 46,974.2	\$ 21,120.2	\$ 13,873.3	\$ 4,263.6	\$ 5,846.5 (b)	\$ (4,409.1) (c)	\$ 87,668.7	

- (a) Corporate and Other primarily includes the purchasing of receivables from certain AEP utility subsidiaries. This segment also includes Parent's guarantee revenue received from affiliates, investment income, interest income, interest expense and other nonallocated costs.
- (b) Includes elimination of AEP Parent's investments in wholly-owned subsidiary companies.
- (c) Reconciling Adjustments for Total Assets primarily include elimination of intercompany advances to affiliates and intercompany accounts receivable.
- (d) Amount includes Assets Held for Sale on the balance sheet. See "Disposition of KPCo and KTCo" section of Note 6 for additional information.

Registrant Subsidiaries' Reportable Segments (Applies to all Registrant Subsidiaries except AEPTCo)

The Registrant Subsidiaries each have one reportable segment, an integrated electricity generation, transmission and distribution business for APCo, I&M, PSO and SWEPCo, and an integrated electricity transmission and distribution business for AEP Texas and OPCo. Other activities are insignificant. The Registrant Subsidiaries' operations are managed on an integrated basis because of the substantial impact of cost-based rates and regulatory oversight on the business process, cost structures and operating results.

AEPTCo's Reportable Segments

AEPTCo Parent is the holding company of seven FERC-regulated transmission-only electric utilities. The seven State Transcos have been identified as operating segments of AEPTCo under the accounting guidance for "Segment Reporting." The State Transcos business consists of developing, constructing and operating transmission facilities at the request of the RTOs in which they operate and in replacing and upgrading facilities, assets and components of the existing AEP transmission system as needed to maintain reliability standards and provide service to AEP's wholesale and retail customers. The State Transcos are regulated for rate-making purposes exclusively by the FERC and earn revenues through tariff rates charged for the use of their electric transmission systems.

AEPTCo's Chief Operating Decision Maker makes operating decisions, allocates resources to and assesses performance based on these operating segments. The State Transcos operating segments all have similar economic characteristics and meet all of the criteria under the accounting guidance for "Segment Reporting" to be aggregated into one operating segment. As a result, AEPTCo has one reportable segment. The remainder of AEPTCo's activity is presented in AEPTCo Parent. While not considered a reportable segment, AEPTCo Parent represents the activity of the holding company which primarily relates to debt financing activity and general corporate activities.

The tables below present AEPTCo's reportable segment income statement information for the three months ended March 31, 2022 and 2021 and reportable segment balance sheet information as of March 31, 2022 and December 31, 2021.

	Three Months Ended March 31, 2022			
	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated
	(in millions)			
Revenues from:				
External Customers	\$ 75.7	\$ —	\$ —	\$ 75.7
Sales to AEP Affiliates	324.7	—	—	324.7
Total Revenues	\$ 400.4	\$ —	\$ —	\$ 400.4
Net Income	\$ 155.4	\$ — (a)	\$ —	\$ 155.4

	Three Months Ended March 31, 2021			
	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated
	(in millions)			
Revenues from:				
External Customers	\$ 76.0	\$ —	\$ —	\$ 76.0
Sales to AEP Affiliates	285.6	—	—	285.6
Other Revenues	0.1	—	—	0.1
Total Revenues	\$ 361.7	\$ —	\$ —	\$ 361.7
Net Income	\$ 151.7	\$ — (a)	\$ —	\$ 151.7

March 31, 2022						
	State Transcos	AEPTCo Parent	(in millions)		Reconciling Adjustments	AEPTCo Consolidated
Total Assets (d)	\$ 12,768.6	\$ 4,396.3 (b)	\$	(4,450.5) (c)	\$	12,714.4

December 31, 2021						
	State Transcos	AEPTCo Parent	(in millions)		Reconciling Adjustments	AEPTCo Consolidated
Total Assets (d)	\$ 12,564.3	\$ 4,389.5 (b)	\$	(4,429.4) (c)	\$	12,524.4

- (a) Includes the elimination of AEPTCo Parent's equity earnings in the State Transcos.
 (b) Includes the elimination of AEPTCo Parent's investments in State Transcos.
 (c) Primarily relates to the elimination of Notes Receivable from the State Transcos.
 (d) Amount includes Assets Held for Sale on the balance sheet. See "Disposition of KPCo and KTCo" section of Note 6 for additional information.

9. DERIVATIVES AND HEDGING

The disclosures in this note apply to all Registrants unless indicated otherwise. For the periods presented, AEPTCo did not have any derivative and hedging activity.

OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS

AEPSC is agent for and transacts on behalf of certain AEP subsidiaries, including the Registrant Subsidiaries. AEPEP is agent for and transacts on behalf of other AEP subsidiaries.

The Registrants are exposed to certain market risks as major power producers and participants in the electricity, capacity, natural gas, coal and emission allowance markets. These risks include commodity price risks which may be subject to capacity risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact the Registrants due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES

Risk Management Strategies

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, the Registrants primarily employ risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for "Derivatives and Hedging." Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

The Registrants utilize power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. The Registrants utilize interest rate derivative contracts in order to manage the interest rate exposure associated with the commodity portfolio. For disclosure purposes, such risks are grouped as "Commodity," as these risks are related to energy risk management activities. The Registrants also utilize derivative contracts to manage interest rate risk associated with debt financing. For disclosure purposes, these risks are grouped as "Interest Rate." The amount of risk taken is determined by the Commercial Operations, Energy Supply and Finance groups in accordance with established risk management policies as approved by the Finance Committee of the Board of Directors.

The following tables represent the gross notional volume of the Registrants' outstanding derivative contracts:

Notional Volume of Derivative Instruments									
March 31, 2022									
Primary Risk Exposure	Unit of Measure	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo	
(in millions)									
Commodity:									
Power	MWhs	241.4	—	13.2	5.3	2.7	4.5	2.3	
Natural Gas	MMBtus	45.6	—	—	—	—	—	—	3.7
Heating Oil and Gasoline	Gallons	5.4	1.4	0.8	0.5	1.1	0.6	0.8	
Interest Rate	USD	\$ 108.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—
Interest Rate on Long-term Debt	USD	\$ 1,150.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—
December 31, 2021									
Primary Risk Exposure	Unit of Measure	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo	
(in millions)									
Commodity:									
Power	MWhs	287.9	—	33.1	13.6	2.7	11.9	3.4	
Natural Gas	MMBtus	34.1	—	—	—	—	1.3	5.1	
Heating Oil and Gasoline	Gallons	7.4	1.9	1.1	0.7	1.5	0.8	1.0	
Interest Rate	USD	\$ 116.5	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—
Interest Rate on Long-term Debt	USD	\$ 950.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—

Fair Value Hedging Strategies (Applies to AEP)

Parent enters into interest rate derivative transactions as part of an overall strategy to manage the mix of fixed-rate and floating-rate debt. Certain interest rate derivative transactions effectively modify exposure to interest rate risk by converting a portion of fixed-rate debt to a floating-rate. Provided specific criteria are met, these interest rate derivatives may be designated as fair value hedges.

Cash Flow Hedging Strategies

The Registrants utilize cash flow hedges on certain derivative transactions for the purchase and sale of power ("Commodity") in order to manage the variable price risk related to forecasted purchases and sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. The Registrants do not hedge all commodity price risk.

The Registrants utilize a variety of interest rate derivative transactions in order to manage interest rate risk exposure. The Registrants also utilize interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. The Registrants do not hedge all interest rate exposure.

ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON THE FINANCIAL STATEMENTS

The accounting guidance for “Derivatives and Hedging” requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes and other assumptions. In order to determine the relevant fair values of the derivative instruments, the Registrants apply valuation adjustments for discounting, liquidity and credit quality.

Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract’s term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management’s estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for “Derivatives and Hedging,” the Registrants reflect the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, the Registrants are required to post or receive cash collateral based on third-party contractual agreements and risk profiles. AEP netted cash collateral received from third-parties against short-term and long-term risk management assets in the amounts of \$655 million and \$263 million as of March 31, 2022 and December 31, 2021, respectively. AEP netted cash collateral paid to third-parties against short-term and long-term risk management liabilities in the amounts of \$0 and \$3 million as of March 31, 2022 and December 31, 2021, respectively. The netted cash collateral from third-parties against short-term and long-term risk management assets and netted cash collateral paid to third-parties against short-term and long-term risk management liabilities were immaterial for the Registrant Subsidiaries as of March 31, 2022 and December 31, 2021.

The following tables represent the gross fair value of the Registrants' derivative activity on the balance sheets:

AFP

March 31, 2022							
Balance Sheet Location	Risk Management Contracts	Hedging Contracts			Gross Amounts of Risk Management Assets/ Liabilities Recognized	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
	Commodity (a)	Commodity (a)	Interest Rate (a)				
(in millions)							
Current Risk Management Assets (d)	\$ 965.8	\$ 420.5	\$ —	\$ —	1,386.3	\$ (1,075.6)	\$ 310.7
Long-term Risk Management Assets	497.0	140.4	3.9	3.9	641.3	(380.5)	260.8
Total Assets	1,462.8	560.9	3.9	3.9	2,027.6	(1,456.1)	571.5
Current Risk Management Liabilities (e)	754.6	35.8	2.3	2.3	792.7	(662.7)	130.0
Long-term Risk Management Liabilities	346.6	13.5	79.5	79.5	439.6	(139.2)	300.4
Total Liabilities	1,101.2	49.3	81.8	81.8	1,232.3	(801.9)	430.4
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 361.6	\$ 511.6	\$ (77.9)	\$ (77.9)	\$ 795.3	\$ (654.2)	\$ 141.1

December 31, 2021							
Balance Sheet Location	Risk Management Contracts	Hedging Contracts			Gross Amounts of Risk Management Assets/ Liabilities Recognized	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
	Commodity (a)	Commodity (a)	Interest Rate (a)				
(in millions)							
Current Risk Management Assets (d)	\$ 513.4	\$ 176.0	\$ 1.2	\$ 1.2	690.6	\$ (496.2)	\$ 194.4
Long-term Risk Management Assets	370.5	89.1	—	—	459.6	(192.6)	267.0
Total Assets	883.9	265.1	1.2	1.2	1,150.2	(688.8)	461.4
Current Risk Management Liabilities (e)	395.7	40.9	—	—	436.6	(361.2)	75.4
Long-term Risk Management Liabilities	243.9	16.7	38.1	38.1	298.7	(68.4)	230.3
Total Liabilities	639.6	57.6	38.1	38.1	735.3	(429.6)	305.7
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 244.3	\$ 207.5	\$ (36.9)	\$ (36.9)	\$ 414.9	\$ (259.2)	\$ 155.7

				March 31, 2022		
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)		Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)		
(in millions)						
Current Risk Management Assets	\$ 1.5	\$	(1.3)	\$	0.2	
Long-term Risk Management Assets	—		—		—	
Total Assets	1.5		(1.3)		0.2	
Current Risk Management Liabilities	—		—		—	
Long-term Risk Management Liabilities	—		—		—	
Total Liabilities	—		—		—	
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 1.5	\$	(1.3)	\$	0.2	

				December 31, 2021		
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)		Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)		
(in millions)						
Current Risk Management Assets	\$ 0.6	\$	(0.6)	\$	—	
Long-term Risk Management Assets	—		—		—	
Total Assets	0.6		(0.6)		—	
Current Risk Management Liabilities	—		—		—	
Long-term Risk Management Liabilities	—		—		—	
Total Liabilities	—		—		—	
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 0.6	\$	(0.6)	\$	—	

March 31, 2022

Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)		Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
		(in millions)		
Current Risk Management Assets	\$ 10.8	\$ (3.8)	\$	7.0
Deferred Charges and Other Noncurrent Assets - Long-term Risk Management Assets	0.5	(0.5)		—
Total Assets	11.3	(4.3)		7.0
Other Current Liabilities - Current Risk Management Liabilities	3.2	(3.0)		0.2
Deferred Credits and Other Noncurrent Liabilities - Long-term Risk Management Liabilities	0.5	(0.5)		—
Total Liabilities	3.7	(3.5)		0.2
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 7.6	\$ (0.8)	\$	6.8

December 31, 2021

Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)		Net Amounts of Assets/ Liabilities Presented in the Statement of Financial Position (c)
		(in millions)		
Current Risk Management Assets	\$ 47.5	\$ (5.5)	\$	42.0
Deferred Charges and Other Noncurrent Assets - Long-term Risk Management Assets	0.2	(0.2)		—
Total Assets	47.7	(5.7)		42.0
Other Current Liabilities - Current Risk Management Liabilities	7.2	(6.4)		0.8
Deferred Credits and Other Noncurrent Liabilities - Long-term Risk Management Liabilities	0.2	(0.2)		—
Total Liabilities	7.4	(6.6)		0.8
Total MTM Derivative Contract Net Assets	\$ 40.3	\$ 0.9	\$	41.2

March 31, 2022			
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
(in millions)			
Current Risk Management Assets	\$ 4.6	\$ (3.1)	\$ 1.5
Deferred Charges and Other Noncurrent Assets - Long-term Risk Management Assets	0.3	(0.3)	—
Total Assets	4.9	(3.4)	1.5
Current Risk Management Liabilities	2.9	(2.5)	0.4
Deferred Credits and Other Noncurrent Liabilities - Long-term Risk Management Liabilities	0.3	(0.3)	—
Total Liabilities	3.2	(2.8)	0.4
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 1.7	\$ (0.6)	\$ 1.1

December 31, 2021			
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
(in millions)			
Current Risk Management Assets	\$ 11.1	\$ (7.8)	\$ 3.3
Deferred Charges and Other Noncurrent Assets - Long-term Risk Management Assets	0.2	(0.2)	—
Total Assets	11.3	(8.0)	3.3
Current Risk Management Liabilities	14.8	(9.8)	5.0
Deferred Credits and Other Noncurrent Liabilities - Long-term Risk Management Liabilities	0.2	(0.2)	—
Total Liabilities	15.0	(10.0)	5.0
Total MTM Derivative Contract Net Assets (Liabilities)	\$ (3.7)	\$ 2.0	\$ (1.7)

		March 31, 2022		
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)	
(in millions)				
Prepayments and Other Current Assets - Current Risk Management Assets	\$ 1.1	\$ (1.0)	\$	0.1
Long-term Risk Management Assets	—	—	—	—
Total Assets	1.1	(1.0)	—	0.1
Current Risk Management Liabilities	1.5	—	—	1.5
Long-term Risk Management Liabilities	67.0	—	—	67.0
Total Liabilities	68.5	—	—	68.5
Total MTM Derivative Contract Net Liabilities	\$ (67.4)	\$ (1.0)	\$	(68.4)

		December 31, 2021		
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)	
(in millions)				
Current Risk Management Assets	\$ 0.5	\$ (0.5)	\$	—
Long-term Risk Management Assets	—	—	—	—
Total Assets	0.5	(0.5)	—	—
Current Risk Management Liabilities	6.7	—	—	6.7
Long-term Risk Management Liabilities	85.8	—	—	85.8
Total Liabilities	92.5	—	—	92.5
Total MTM Derivative Contract Net Liabilities	\$ (92.0)	\$ (0.5)	\$	(92.5)

				March 31, 2022		
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)		Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)		
(in millions)						
Current Risk Management Assets	\$ 7.9	\$	(1.2)	\$	6.7	
Long-term Risk Management Assets	—		—		—	
Total Assets	7.9		(1.2)		6.7	
Current Risk Management Liabilities	0.8		(0.7)		0.1	
Long-term Risk Management Liabilities	—		—		—	
Total Liabilities	0.8		(0.7)		0.1	
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 7.1	\$	(0.5)	\$	6.6	

				December 31, 2021		
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)		Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)		
(in millions)						
Current Risk Management Assets	\$ 12.4	\$	(0.3)	\$	12.1	
Long-term Risk Management Assets	—		—		—	
Total Assets	12.4		(0.3)		12.1	
Current Risk Management Liabilities	3.7		—		3.7	
Long-term Risk Management Liabilities	—		—		—	
Total Liabilities	3.7		—		3.7	
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 8.7	\$	(0.3)	\$	8.4	

				March 31, 2022	
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)		Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)	
(in millions)					
Current Risk Management Assets	\$ 16.7	\$	(0.9)	\$	15.8
Long-term Risk Management Assets	—		—		—
Total Assets	16.7		(0.9)		15.8
Current Risk Management Liabilities	0.2		(0.2)		—
Long-term Risk Management Liabilities	—		—		—
Total Liabilities	0.2		(0.2)		—
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 16.5	\$	(0.7)	\$	15.8

				December 31, 2021	
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)		Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)	
(in millions)					
Current Risk Management Assets	\$ 10.1	\$	(0.3)	\$	9.8
Deferred Charges and Other Noncurrent Assets - Long-term Risk Management Assets	1.1		—		1.1
Total Assets	11.2		(0.3)		10.9
Current Risk Management Liabilities	2.1		—		2.1
Long-term Risk Management Liabilities	—		—		—
Total Liabilities	2.1		—		2.1
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 9.1	\$	(0.3)	\$	8.8

(a) Derivative instruments within these categories are disclosed as gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging."

(b) Amounts include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for "Derivatives and Hedging."

(c) All derivative contracts subject to a master netting arrangement or similar agreement are offset in the statement of financial position.

(d) Amount excludes Risk Management Assets of \$1.4 million and \$6 million as of March 31, 2022 and December 31, 2021, respectively, classified as Assets Held for Sale on the balance sheets. See "Disposition of KPCo and KTCo" section of Note 6 for additional information.

(e) Amount excludes Risk Management Liabilities of \$0 and \$0.1 million as of March 31, 2022 and December 31, 2021, respectively, classified as Liabilities Held for Sale on the balance sheets. See "Disposition of KPCo and KTCo" section of Note 6 for additional information.

The tables below present the Registrants' amount of gain (loss) recognized on risk management contracts:

Location of Gain (Loss)	Amount of Gain (Loss) Recognized on Risk Management Contracts						
	Three Months Ended March 31, 2022						
	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)						
Generation & Marketing Revenues	\$ 152.3	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Electric Generation, Transmission and Distribution Revenues	—	—	0.1	(0.1)	—	—	—
Purchased Electricity for Resale	1.5	—	1.4	—	—	—	—
Other Operation	0.6	0.2	—	0.1	0.1	0.1	0.1
Maintenance	0.8	0.2	0.1	0.1	0.1	0.1	0.1
Regulatory Assets (a)	23.6	—	(0.1)	(1.6)	23.9	3.6	(2.1)
Regulatory Liabilities (a)	36.5	0.9	(1.4)	1.7	—	12.7	20.9
Total Gain on Risk Management Contracts	\$ 215.3	\$ 1.3	\$ 0.1	\$ 0.2	\$ 24.1	\$ 16.5	\$ 19.0

Location of Gain (Loss)	Three Months Ended March 31, 2021						
	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)						
Vertically Integrated Utilities Revenues	\$ 0.2	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Generation & Marketing Revenues	(0.4)	—	—	—	—	—	—
Electric Generation, Transmission and Distribution Revenues	—	—	0.2	—	—	—	—
Purchased Electricity for Resale	0.4	—	0.4	—	—	—	—
Other Operation	0.3	0.1	—	—	0.1	—	—
Maintenance	0.5	0.1	0.1	0.1	0.1	0.1	0.1
Regulatory Assets (a)	6.4	—	—	(0.9)	6.6	—	0.8
Regulatory Liabilities (a)	22.0	0.4	3.4	(3.2)	2.9	11.2	6.2
Total Gain (Loss) on Risk Management Contracts	\$ 29.4	\$ 0.6	\$ 4.1	\$ (4.0)	\$ 9.7	\$ 11.3	\$ 7.1

(a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment recorded as either current or noncurrent on the balance sheets.

Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for "Derivatives and Hedging." Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on the statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on the statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same line item on the statements of income as that of the associated risk being hedged. However, unrealized and some realized gains and losses in regulated jurisdictions for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains) in accordance with the accounting guidance for "Regulated Operations."

Accounting for Fair Value Hedging Strategies (Applies to AEP)

For fair value hedges (i.e. hedging the exposure to changes in the fair value of an asset, liability or an identified portion thereof attributable to a particular risk), the gain or loss on the derivative instrument as well as the offsetting gain or loss on the hedged item associated with the hedged risk impacts net income during the period of change.

AEP records realized and unrealized gains or losses on interest rate swaps that are designated and qualify for fair value hedge accounting treatment and any offsetting changes in the fair value of the debt being hedged in Interest Expense on the statements of income.

The following table shows the impacts recognized on the balance sheets related to the hedged items in fair value hedging relationships:

	Carrying Amount of the Hedged Liabilities		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Liabilities	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
			(in millions)	
Long-term Debt (a) (b)	\$ (906.0)	\$ (952.3)	\$ 38.2	\$ (8.5)

(a) Amounts included on the balance sheets within Long-term Debt Due within One Year and Long-term Debt, respectively.

(b) Amounts include \$(44) million and \$(46) million as of March 31, 2022 and December 31, 2021, respectively, for the fair value hedge adjustment of hedged debt obligations for which hedge accounting has been discontinued.

The pretax effects of fair value hedge accounting on income were as follows:

	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Gain (Loss) on Interest Rate Contracts:		
Fair Value Hedging Instruments (a)	\$ (44.8)	\$ (33.2)
Fair Value Portion of Long-term Debt (a)	44.8	33.2

(a) Gain (Loss) is included in Interest Expense on the statements of income.

In June 2020, AEP terminated a \$500 million notional amount interest rate swap resulting in the discontinuance of the hedging relationship. A gain of \$57 million on the fair value of the hedging instrument was settled in cash and recorded within operating activities on the statements of cash flows. Subsequent to the discontinuation of hedge accounting, the remaining adjustment to the carrying amount of the hedged item of \$57 million will be amortized on a straight line basis through November 2027 in Interest Expense on the statements of income.

Accounting for Cash Flow Hedging Strategies (Applies to AEP, APCo, I&M, PSO and SWEPCo)

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the Registrants initially report the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income (Loss) on the balance sheets until the period the hedged item affects net income.

Realized gains and losses on derivative contracts for the purchase and sale of power designated as cash flow hedges are included in Total Revenues or Purchased Electricity for Resale on the statements of income or in Regulatory Assets or Regulatory Liabilities on the balance sheets, depending on the specific nature of the risk being hedged. During the three months ended March 31, 2022 and 2021, AEP applied cash flow hedging to outstanding power derivatives and the Registrant Subsidiaries did not.

The Registrants reclassify gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income (Loss) on the balance sheets into Interest Expense on the statements of income in those periods in which hedged interest payments occur. During the three months ended March 31, 2022 AEP applied cash flow hedging to outstanding interest rate derivatives and the Registrant Subsidiaries did not. During the three months ended March 31, 2021, AEP and APCo applied cash flow hedging to outstanding interest rate derivatives and the other Registrant Subsidiaries did not.

For details on effective cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on the balance sheets and the reasons for changes in cash flow hedges, see Note 3 - Comprehensive Income.

Cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on the balance sheets were:

Impact of Cash Flow Hedges on AEP's Balance Sheets

	March 31, 2022		December 31, 2021	
	Commodity	Interest Rate	Commodity	Interest Rate
	(in millions)			
AOCI Gain (Loss) Net of Tax	\$ 404.0	\$ (13.6)	\$ 163.7	\$ (21.3)
Portion Expected to be Reclassified to Net Income During the Next Twelve Months	303.9	(2.9)	106.7	(3.3)

As of March 31, 2022 the maximum length of time that AEP is hedging its exposure to variability in future cash flows related to forecasted transactions is 108 months and 105 months for commodity and interest rate hedges, respectively.

Impact of Cash Flow Hedges on the Registrant Subsidiaries' Balance Sheets

Company	March 31, 2022		December 31, 2021	
	AOCI Gain (Loss) Net of Tax	Expected to be Reclassified to Net Income During the Next Twelve Months	AOCI Gain (Loss) Net of Tax	Expected to be Reclassified to Net Income During the Next Twelve Months
	(in millions)			
AEP Texas	\$ (1.0)	\$ (1.0)	\$ (1.3)	\$ (1.1)
APCo	7.3	0.8	7.5	0.8
I&M	(6.3)	(1.6)	(6.7)	(1.6)
SWEPco	1.3	0.2	1.2	0.1

The actual amounts reclassified from Accumulated Other Comprehensive Income (Loss) to Net Income can differ from the estimate above due to market price changes.

Credit Risk

Management mitigates credit risk in wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses credit agency ratings and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

Master agreements are typically used to facilitate the netting of cash flows associated with a single counterparty and may include collateral requirements. Collateral requirements in the form of cash, letters of credit and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. Some master agreements include margining, which requires a counterparty to post cash or letters of credit in the event exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP's credit policy. In addition, master agreements

allow for termination and liquidation of all positions in the event of a default including a failure or inability to post collateral when required.

Credit-Risk-Related Contingent Features

Credit Downgrade Triggers (Applies to AEP, APCo, I&M, PSO and SWEPCo)

A limited number of derivative contracts include collateral triggering events, which include a requirement to maintain certain credit ratings. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these collateral triggering events in contracts. The Registrants have not experienced a downgrade below a specified credit rating threshold that would require the posting of additional collateral. AEP had derivative contracts with collateral triggering events in a net liability position with a total exposure of \$27 million and \$9 million as of March 31, 2022 and December 31, 2021, respectively. The Registrant Subsidiaries had no derivative contracts with collateral triggering events in a net liability position as of March 31, 2022 and December 31, 2021.

Cross-Acceleration Triggers

Certain interest rate derivative contracts contain cross-acceleration provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-acceleration provisions could be triggered if there was a non-performance event by the Registrants under any of their outstanding debt of at least \$50 million and the lender on that debt has accelerated the entire repayment obligation. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-acceleration provisions in contracts. AEP had derivative contracts with cross-acceleration provisions in a net liability position of \$82 million and \$40 million as of March 31, 2022 and December 31, 2021, respectively. There was no cash collateral posted as of March 31, 2022 and December 31, 2021, respectively. If a cross-acceleration provision would have been triggered, settlement at fair value would have been required. The Registrant Subsidiaries had no derivative contracts with cross-acceleration provisions outstanding as of March 31, 2022 and December 31, 2021.

Cross-Default Triggers (Applies to AEP, APCo, I&M and SWEPCo)

In addition, a majority of non-exchange traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third-party obligation that is \$50 million or greater. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-default provisions in the contracts. AEP had derivative liabilities subject to cross-default provisions in a net liability position of \$167 million and \$76 million and no cash collateral posted as of March 31, 2022 and December 31, 2021, respectively, after considering contractual netting arrangements. If a cross-default provision would have been triggered, settlement at fair value would have been required. The Registrant Subsidiaries' derivative contracts with cross-default provisions outstanding as of March 31, 2022 and December 31, 2021 were not material.

Warrants Held in Investee (Applies to AEP)

AEP holds an investment in ChargePoint, which completed an initial public offering (IPO) in February 2021 via a reverse merger with a public special purpose acquisition company. AEP's interests in ChargePoint consisted of a noncontrolling equity interest of common shares, which were accounted for at their fair value of \$30 million as of March 31, 2022, and common share warrants. AEP recorded unrealized gains of \$1 million and \$27 million associated with the common shares for the three months ended March 31, 2022 and 2021, respectively, presented in Other Income (Expense) on AEP's statements of income.

Management has determined the common share warrants are derivative instruments based on the accounting guidance for "Derivatives and Hedging". As of March 31, 2022 and December 31, 2021, the warrants were valued

at \$15 million and \$15 million, respectively, and were recorded in Deferred Charges and Other Noncurrent Assets on AEP's balance sheets. AEP recognized an unrealized gain of \$1 million and unrealized loss of \$10 million associated with the warrants for the three months ended March 31, 2022 and 2021, respectively, presented in Other Income (Expense) on AEP's statements of income.

Management utilized a Black-Scholes options pricing model to value the warrants as of March 31, 2022 and December 31, 2021. There was an observable publicly traded stock price to use in the Black-Scholes options pricing model, which resulted in the warrants being categorized as Level 2 as of March 31, 2022 and December 31, 2021. The common shares are categorized as Level 1 based on the observable publicly traded stock price. See "Fair Value Measurements of Financial Assets and Liabilities" section of Note 10 for additional information.

10. FAIR VALUE MEASUREMENTS

The disclosures in this note apply to all Registrants except AEPTCo unless indicated otherwise.

Fair Value Hierarchy and Valuation Techniques

The accounting guidance for “Fair Value Measurements and Disclosures” establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

For commercial activities, exchange-traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange-traded derivatives where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket-based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

AEP utilizes its trustee’s external pricing service to estimate the fair value of the underlying investments held in the nuclear trusts. AEP’s investment managers review and validate the prices utilized by the trustee to determine fair value. AEP’s management performs its own valuation testing to verify the fair values of the securities. AEP receives audit reports of the trustee’s operating controls and valuation processes.

Assets in the nuclear trusts, cash and cash equivalents, other temporary investments restricted cash for securitized funding are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and equity securities. They are valued based on observable inputs, primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments.

Fair Value Measurements of Long-term Debt (Applies to all Registrants)

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange. The fair value of AEP's Equity Units (Level 1) are valued based on publicly traded securities issued by AEP.

The book values and fair values of Long-term Debt are summarized in the following table:

Company	March 31, 2022		December 31, 2021	
	Book Value	Fair Value	Book Value	Fair Value
	(in millions)			
AEP (a)(b)(c)	\$ 33,864.1	\$ 34,144.5	\$ 33,454.5	\$ 37,564.7
AEP Texas	5,170.6	5,123.4	5,180.8	5,663.8
AEPTCo	4,344.5	4,301.5	4,343.9	4,968.2
APCo	4,927.2	5,339.9	4,938.9	6,037.1
I&M	3,171.7	3,282.6	3,195.0	3,748.0
OPCo	2,969.0	2,965.6	2,968.5	3,437.5
PSO	2,413.6	2,412.6	1,913.5	2,163.7
SWEPCo	3,394.1	3,342.4	3,395.2	3,792.9

- (a) The fair value amounts include debt related to AEP's Equity Units and had a fair value of \$950 million and \$1.7 billion as of March 31, 2022 and December 31, 2021, respectively. See "Equity Units" section of Note 12 for additional information.
- (b) The book value amounts exclude Long-term Debt of \$1.1 billion and \$1.1 billion as of March 31, 2022 and December 31, 2021, respectively, classified as Liabilities Held for Sale on the balance sheets. See "Disposition of KPCo and KTCo" section of Note 6 for additional information.
- (c) The fair value amounts exclude Long-term Debt of \$1.1 billion and \$1.2 billion as of March 31, 2022 and December 31, 2021, respectively, related to KPCo. See "Disposition of KPCo and KTCo" section of Note 6 for additional information.

Fair Value Measurements of Other Temporary Investments and Restricted Cash (Applies to AEP)

Other Temporary Investments include marketable securities that management intends to hold for less than one year and investments by AEP's protected cell of EIS.

The following is a summary of Other Temporary Investments and Restricted Cash:

Other Temporary Investments and Restricted Cash	March 31, 2022			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in millions)			
Restricted Cash (a)	\$ 49.9	\$ —	\$ —	\$ 49.9
Other Cash Deposits	9.5	—	—	9.5
Fixed Income Securities – Mutual Funds (b)	151.5	—	(4.5)	147.0
Equity Securities – Mutual Funds	19.7	32.3	—	52.0
Total Other Temporary Investments and Restricted Cash	\$ 230.6	\$ 32.3	\$ (4.5)	\$ 258.4

Other Temporary Investments and Restricted Cash	December 31, 2021			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in millions)			
Restricted Cash (a)	\$ 48.0	\$ —	\$ —	\$ 48.0
Other Cash Deposits	10.0	—	—	10.0
Fixed Income Securities – Mutual Funds (b)	154.3	0.5	—	154.8
Equity Securities – Mutual Funds	19.7	35.9	—	55.6
Total Other Temporary Investments and Restricted Cash	\$ 232.0	\$ 36.4	\$ —	\$ 268.4

(a) Primarily represents amounts held for the repayment of debt.

(b) Primarily short and intermediate maturities which may be sold and do not contain maturity dates.

The following table provides the activity for fixed income and equity securities within Other Temporary Investments:

	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Proceeds from Investment Sales	\$ 3.9	\$ 5.5
Purchases of Investments	0.8	0.7
Gross Realized Gains on Investment Sales	0.3	0.1
Gross Realized Losses on Investment Sales	0.1	—

Fair Value Measurements of Trust Assets for Decommissioning and SNF Disposal (Applies to AEP and I&M)

Nuclear decommissioning and SNF trust funds represent funds that regulatory commissions allow I&M to collect through rates to fund future decommissioning and SNF disposal liabilities. By rules or orders, the IURC, the MPSC and the FERC established investment limitations and general risk management guidelines. In general, limitations include:

- Acceptable investments (rated investment grade or above when purchased).
- Maximum percentage invested in a specific type of investment.
- Prohibition of investment in obligations of AEP, I&M or their affiliates.
- Withdrawals permitted only for payment of decommissioning costs and trust expenses.

I&M maintains trust funds for each regulatory jurisdiction. Regulatory approval is required to withdraw decommissioning funds. These funds are managed by an external investment manager that must comply with the guidelines and rules of the applicable regulatory authorities. The trust assets are invested to optimize the net of tax earnings of the trust giving consideration to liquidity, risk, diversification and other prudent investment objectives.

I&M records securities held in these trust funds in Spent Nuclear Fuel and Decommissioning Trusts on its balance sheets. I&M records these securities at fair value. I&M classifies debt securities in the trust funds as available-for-sale due to their long-term purpose.

Other-than-temporary impairments for investments in debt securities are considered realized losses as a result of securities being managed by an external investment management firm. The external investment management firm makes specific investment decisions regarding the debt and equity investments held in these trusts and generally intends to sell debt securities in an unrealized loss position as part of a tax optimization strategy. Impairments reduce the cost basis of the securities which will affect any future unrealized gain or realized gain or loss due to the

adjusted cost of investment. I&M records unrealized gains, unrealized losses and other-than-temporary impairments from securities in these trust funds as adjustments to the regulatory liability account for the nuclear decommissioning trust funds and to regulatory assets or liabilities for the SNF disposal trust funds in accordance with their treatment in rates. Consequently, changes in fair value of trust assets do not affect earnings or AOCI.

The following is a summary of nuclear trust fund investments:

	March 31, 2022			December 31, 2021		
	Fair Value	Gross Unrealized Gains	Other-Than-Temporary Impairments	Fair Value	Gross Unrealized Gains	Other-Than-Temporary Impairments
	(in millions)					
Cash and Cash Equivalents	\$ 21.8	\$ —	\$ —	\$ 84.7	\$ —	\$ —
Fixed Income Securities:						
United States Government	1,169.6	13.5	(22.3)	1,156.4	66.3	(7.9)
Corporate Debt	69.4	0.1	(4.0)	76.7	6.7	(2.1)
State and Local Government	7.2	0.2	(0.1)	7.3	0.4	(0.1)
Subtotal Fixed Income Securities	1,246.2	13.8	(26.4)	1,240.4	73.4	(10.1)
Equity Securities - Domestic (a)	2,410.4	1,763.5	—	2,541.9	1,901.3	—
Spent Nuclear Fuel and Decommissioning Trusts	\$ 3,678.4	\$ 1,777.3	\$ (26.4)	\$ 3,867.0	\$ 1,974.7	\$ (10.1)

(a) Amount reported as Gross Unrealized Gains includes unrealized gains of \$1.8 billion and \$1.9 billion and unrealized losses of \$5 million and \$4 million as of March 31, 2022 and December 31, 2021, respectively.

The following table provides the securities activity within the decommissioning and SNF trusts:

	Three Months Ended March 31,	
	2022	2021
	(in millions)	
Proceeds from Investment Sales	\$ 493.5	\$ 320.0
Purchases of Investments	507.7	336.9
Gross Realized Gains on Investment Sales	5.8	5.4
Gross Realized Losses on Investment Sales	7.2	4.2

The base cost of fixed income securities was \$1.2 billion and \$1.2 billion as of March 31, 2022 and December 31, 2021, respectively. The base cost of equity securities was \$647 million and \$641 million as of March 31, 2022 and December 31, 2021, respectively.

The fair value of fixed income securities held in the nuclear trust funds, summarized by contractual maturities, as of March 31, 2022 was as follows:

	Fair Value of Fixed Income Securities	
	(in millions)	
Within 1 year	\$	342.3
After 1 year through 5 years		427.3
After 5 years through 10 years		232.4
After 10 years		244.2
Total	\$	1,246.2

Fair Value Measurements of Financial Assets and Liabilities

The following tables set forth, by level within the fair value hierarchy, the Registrants' financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for "Fair Value Measurements and Disclosures," financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management's valuation techniques.

AEP

**Assets and Liabilities Measured at Fair Value on a Recurring Basis
March 31, 2022**

Assets:	Level 1	Level 2	Level 3	Other	Total
	(in millions)				
Other Temporary Investments and Restricted Cash					
Restricted Cash	\$ 49.9	\$ —	\$ —	\$ —	\$ 49.9
Other Cash Deposits (a)	—	—	—	9.5	9.5
Fixed Income Securities – Mutual Funds	147.0	—	—	—	147.0
Equity Securities – Mutual Funds (b)	52.0	—	—	—	52.0
Total Other Temporary Investments and Restricted Cash	248.9	—	—	9.5	258.4
Risk Management Assets					
Risk Management Commodity Contracts (c) (d) (i)	26.1	1,194.1	223.7	(1,391.1)	52.8
Cash Flow Hedges:					
Commodity Hedges (c)	—	519.6	35.4	(40.2)	514.8
Interest Rate Hedges	—	3.9	—	—	3.9
Total Risk Management Assets	26.1	1,717.6	259.1	(1,431.3)	571.5
Spent Nuclear Fuel and Decommissioning Trusts					
Cash and Cash Equivalents (e)	14.2	—	—	7.6	21.8
Fixed Income Securities:					
United States Government	—	1,169.6	—	—	1,169.6
Corporate Debt	—	69.4	—	—	69.4
State and Local Government	—	7.2	—	—	7.2
Subtotal Fixed Income Securities	—	1,246.2	—	—	1,246.2
Equity Securities – Domestic (b)	2,410.4	—	—	—	2,410.4
Total Spent Nuclear Fuel and Decommissioning Trusts	2,424.6	1,246.2	—	7.6	3,678.4
Other Investments (h)	30.1	15.5	—	—	45.6
Total Assets	\$ 2,729.7	\$ 2,979.3	\$ 259.1	\$ (1,414.2)	\$ 4,553.9
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (d) (j)	\$ 8.0	\$ 896.7	\$ 177.5	\$ (736.8)	\$ 345.4
Cash Flow Hedges:					
Commodity Hedges (c)	—	43.3	0.1	(40.2)	3.2
Interest Rate Hedges	—	0.1	—	—	0.1
Fair Value Hedges	—	81.7	—	—	81.7
Total Risk Management Liabilities	\$ 8.0	\$ 1,021.8	\$ 177.6	\$ (777.0)	\$ 430.4

Assets and Liabilities Measured at Fair Value on a Recurring Basis
December 31, 2021

Assets:	Level 1	Level 2	Level 3	Other	Total
	(in millions)				
Other Temporary Investments and Restricted Cash					
Restricted Cash	\$ 48.0	\$ —	\$ —	\$ —	\$ 48.0
Other Cash Deposits (a)	—	—	—	10.0	10.0
Fixed Income Securities – Mutual Funds	154.8	—	—	—	154.8
Equity Securities – Mutual Funds (b)	55.6	—	—	—	55.6
Total Other Temporary Investments and Restricted Cash	258.4	—	—	10.0	268.4
Risk Management Assets					
Risk Management Commodity Contracts (c) (f) (i)	7.4	648.5	226.3	(642.4)	239.8
Cash Flow Hedges:					
Commodity Hedges (c)	—	242.9	19.2	(41.7)	220.4
Fair Value Hedges	—	1.2	—	—	1.2
Total Risk Management Assets	7.4	892.6	245.5	(684.1)	461.4
Spent Nuclear Fuel and Decommissioning Trusts					
Cash and Cash Equivalents (e)	77.7	—	—	7.0	84.7
Fixed Income Securities:					
United States Government	—	1,156.4	—	—	1,156.4
Corporate Debt	—	76.7	—	—	76.7
State and Local Government	—	7.3	—	—	7.3
Subtotal Fixed Income Securities	—	1,240.4	—	—	1,240.4
Equity Securities – Domestic (b)	2,541.9	—	—	—	2,541.9
Total Spent Nuclear Fuel and Decommissioning Trusts	2,619.6	1,240.4	—	7.0	3,867.0
Other Investments (h)	28.8	14.9	—	—	43.7
Total Assets	\$ 2,914.2	\$ 2,147.9	\$ 245.5	\$ (667.1)	\$ 4,640.5
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (f) (j)	\$ 5.3	\$ 485.0	\$ 147.6	\$ (383.2)	\$ 254.7
Cash Flow Hedges:					
Commodity Hedges (c)	—	54.0	0.6	(41.7)	12.9
Fair Value Hedges	—	38.1	—	—	38.1
Total Risk Management Liabilities	\$ 5.3	\$ 577.1	\$ 148.2	\$ (424.9)	\$ 305.7

AEP TexasAssets and Liabilities Measured at Fair Value on a Recurring Basis
March 31, 2022

Assets:	Level 1	Level 2	Level 3	Other	Total
	(in millions)				
Restricted Cash for Securitized Funding	\$ 39.9	\$ —	\$ —	\$ —	\$ 39.9
Risk Management Assets					
Risk Management Commodity Contracts (c)	—	1.5	—	(1.3)	0.2
Total Assets	\$ 39.9	\$ 1.5	\$ —	\$ (1.3)	\$ 40.1

December 31, 2021

Assets:	Level 1	Level 2	Level 3	Other	Total
	(in millions)				
Restricted Cash for Securitized Funding	\$ 30.4	\$ —	\$ —	\$ —	\$ 30.4
Risk Management Assets					
Risk Management Commodity Contracts (c)	—	0.6	—	(0.6)	—
Total Assets	\$ 30.4	\$ 0.6	\$ —	\$ (0.6)	\$ 30.4

APCoAssets and Liabilities Measured at Fair Value on a Recurring Basis
March 31, 2022

Assets:	Level 1	Level 2	Level 3	Other	Total
	(in millions)				
Restricted Cash for Securitized Funding	\$ 10.0	\$ —	\$ —	\$ —	\$ 10.0
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	—	4.3	7.0	(4.3)	7.0
Total Assets	\$ 10.0	\$ 4.3	\$ 7.0	\$ (4.3)	\$ 17.0

Liabilities:

Risk Management Liabilities					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 3.3	\$ 0.4	\$ (3.5)	\$ 0.2

December 31, 2021

Assets:	Level 1	Level 2	Level 3	Other	Total
	(in millions)				
Restricted Cash for Securitized Funding	\$ 17.6	\$ —	\$ —	\$ —	\$ 17.6
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	—	5.8	42.0	(5.8)	42.0
Total Assets	\$ 17.6	\$ 5.8	\$ 42.0	\$ (5.8)	\$ 59.6

Liabilities:

Risk Management Liabilities					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 7.2	\$ 0.3	\$ (6.7)	\$ 0.8

Assets and Liabilities Measured at Fair Value on a Recurring Basis
March 31, 2022

Assets:	Level 1	Level 2	Level 3 (in millions)	Other	Total
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 2.8	\$ 2.1	\$ (3.4)	\$ 1.5
Spent Nuclear Fuel and Decommissioning Trusts					
Cash and Cash Equivalents (e)	14.2	—	—	7.6	21.8
Fixed Income Securities:					
United States Government	—	1,169.6	—	—	1,169.6
Corporate Debt	—	69.4	—	—	69.4
State and Local Government	—	7.2	—	—	7.2
Subtotal Fixed Income Securities	—	1,246.2	—	—	1,246.2
Equity Securities - Domestic (b)	2,410.4	—	—	—	2,410.4
Total Spent Nuclear Fuel and Decommissioning Trusts	2,424.6	1,246.2	—	7.6	3,678.4
Total Assets	\$ 2,424.6	\$ 1,249.0	\$ 2.1	\$ 4.2	\$ 3,679.9
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 2.1	\$ 1.1	\$ (2.8)	\$ 0.4

December 31, 2021

Assets:	Level 1	Level 2	Level 3 (in millions)	Other	Total
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 3.8	\$ 7.6	\$ (8.1)	\$ 3.3
Spent Nuclear Fuel and Decommissioning Trusts					
Cash and Cash Equivalents (e)	77.7	—	—	7.0	84.7
Fixed Income Securities:					
United States Government	—	1,156.4	—	—	1,156.4
Corporate Debt	—	76.7	—	—	76.7
State and Local Government	—	7.3	—	—	7.3
Subtotal Fixed Income Securities	—	1,240.4	—	—	1,240.4
Equity Securities - Domestic (b)	2,541.9	—	—	—	2,541.9
Total Spent Nuclear Fuel and Decommissioning Trusts	2,619.6	1,240.4	—	7.0	3,867.0
Total Assets	\$ 2,619.6	\$ 1,244.2	\$ 7.6	\$ (1.1)	\$ 3,870.3
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 6.7	\$ 8.3	\$ (10.0)	\$ 5.0

OPCo

**Assets and Liabilities Measured at Fair Value on a Recurring Basis
March 31, 2022**

Assets:	Level 1	Level 2	Level 3 (in millions)	Other	Total
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 1.1	\$ —	\$ (1.0)	\$ 0.1

Liabilities:	Level 1	Level 2	Level 3 (in millions)	Other	Total
Risk Management Liabilities					
Risk Management Commodity Contracts (g)	\$ —	\$ —	\$ 68.5	\$ —	\$ 68.5

December 31, 2021

Assets:	Level 1	Level 2	Level 3 (in millions)	Other	Total
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 0.5	\$ —	\$ (0.5)	\$ —

Liabilities:	Level 1	Level 2	Level 3 (in millions)	Other	Total
Risk Management Liabilities					
Risk Management Commodity Contracts (g)	\$ —	\$ —	\$ 92.5	\$ —	\$ 92.5

PSO

**Assets and Liabilities Measured at Fair Value on a Recurring Basis
March 31, 2022**

Assets:	Level 1	Level 2	Level 3 (in millions)	Other	Total
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 0.6	\$ 7.3	\$ (1.2)	\$ 6.7

Liabilities:	Level 1	Level 2	Level 3 (in millions)	Other	Total
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ —	\$ 0.8	\$ (0.7)	\$ 0.1

December 31, 2021

Assets:	Level 1	Level 2	Level 3 (in millions)	Other	Total
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 0.3	\$ 12.2	\$ (0.4)	\$ 12.1

Liabilities:	Level 1	Level 2	Level 3 (in millions)	Other	Total
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 3.7	\$ 0.1	\$ (0.1)	\$ 3.7

Assets and Liabilities Measured at Fair Value on a Recurring Basis
March 31, 2022

Assets:	Level 1	Level 2	Level 3	Other	Total
	(in millions)				
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 0.8	\$ 15.9	\$ (0.9)	\$ 15.8

Liabilities:	Level 1	Level 2	Level 3	Other	Total
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ —	\$ 0.2	\$ (0.2)	\$ —

December 31, 2021

Assets:	Level 1	Level 2	Level 3	Other	Total
	(in millions)				
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 0.3	\$ 11.0	\$ (0.4)	\$ 10.9

Liabilities:	Level 1	Level 2	Level 3	Other	Total
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 2.1	\$ 0.1	\$ (0.1)	\$ 2.1

- (a) Amounts in "Other" column primarily represent cash deposits in bank accounts with financial institutions or third-parties. Level 1 and Level 2 amounts primarily represent investments in money market funds.
- (b) Amounts represent publicly traded equity securities and equity-based mutual funds.
- (c) Amounts in "Other" column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for "Derivatives and Hedging."
- (d) The March 31, 2022 maturities of the net fair value of risk management contracts prior to cash collateral, assets/(liabilities), were as follows: Level 1 matures \$14 million in 2022 and \$4 million in periods 2023-2025; Level 2 matures \$96 million in 2022, \$188 million in periods 2023-2025, \$10 million in periods 2026-2027 and \$4 million in periods 2028-2033; Level 3 matures \$37 million in 2022, \$8 million in periods 2023-2025, \$13 million in periods 2026-2027 and \$(11) million in periods 2028-2033. Risk management commodity contracts are substantially comprised of power contracts.
- (e) Amounts in "Other" column primarily represent accrued interest receivables from financial institutions. Level 1 amounts primarily represent investments in money market funds.
- (f) The December 31, 2021 maturities of the net fair value of risk management contracts prior to cash collateral, assets/(liabilities), were as follows: Level 1 matures \$1 million in 2022 and \$1 million in periods 2023-2025; Level 2 matures \$42 million in 2022, \$109 million in periods 2023-2025, \$10 million in periods 2026-2027 and \$3 million in periods 2028-2033; Level 3 matures \$82 million in 2022, \$10 million in periods 2023-2025, \$9 million in periods 2026-2027 and \$(17) million in periods 2028-2033. Risk management commodity contracts are substantially comprised of power contracts.
- (g) Substantially comprised of power contracts for the Registrant Subsidiaries.
- (h) See "Warrants Held in Investee" section of Note 9 for additional information.
- (i) Amount excludes Risk Management Assets of \$1.4 million and \$6 million as of March 31, 2022 and December 31, 2021, respectively, classified as Assets Held for Sale on the balance sheets. See "Disposition of KP Co and KT Co" section of Note 6 for additional information.
- (j) Amount excludes Risk Management Liabilities of \$0 and \$0.1 million as of March 31, 2022 and December 31, 2021, respectively, classified as Liabilities Held for Sale on the balance sheets. See "Disposition of KP Co and KT Co" section of Note 6 for additional information.

The following tables set forth a reconciliation of changes in the fair value of net trading derivatives classified as Level 3 in the fair value hierarchy:

Three Months Ended March 31, 2022	AEP	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)					
Balance as of December 31, 2021	\$ 97.3	\$ 41.7	\$ (0.7)	\$ (92.5)	\$ 12.1	\$ 10.9
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	18.2	(2.9)	3.8	0.5	12.1	9.8
Unrealized Gain (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)	(19.0)	—	—	—	—	—
Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)	19.3	—	—	—	—	—
Settlements	(51.6)	(32.4)	(2.3)	1.4	(19.8)	(16.2)
Transfers into Level 3 (d) (e)	2.5	—	—	—	—	—
Transfers out of Level 3 (e)	2.9	—	—	—	—	—
Changes in Fair Value Allocated to Regulated Jurisdictions (f)	7.4	0.2	0.2	22.1	2.1	11.2
Assets and Liabilities Held for Sale related to KPCo (g)	4.5	—	—	—	—	—
Balance as of March 31, 2022	<u>\$ 81.5</u>	<u>\$ 6.6</u>	<u>\$ 1.0</u>	<u>\$ (68.5)</u>	<u>\$ 6.5</u>	<u>\$ 15.7</u>
Three Months Ended March 31, 2021	AEP	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)					
Balance as of December 31, 2020	\$ 113.3	\$ 19.3	\$ 2.1	\$ (110.3)	\$ 10.3	\$ 1.6
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	19.8	2.1	0.3	—	9.3	6.1
Unrealized Gain (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)	(21.3)	—	—	—	—	—
Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)	3.1	—	—	—	—	—
Settlements	(47.9)	(15.6)	(1.4)	2.7	(16.3)	(8.2)
Transfers into Level 3 (d) (e)	0.5	—	—	—	—	—
Transfers out of Level 3 (e)	(33.0)	—	—	—	—	—
Changes in Fair Value Allocated to Regulated Jurisdictions (f)	7.3	0.8	(0.3)	3.6	2.2	1.0
Balance as of March 31, 2021	<u>\$ 41.8</u>	<u>\$ 6.6</u>	<u>\$ 0.7</u>	<u>\$ (104.0)</u>	<u>\$ 5.5</u>	<u>\$ 0.5</u>

(a) Included in revenues on the statements of income.

(b) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.

(c) Included in cash flow hedges on the statements of comprehensive income.

(d) Represents existing assets or liabilities that were previously categorized as Level 2.

(e) Transfers are recognized based on their value at the beginning of the reporting period that the transfer occurred.

(f) Relates to the net gains (losses) of those contracts that are not reflected on the statements of income. These changes in fair value are recorded as regulatory liabilities for net gains and as regulatory assets for net losses or accounts payable.

(g) Amount excludes Risk Management Assets classified as Assets Held for Sale on the balance sheets. See "Disposition of KPCo and KTCO" section of Note 6 for additional information.

The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions:

AEP

**Significant Unobservable Inputs
March 31, 2022**

	Fair Value		Valuation Technique	Significant Unobservable Input	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
Energy Contracts	\$ 223.3	\$ 169.5	Discounted Cash Flow	Forward Market Price (a)	\$ 12.79	\$ 119.45	\$ 42.15
Natural Gas Contracts	10.1	—	Discounted Cash Flow	Forward Market Price (b)	2.58	6.01	5.05
FTRs	25.7	8.1	Discounted Cash Flow	Forward Market Price (a)	(41.14)	13.46	(0.08)
Total	\$ 259.1	\$ 177.6					

December 31, 2021

	Fair Value		Valuation Technique	Significant Unobservable Input	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
Energy Contracts	\$ 164.4	\$ 135.2	Discounted Cash Flow	Forward Market Price (a)	\$ 10.30	\$ 76.70	\$ 37.11
Natural Gas Contracts	3.6	—	Discounted Cash Flow	Forward Market Price (b)	3.11	4.02	3.47
FTRs	77.5	13.0	Discounted Cash Flow	Forward Market Price (a)	(23.93)	26.38	0.86
Total	\$ 245.5	\$ 148.2					

APCo

Significant Unobservable Inputs
March 31, 2022

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
Energy Contracts	\$ —	\$ 0.2	Discounted Cash Flow	Forward Market Price	\$ 44.99	\$ 66.21	\$ 55.42
FTRs	7.0	0.2	Discounted Cash Flow	Forward Market Price	0.15	11.19	1.05
Total	\$ 7.0	\$ 0.4					

December 31, 2021

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
Energy Contracts	\$ —	\$ 0.3	Discounted Cash Flow	Forward Market Price	\$ 32.20	\$ 56.54	\$ 44.77
FTRs	42.0	—	Discounted Cash Flow	Forward Market Price	(0.30)	26.38	2.63
Total	\$ 42.0	\$ 0.3					

I&M

Significant Unobservable Inputs
March 31, 2022

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
Energy Contracts	\$ —	\$ 0.1	Discounted Cash Flow	Forward Market Price	\$ 44.99	\$ 66.21	\$ 55.42
FTRs	2.1	1.0	Discounted Cash Flow	Forward Market Price	(1.32)	11.50	0.41
Total	\$ 2.1	\$ 1.1					

December 31, 2021

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
Energy Contracts	\$ —	\$ 0.2	Discounted Cash Flow	Forward Market Price	\$ 32.20	\$ 56.54	\$ 44.77
FTRs	7.6	8.1	Discounted Cash Flow	Forward Market Price	(5.45)	17.78	(0.12)
Total	\$ 7.6	\$ 8.3					

OPCo**Significant Unobservable Inputs
March 31, 2022**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
Energy Contracts	\$ —	\$ 68.5	Discounted Cash Flow	Forward Market Price	\$ 15.77	\$ 83.20	\$ 38.10

December 31, 2021

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
Energy Contracts	\$ —	\$ 92.5	Discounted Cash Flow	Forward Market Price	\$ 14.26	\$ 52.98	\$ 30.68

PSO**Significant Unobservable Inputs
March 31, 2022**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
FTRs	\$ 7.3	\$ 0.8	Discounted Cash Flow	Forward Market Price	\$ (41.14)	\$ 11.59	\$ (3.69)

December 31, 2021

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
FTRs	\$ 12.2	\$ 0.1	Discounted Cash Flow	Forward Market Price	\$ (18.39)	\$ 1.87	\$ (2.57)

SWEPCo

**Significant Unobservable Inputs
March 31, 2022**

	Fair Value		Valuation Technique	Significant Unobservable Input	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
Natural Gas Contracts	\$ 10.1	\$ —	Discounted Cash Flow	Forward Market Price (b)	\$ 5.23	\$ 6.01	\$ 5.51
FTRs	5.8	0.2	Discounted Cash Flow	Forward Market Price (a)	(41.14)	11.59	(3.69)
Total	<u>\$ 15.9</u>	<u>\$ 0.2</u>					

December 31, 2021

	Fair Value		Valuation Technique	Significant Unobservable Input	Input/Range		Weighted Average (c)
	Assets	Liabilities			Low	High	
	(in millions)						
Natural Gas Contracts	\$ 3.6	\$ —	Discounted Cash Flow	Forward Market Price (b)	\$ 3.11	\$ 4.02	\$ 3.47
FTRs	7.4	0.1	Discounted Cash Flow	Forward Market Price (a)	(18.39)	1.87	(2.57)
Total	<u>\$ 11.0</u>	<u>\$ 0.1</u>					

- (a) Represents market prices in dollars per MWh.
(b) Represents market prices in dollars per MMBtu.
(c) The weighted average is the product of the forward market price of the underlying commodity and volume weighted by term.

The following table provides the measurement uncertainty of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts, Natural Gas Contracts and FTRs for the Registrants as of March 31, 2022 and December 31, 2021:

Uncertainty of Fair Value Measurements

Significant Unobservable Input	Position	Change in Input	Impact on Fair Value Measurement
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

11. INCOME TAXES

The disclosures in this note apply to all Registrants unless indicated otherwise.

Effective Tax Rates (ETR)

The Registrants' interim ETR reflect the estimated annual ETR for 2022 and 2021, adjusted for tax expense associated with certain discrete items.

The Registrants include the amortization of Excess ADIT not subject to normalization requirements in the annual estimated ETR when regulatory proceedings instruct the Registrants to provide the benefits of Tax Reform to customers over multiple interim periods. Certain regulatory proceedings instruct the Registrants to provide the benefits of Tax Reform to customers in a single period (e.g. by applying the Excess ADIT not subject to normalization requirements against an existing regulatory asset balance) and in these circumstances, the Registrants recognize the tax benefit discretely in the period recorded. The annual amount of Excess ADIT approved by the Registrant's regulatory commissions may not impact the ETR ratably during each interim period due to the variability of pretax book income between interim periods and the application of an annual estimated ETR.

The ETR for each of the Registrants are included in the following tables:

	Three Months Ended March 31, 2022								
	AEP	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo	
U.S. Federal Statutory Rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:									
State Income Tax, net of Federal Benefit	1.5 %	0.3 %	2.6 %	2.9 %	1.6 %	0.7 %	0.6 %	2.3 %	
Tax Reform Excess ADIT Reversal	(6.6)%	(2.0)%	0.3 %	(5.8)%	(17.3)%	(7.8)%	(15.3)%	(4.9)%	
Production and Investment Tax Credits	(8.0)%	(0.2)%	— %	— %	(1.4)%	— %	(26.2)%	(23.1)%	
Flow Through	0.3 %	0.3 %	0.3 %	1.7 %	(1.9)%	0.9 %	0.6 %	(0.6)%	
AFUDC Equity	(0.9)%	(0.9)%	(1.6)%	(0.7)%	(0.6)%	(0.6)%	(0.7)%	(0.5)%	
Discrete Tax Adjustments	(0.6)%	— %	— %	(0.6)%	— %	— %	— %	— %	
Other	0.2 %	(0.1)%	— %	— %	(0.2)%	— %	(0.8)%	0.6 %	
Effective Income Tax Rate	6.9 %	18.4 %	22.6 %	18.5 %	1.2 %	14.2 %	(20.8)%	(5.2)%	

	Three Months Ended March 31, 2021								
	AEP	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo	
U.S. Federal Statutory Rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:									
State Income Tax, net of Federal Benefit	2.3 %	1.4 %	2.7 %	3.2 %	1.3 %	0.7 %	4.7 %	(0.8)%	
Tax Reform Excess ADIT Reversal	(9.2)%	(7.8)%	0.3 %	(18.0)%	(17.9)%	(9.7)%	(24.7)%	(5.9)%	
Production and Investment Tax Credits	(5.5)%	(0.3)%	— %	— %	(1.7)%	— %	(8.2)%	(5.1)%	
Flow Through	0.3 %	0.3 %	0.2 %	1.6 %	(1.0)%	1.1 %	0.6 %	(0.7)%	
AFUDC Equity	(0.9)%	(1.4)%	(1.7)%	(1.1)%	(0.2)%	(1.1)%	(0.5)%	(0.4)%	
Parent Company Loss Benefit	— %	— %	(1.9)%	(2.9)%	(2.5)%	— %	— %	— %	
Discrete Tax Adjustments	0.5 %	— %	— %	— %	— %	(4.0)%	— %	— %	
Other	0.1 %	0.1 %	0.1 %	0.1 %	— %	0.2 %	(0.9)%	0.1 %	
Effective Income Tax Rate	8.6 %	13.3 %	20.7 %	3.9 %	(1.0)%	8.2 %	(8.0)%	8.2 %	

Federal and State Income Tax Audit Status

In the third quarter of 2019, AEP and subsidiaries elected to amend the 2014 through 2017 federal returns. In the first quarter of 2020, the IRS notified AEP that it was beginning an examination of these amended returns, including the net operating loss carryback to 2015 that originated in the 2017 return. As of March 31, 2022, the IRS has not issued any proposed adjustment and has accepted the 2014 amended return as filed. AEP has agreed to extend the statute of limitations on the 2017 tax return to December 31, 2022 to allow time for the audit to be completed and the Congressional Joint Committee on Taxation to approve the associated refund claim.

AEP and subsidiaries file income tax returns in various state and local jurisdictions. These taxing authorities routinely examine the tax returns, and AEP and subsidiaries are currently under examination in several state and local jurisdictions. Generally, the statutes of limitations have expired for tax years prior to 2017. In addition, management is monitoring and continues to evaluate the potential impact of federal legislation and corresponding state conformity.

12. FINANCING ACTIVITIES

The disclosures in this note apply to all Registrants, unless indicated otherwise.

Common Stock (Applies to AEP)

At-the-Market (ATM) Program

In 2020, AEP filed a prospectus supplement and executed an Equity Distribution Agreement, pursuant to which AEP may sell, from time to time, up to an aggregate of \$1 billion of its common stock through an ATM offering program, including an equity forward sales component. The compensation paid to the selling agents by AEP may be up to 2% of the gross offering proceeds of the shares. There were no issuances under the ATM program for the three months ended March 31, 2022.

Long-term Debt Outstanding (Applies to AEP)

The following table details long-term debt outstanding, net of issuance costs and premiums or discounts:

Type of Debt	March 31, 2022	December 31, 2021
	(in millions)	
Senior Unsecured Notes	\$ 27,454.6	\$ 27,497.3
Pollution Control Bonds	1,804.8	1,804.5
Notes Payable	186.4	211.3
Securitization Bonds	579.6	603.5
Spent Nuclear Fuel Obligation (a)	281.4	281.3
Junior Subordinated Notes (b)	2,373.4	2,373.0
Other Long-term Debt	1,183.9	683.6
Total Long-term Debt Outstanding	33,864.1	33,454.5
Long-term Debt Due Within One Year (c)	3,008.4	2,153.8
Long-term Debt (d)	\$ 30,855.7	\$ 31,300.7

(a) Pursuant to the Nuclear Waste Policy Act of 1982, I&M, a nuclear licensee, has an obligation to the United States Department of Energy for SNF disposal. The obligation includes a one-time fee for nuclear fuel consumed prior to April 7, 1983. Trust fund assets related to this obligation were \$328 million and \$329 million as of March 31, 2022 and December 31, 2021, respectively, and are included in Spent Nuclear Fuel and Decommissioning Trusts on the balance sheets.

(b) See "Equity Units" section below for additional information.

(c) Amount excludes \$200 million and \$200 million as of March 31, 2022 and December 31, 2021, respectively, of Long-term Debt Due Within One Year classified as Liabilities Held for Sale on the balance sheet. See "Disposition of KPCo and KTCo" section of Note 6 for additional information.

(d) Amount excludes \$903 million and \$903 million as of March 31, 2022 and December 31, 2021, respectively, of Long-term Debt classified as Liabilities Held for Sale on the balance sheet. See "Disposition of KPCo and KTCo" section of Note 6 for additional information.

Long-term Debt Activity

Long-term debt and other securities issued, retired and principal payments made during the first three months of 2022 are shown in the following tables:

Company	Type of Debt	Principal Amount (a)	Interest Rate	Due Date
		(in millions)	(%)	
Issuances:				
PSO	Other Long-term Debt	\$ 500.0	Variable	2022
Non-Registrant:				
Transource Energy	Other Long-term Debt	1.0	Variable	2023
Total Issuances		\$ 501.0		

(a) Amounts indicated on the statements of cash flows are net of issuance costs and premium or discount and will not tie to the issuance amounts.

Company	Type of Debt	Principal Amount Paid (in millions)	Interest Rate (%)	Due Date
Retirements and Principal Payments:				
AEP Texas	Securitization Bonds	\$ 11.4	2.06	2025
APCo	Securitization Bonds	12.7	2.01	2023
I&M	Notes Payable	1.3	Variable	2022
I&M	Notes Payable	1.1	Variable	2022
I&M	Notes Payable	4.6	Variable	2023
I&M	Notes Payable	3.5	Variable	2024
I&M	Notes Payable	6.5	Variable	2025
I&M	Notes Payable	6.2	0.93	2025
I&M	Other Long-term Debt	0.6	6.00	2025
PSO	Other Long-term Debt	0.1	3.00	2027
SWEPco	Notes Payable	1.6	4.58	2032
<i>Non-Registrant:</i>				
Transource Energy	Senior Unsecured Notes	1.4	2.75	2050
Total Retirements and Principal Payments		\$ 51.0		

Long-term Debt Subsequent Event

In April 2022, I&M retired \$5 million of Notes Payable related to DCC Fuel.

In April 2022, AEP remarketed \$65 million of Pollution Control Bonds related to WPCo.

Equity Units (Applies to AEP)

2020 Equity Units

In August 2020, AEP issued 17 million Equity Units initially in the form of corporate units, at a stated amount of \$50 per unit, for a total stated amount of \$850 million. Net proceeds from the issuance were approximately \$833 million. The proceeds were used to support AEP's overall capital expenditure plans.

Each corporate unit represents a 1/20 undivided beneficial ownership interest in \$1,000 principal amount of AEP's 1.30% Junior Subordinated Notes (notes) due in 2025 and a forward equity purchase contract which settles after three years in 2023. The notes are expected to be remarketed in 2023, at which time the interest rate will reset at the then current market rate. Investors may choose to remarket their notes to receive the remarketing proceeds and use those funds to settle the forward equity purchase contract, or accept the remarketed debt and use other funds for the equity purchase. If the remarketing is unsuccessful, investors have the right to put their notes to AEP at a price equal to the principal. The Equity Units carry an annual distribution rate of 6.125%, which is comprised of a quarterly coupon rate of interest of 1.30% and a quarterly forward equity purchase contract payment of 4.825%.

Each forward equity purchase contract obligates the holder to purchase, and AEP to sell, for \$50 a number of shares in common stock in accordance with the conversion ratios set forth below (subject to an anti-dilution adjustment):

- If the AEP common stock market price is equal to or greater than \$99.95: 0.5003 shares per contract.
- If the AEP common stock market price is less than \$99.95 but greater than \$83.29: a number of shares per contract equal to \$50 divided by the applicable market price. The holder receives a variable number of shares at \$50.
- If the AEP common stock market price is less than or equal to \$83.29: 0.6003 shares per contract.

A holder's ownership interest in the notes is pledged to AEP to secure the holder's obligation under the related forward equity purchase contract. If a holder of the forward equity purchase contract chooses at any time to no longer be a holder of the notes, such holder's obligation under the forward equity purchase contract must be secured by a U.S. Treasury security which must be equal to the aggregate principal amount of the notes.

At the time of issuance, the \$850 million of notes were recorded within Long-term Debt on the balance sheets. The present value of the purchase contract payments of \$121 million were recorded in Deferred Credits and Other Noncurrent Liabilities with a current portion in Other Current Liabilities at the time of issuance, representing the obligation to make forward equity contract payments, with an offsetting reduction to Paid-in Capital. The difference between the face value and present value of the purchase contract payments will be accreted to Interest Expense on the statements of income over the three year period ending in 2023. The liability recorded for the contract payments is considered non-cash and excluded from the statements of cash flows. Until settlement of the forward equity purchase contract, earnings per share dilution resulting from the equity unit issuance will be determined under the treasury stock method. The maximum amount of shares AEP will be required to issue to settle the purchase contract is 10,205,100 shares (subject to an anti-dilution adjustment).

2019 Equity Units

In March 2019, AEP issued 16.1 million Equity Units initially in the form of corporate units, at a stated amount of \$50 per unit, for a total stated amount of \$805 million. Net proceeds from the issuance were approximately \$785 million. The proceeds were used to support AEP's overall capital expenditure plans including the acquisition of Sempra Renewables LLC.

Each corporate unit represents a 1/20 undivided beneficial ownership interest in \$1,000 principal amount of AEP's 3.40% Junior Subordinated Notes (notes) due in 2024 and a forward equity purchase contract which settled after three years in 2022. In January 2022, AEP successfully remarketed the notes on behalf of holders of the corporate units and did not directly receive any proceeds therefrom. Instead, the holders of the corporate units used the debt remarketing proceeds to settle the forward equity purchase contract with AEP. The interest rate on the notes was reset to 2.031% with the maturity remaining in 2024. In March 2022, AEP issued 8,970,920 shares of AEP common stock and received proceeds totaling \$805 million under the settlement of the forward equity purchase contract. AEP common stock held in treasury was used to settle the forward equity purchase contract.

Debt Covenants (Applies to AEP and AEPTCo)

Covenants in AEPTCo's note purchase agreements and indenture limit the amount of contractually-defined priority debt (which includes a further sub-limit of \$50 million of secured debt) to 10% of consolidated tangible net assets. AEPTCo's contractually-defined priority debt was 2.9% of consolidated tangible net assets as of March 31, 2022. The method for calculating the consolidated tangible net assets is contractually-defined in the note purchase agreements.

Dividend Restrictions

Utility Subsidiaries' Restrictions

Parent depends on its utility subsidiaries to pay dividends to shareholders. AEP utility subsidiaries pay dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of the subsidiaries to transfer funds to Parent in the form of dividends.

All of the dividends declared by AEP's utility subsidiaries that provide transmission or local distribution services are subject to a Federal Power Act restriction that prohibits the payment of dividends out of capital accounts without regulatory approval; payment of dividends is allowed out of retained earnings only. The Federal Power Act also creates a reserve on earnings attributable to hydroelectric generation plants. Because of their ownership of such plants, this reserve applies to APCo and I&M.

Certain AEP subsidiaries have credit agreements that contain covenants that limit their debt to capitalization ratio to 67.5%. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.

The Federal Power Act restriction does not limit the ability of the AEP subsidiaries to pay dividends out of retained earnings.

Parent Restrictions (Applies to AEP)

The holders of AEP's common stock are entitled to receive the dividends declared by the Board of Directors provided funds are legally available for such dividends. Parent's income primarily derives from common stock equity in the earnings of its utility subsidiaries.

Pursuant to the leverage restrictions in credit agreements, AEP must maintain a percentage of debt to total capitalization at a level that does not exceed 67.5%. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.

Corporate Borrowing Program - AEP System (Applies to all Registrant Subsidiaries)

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP's subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP's utility subsidiaries; a Nonutility Money Pool, which funds certain AEP nonutility subsidiaries; and direct borrowing from AEP. The AEP System Utility Money Pool operates in accordance with the terms and conditions of its agreement filed with the FERC. The amounts of outstanding loans to (borrowings from) the Utility Money Pool as of March 31, 2022 and December 31, 2021 are included in Advances to Affiliates and Advances from Affiliates, respectively, on the Registrant Subsidiaries' balance sheets. The Utility Money Pool participants' activity and corresponding authorized borrowing limits for the three months ended March 31, 2022 are described in the following table:

Company	Maximum Borrowings from the Utility Money Pool	Maximum Loans to the Utility Money Pool	Average Borrowings from the Utility Money Pool	Average Loans to the Utility Money Pool	Net Borrowings from the Utility Money Pool as of March 31, 2022	Authorized Short-term Borrowing Limit
				(in millions)		
AEP Texas	\$ 264.7	\$ —	\$ 152.8	\$ —	(262.2)	\$ 500.0
AEPTCo	388.4	14.5	253.1	3.2	(282.1) (a)	820.0 (b)
APCo	227.9	20.8	114.6	20.0	(15.8)	500.0
I&M	159.1	21.5	102.2	21.5	(52.1)	500.0
OPCo	112.2	92.1	57.4	41.5	(55.7)	500.0
PSO	211.8	432.5	94.8	403.6	(211.8)	400.0
SWEPCo	215.6	156.6	201.9	109.7	(202.9)	400.0

(a) Amount excludes \$2 million of Advances to Affiliates classified as Assets Held for Sale on the AEPTCo balance sheet. See "Dispositions of KPCo and KTCO" section of Note 6 for additional information.

(b) Amount represents the combined authorized short-term borrowing limit the State Transcos have from FERC or state regulatory commissions.

The activity in the above table does not include short-term lending activity of certain AEP nonutility subsidiaries. AEP Texas' wholly-owned subsidiary, AEP Texas North Generation Company, LLC and SWEPCo's wholly-owned subsidiary, Mutual Energy SWEPCo, LLC participate in the Nonutility Money Pool. The amounts of outstanding loans to the Nonutility Money Pool as of March 31, 2022 and December 31, 2021 are included in Advances to Affiliates on the subsidiaries' balance sheets. The Nonutility Money Pool participants' activity for the three months ended March 31, 2022 is described in the following table:

Company	Maximum Loans to the Nonutility Money Pool	Average Loans to the Nonutility Money Pool	Loans to the Nonutility Money Pool as of March 31, 2022
			(in millions)
AEP Texas	\$ 6.9	\$ 6.8	\$ 6.8
SWEPCo	2.1	2.1	2.1

AEP has a direct financing relationship with AEPTCo to meet its short-term borrowing needs. The amounts of outstanding loans to and borrowings from AEP as of March 31, 2022 and December 31, 2021 are included in Advances to Affiliates and Advances from Affiliates, respectively, on AEPTCo's balance sheets. AEPTCo's direct borrowing and lending activity with AEP and corresponding authorized borrowing limit for the three months ended March 31, 2022 are described in the following table:

Maximum Borrowings from AEP	Maximum Loans to AEP	Average Borrowings from AEP	Average Loans to AEP	Borrowings from AEP as of March 31, 2022	Loans to AEP as of March 31, 2022	Authorized Short-term Borrowing Limit
\$ 37.0	\$ 141.8	\$ 4.3	\$ 72.7	\$ 37.0	\$ —	50.0 (a)

(a) Amount represents the combined authorized short-term borrowing limit the State Transcos have from FERC or state regulatory commissions.

The maximum and minimum interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:

	Three Months Ended March 31,	
	2022	2021
Maximum Interest Rate	1.00 %	0.40 %
Minimum Interest Rate	0.10 %	0.25 %

The average interest rates for funds borrowed from and loaned to the Utility Money Pool are summarized for all Registrant Subsidiaries in the following table:

Company	Average Interest Rate for Funds Borrowed from the Utility Money Pool for Three Months Ended March 31,		Average Interest Rate for Funds Loaned to the Utility Money Pool for Three Months Ended March 31,	
	2022	2021	2022	2021
AEP Texas	0.70 %	0.31 %	— %	— %
AEPTCo	0.66 %	0.31 %	0.60 %	0.28 %
APCo	0.55 %	0.28 %	0.62 %	0.36 %
I&M	0.63 %	0.31 %	0.62 %	0.30 %
OPCo	0.77 %	0.29 %	0.48 %	0.29 %
PSO	0.69 %	0.33 %	0.65 %	0.28 %
SWEPCo	0.98 %	0.28 %	0.55 %	0.38 %

Maximum, minimum and average interest rates for funds loaned to the Nonutility Money Pool are summarized in the following table:

Company	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
	Maximum Interest Rate for Funds Loaned to the Nonutility Money Pool	Minimum Interest Rate for Funds Loaned to the Nonutility Money Pool	Average Interest Rate for Funds Loaned to the Nonutility Money Pool	Maximum Interest Rate for Funds Loaned to the Nonutility Money Pool	Minimum Interest Rate for Funds Loaned to the Nonutility Money Pool	Average Interest Rate for Funds Loaned to the Nonutility Money Pool
AEP Texas	1.00 %	0.46 %	0.62 %	0.40 %	0.25 %	0.30 %
SWEPCo	1.00 %	0.46 %	0.62 %	0.40 %	0.25 %	0.30 %

AEPTCo's maximum, minimum and average interest rates for funds either borrowed from or loaned to AEP are summarized in the following table:

Three Months Ended March 31,	Maximum Interest Rate for Funds Borrowed from AEP	Minimum Interest Rate for Funds Borrowed from AEP	Maximum Interest Rate for Funds Loaned to AEP	Minimum Interest Rate for Funds Loaned to AEP	Average Interest Rate for Funds Borrowed from AEP	Average Interest Rate for Funds Loaned to AEP
2022	1.00 %	0.46 %	1.00 %	0.46 %	0.66 %	0.60 %
2021	0.86 %	0.25 %	0.86 %	0.25 %	0.31 %	0.31 %

Short-term Debt (Applies to AEP)

Outstanding short-term debt was as follows:

Company	Type of Debt	March 31, 2022		December 31, 2021	
		Outstanding Amount	Interest Rate (a)	Outstanding Amount	Interest Rate (a)
(dollars in millions)					
AEP	Securitized Debt for Receivables (b)	\$ 750.0	0.31 %	\$ 750.0	0.19 %
AEP	Commercial Paper	1,880.3	0.97 %	1,364.0	0.34 %
AEP	Term Loan (c)	500.0	1.11 %	500.0	0.81 %
AEP	Term Loan	250.0	0.97 %	—	— %
Total Short-term Debt		\$ 3,380.3		\$ 2,614.0	

(a) Weighted-average rate.

(b) Amount of securitized debt for receivables as accounted for under the "Transfers and Servicing" accounting guidance.

(c) In March 2022, AEP extended the maturity date of the original 364-Day Term Loan to August 2022.

Credit Facilities

For a discussion of credit facilities, see "Letters of Credit" section of Note 5.

Securitized Accounts Receivables – AEP Credit (Applies to AEP)

AEP Credit has a receivables securitization agreement with bank conduits. Under the securitization agreement, AEP Credit receives financing from the bank conduits for the interest in the receivables AEP Credit acquires from affiliated utility subsidiaries. These securitized transactions allow AEP Credit to repay its outstanding debt obligations, continue to purchase the operating companies' receivables and accelerate AEP Credit's cash collections.

AEP Credit's receivables securitization agreement provides a commitment of \$750 million from bank conduits to purchase receivables and was amended in September 2021 to include a \$125 million and a \$625 million facility which expire in September 2023 and 2024, respectively. As of March 31, 2022, the affiliated utility subsidiaries are in compliance with all requirements under the agreement.

Accounts receivable information for AEP Credit was as follows:

	Three Months Ended March 31,	
	2022	2021
Effective Interest Rates on Securitization of Accounts Receivable	(dollars in millions)	
Net Uncollectible Accounts Receivable Written-Off	\$ 7.4	\$ 9.3

	March 31, 2022	(in millions)	December 31, 2021
Accounts Receivable Retained Interest and Pledged as Collateral Less Uncollectible Accounts	\$	948.4	\$ 995.2
Short-term – Securitized Debt of Receivables		750.0	750.0
Delinquent Securitized Accounts Receivable		50.1	57.9
Bad Debt Reserves Related to Securitization		41.8	42.8
Unbilled Receivables Related to Securitization		237.1	307.1

AEP Credit's delinquent customer accounts receivable represent accounts greater than 30 days past due.

Securitized Accounts Receivables – AEP Credit (Applies to all Registrant Subsidiaries except AEP Texas and AEPTCo)

Under this sale of receivables arrangement, the Registrant Subsidiaries sell, without recourse, certain of their customer accounts receivable and accrued unbilled revenue balances to AEP Credit and are charged a fee based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience for each Registrant Subsidiary's receivables. APCo does not have regulatory authority to sell its West Virginia accounts receivable. KPCo terminated selling accounts receivable to AEP Credit in the first quarter of 2022, based on the pending sale to Liberty. As a result of the termination, in the first quarter of 2022, KPCo recorded an allowance for uncollectible accounts on its balance sheet for those receivables no longer sold to AEP Credit. The costs of customer accounts receivable sold are reported in Other Operation expense on the Registrant Subsidiaries' statements of income. The Registrant Subsidiaries manage and service their customer accounts receivable, which are sold to AEP Credit. AEP Credit securitizes the eligible receivables for the operating companies and retains the remainder.

The amount of accounts receivable and accrued unbilled revenues under the sale of receivables agreements were:

Company	March 31, 2022	(in millions)	December 31, 2021
APCo	\$	148.6	\$ 153.1
I&M		178.0	156.9
OPCo		402.0	392.7
PSO		109.0	114.5
SWEPCo		139.9	153.0

The fees paid to AEP Credit for customer accounts receivable sold were:

Company	Three Months Ended March 31,	
	2022	2021
	(in millions)	
APCo	\$ 1.3	\$ 1.2
I&M	1.7	1.6
OPCo	7.4	1.3
PSO	0.9	0.7
SWEPCo	1.3	1.5

The proceeds on the sale of receivables to AEP Credit were:

Company	Three Months Ended March 31,	
	2022	2021
	(in millions)	
APCo	\$ 415.5	\$ 362.4
I&M	513.4	478.8
OPCo	716.6	601.3
PSO	363.4	284.9
SWEPCo	394.5	384.4

13. PROPERTY, PLANT AND EQUIPMENT

The disclosure in this note applies to AEP, PSO and SWEPCo.

Asset Retirement Obligations

The Registrants record ARO in accordance with the accounting guidance for "Asset Retirement and Environmental Obligations" for legal obligations for asbestos removal and for the retirement of certain ash disposal facilities, wind farms, solar farms and certain coal mining facilities. The discussion below summarizes significant changes to the Registrants ARO recorded in 2022 and should be read in conjunction with the Property, Plant and Equipment note within the 2021 Annual Report.

In March 2022, PSO and SWEPCo acquired respective undivided ownership interests in the entity that owned Traverse during its development and construction. Immediately following the acquisition, PSO and SWEPCo liquidated the entity and simultaneously distributed the Traverse assets in proportion to their undivided ownership interests. Traverse was placed in-service in March 2022. As a result, PSO and SWEPCo incurred additional ARO liabilities of \$13 million and \$15 million, respectively. See the "North Central Wind Energy Facilities" section of Note 6 for additional information. Additionally, in March 2022, SWEPCo recorded a \$13 million revision due to an increase in estimated ash pond closure costs at the Pirkey Power Plant and the Welsh Plant.

The following is a reconciliation of the aggregate carrying amounts of ARO for AEP, PSO and SWEPCo:

Company	ARO as of December 31, 2021	Accretion Expense	Liabilities Incurred	Liabilities Settled	Revisions in Cash Flow Estimates	ARO as of March 31, 2022
	(in millions)					
AEP (a)(b)(c)(d)(e)	\$ 2,741.7	\$ 25.8	\$ 37.2	\$ (4.9)	\$ 16.6	\$ 2,816.4
PSO (a)(d)	57.6	0.9	12.8	—	—	71.3
SWEPCo (a)(c)(d)	222.7	2.4	15.4	(4.1)	13.4	249.8

(a) Includes ARO related to ash disposal facilities.

(b) Includes ARO related to nuclear decommissioning costs for the Cook Plant of \$1.94 billion and \$1.93 billion as of March 31, 2022 and December 31, 2021, respectively.

(c) Includes ARO related to Sabine and DHLC.

(d) Includes ARO related to asbestos removal.

(e) Includes \$19 million and \$18 million as of March 31, 2022 and December 31, 2021, respectively, of ARO classified as Liabilities Held for Sale on the balance sheets. See "Disposition of KPCCo and KTCco" section of Note 6 for additional information.

14. REVENUE FROM CONTRACTS WITH CUSTOMERS

The disclosures in this note apply to all Registrants, unless indicated otherwise.

Disaggregated Revenues from Contracts with Customers

The tables below represent AEP's reportable segment revenues from contracts with customers, net of respective provisions for refund, by type of revenue:

	Three Months Ended March 31, 2022						
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments	AEP Consolidated
	(in millions)						
Retail Revenues:							
Residential Revenues	\$ 1,150.8	\$ 600.6	\$ —	\$ —	\$ —	\$ —	\$ 1,751.4
Commercial Revenues	572.9	289.7	—	—	—	—	862.6
Industrial Revenues	563.0	133.3	—	—	—	(0.4)	695.9
Other Retail Revenues	47.4	11.6	—	—	—	—	59.0
Total Retail Revenues	2,334.1	1,035.2	—	—	—	(0.4)	3,368.9
Wholesale and Competitive Retail Revenues:							
Generation Revenues	187.2	—	—	40.3	—	—	227.5
Transmission Revenues (a)	105.3	154.9	414.5	—	—	(361.8)	312.9
Renewable Generation Revenues (b)	—	—	—	22.4	—	(0.8)	21.6
Retail, Trading and Marketing Revenues (c)	—	—	—	388.8	3.2	(9.0)	383.0
Total Wholesale and Competitive Retail Revenues	292.5	154.9	414.5	451.5	3.2	(371.6)	945.0
Other Revenues from Contracts with Customers (b)	61.6	53.8	(0.2)	8.6	13.9	(18.6)	119.1
Total Revenues from Contracts with Customers	2,688.2	1,243.9	414.3	460.1	17.1	(390.6)	4,433.0
Other Revenues:							
Alternative Revenues (b)	(0.8)	(3.4)	(2.9)	—	—	1.3	(5.8)
Other Revenues (b) (d)	—	6.3	—	159.2	2.8	(2.9)	165.4
Total Other Revenues	(0.8)	2.9	(2.9)	159.2	2.8	(1.6)	159.6
Total Revenues	\$ 2,687.4	\$ 1,246.8	\$ 411.4	\$ 619.3	\$ 19.9	\$ (392.2)	\$ 4,592.6

(a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEP Transmission Holdco was \$327 million. The remaining affiliated amounts were immaterial.

(b) Amounts include affiliated and nonaffiliated revenues.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Generation & Marketing was \$9 million. The remaining affiliated amounts were immaterial.

(d) Generation & Marketing includes economic hedge activity.

Three Months Ended March 31, 2021

	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments	AEP Consolidated
(in millions)							
Retail Revenues:							
Residential Revenues	\$ 1,046.1	\$ 548.1	\$ —	\$ —	\$ —	\$ —	\$ 1,594.2
Commercial Revenues	486.2	239.2	—	—	—	—	725.4
Industrial Revenues	484.0	85.7	—	—	—	(0.2)	569.5
Other Retail Revenues	37.8	10.0	—	—	—	—	47.8
Total Retail Revenues	2,054.1	883.0	—	—	—	(0.2)	2,936.9
Wholesale and Competitive Retail Revenues:							
Generation Revenues	352.6	—	—	40.5	—	—	393.1
Transmission Revenues (a)	89.0	130.5	360.4	—	—	(299.3)	280.6
Renewable Generation Revenues (b)	—	—	—	22.4	—	(0.7)	21.7
Retail, Trading and Marketing Revenues (c)	—	—	—	569.8	1.2	(31.8)	539.2
Total Wholesale and Competitive Retail Revenues	441.6	130.5	360.4	632.7	1.2	(331.8)	1,234.6
Other Revenues from Contracts with Customers (b)	42.3	52.1	4.6	1.5	8.6	(21.2)	87.9
Total Revenues from Contracts with Customers	2,538.0	1,065.6	365.0	634.2	9.8	(353.2)	4,259.4
Other Revenues:							
Alternative Revenues (b)	(0.7)	17.2	12.0	—	—	(11.6)	16.9
Other Revenues (b)	—	5.3	—	—	3.1	(3.6)	4.8
Total Other Revenues	(0.7)	22.5	12.0	—	3.1	(15.2)	21.7
Total Revenues	\$ 2,537.3	\$ 1,088.1	\$ 377.0	\$ 634.2	\$ 12.9	\$ (368.4)	\$ 4,281.1

(a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEP Transmission Holdco was \$273 million. The remaining affiliated amounts were immaterial.

(b) Amounts include affiliated and nonaffiliated revenues.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Generation & Marketing was \$32 million. The remaining affiliated amounts were immaterial.

Three Months Ended March 31, 2022

	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)						
Retail Revenues:							
Residential Revenues	\$ 141.9	\$ —	\$ 458.0	\$ 231.8	\$ 458.7	\$ 165.9	\$ 175.9
Commercial Revenues	94.9	—	153.9	126.6	194.7	97.5	130.5
Industrial Revenues	30.6	—	153.8	136.5	102.7	78.6	84.7
Other Retail Revenues	8.2	—	20.6	1.3	3.3	21.2	2.4
Total Retail Revenues	275.6	—	786.3	496.2	759.4	363.2	393.5
Wholesale Revenues:							
Generation Revenues (a)	—	—	56.2	90.4	—	9.5	61.2
Transmission Revenues (b)	133.1	400.3	41.1	8.8	21.8	9.6	35.2
Total Wholesale Revenues	133.1	400.3	97.3	99.2	21.8	19.1	96.4
Other Revenues from Contracts with Customers (c)	9.3	(0.3)	24.3	29.9	44.6	5.4	5.3
Total Revenues from Contracts with Customers	418.0	400.0	907.9	625.3	825.8	387.7	495.2
Other Revenues:							
Alternative Revenues (d)	(1.3)	0.4	(0.7)	—	(2.1)	(0.1)	(0.4)
Other Revenues (d)	—	—	0.1	(0.1)	6.3	—	—
Total Other Revenues	(1.3)	0.4	(0.6)	(0.1)	4.2	(0.1)	(0.4)
Total Revenues	\$ 416.7	\$ 400.4	\$ 907.3	\$ 625.2	\$ 830.0	\$ 387.6	\$ 494.8

(a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was \$36 million primarily related to the PPA with KGPCo.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was \$323 million. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was \$10 million primarily related to barging, urea transloading and other transportation services. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues.

Three Months Ended March 31, 2021

	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)						
Retail Revenues:							
Residential Revenues	\$ 122.7	\$ —	\$ 416.9	\$ 213.6	\$ 425.3	\$ 136.8	\$ 166.3
Commercial Revenues	80.7	—	130.2	113.6	158.5	72.7	112.9
Industrial Revenues	26.5	—	130.9	128.4	59.2	56.4	70.6
Other Retail Revenues	6.8	—	16.9	1.4	3.2	15.7	2.3
Total Retail Revenues	236.7	—	694.9	457.0	646.2	281.6	352.1
Wholesale Revenues:							
Generation Revenues (a)	—	—	72.4	79.6	—	(7.1)	228.6
Transmission Revenues (b)	112.0	345.2	34.2	8.3	18.5	9.4	28.9
Total Wholesale Revenues	112.0	345.2	106.6	87.9	18.5	2.3	257.5
Other Revenues from Contracts with Customers (c)	16.2	4.6	13.1	20.7	36.0	12.6	6.4
Total Revenues from Contracts with Customers	364.9	349.8	814.6	565.6	700.7	296.5	616.0
Other Revenues:							
Alternative Revenues (d)	(0.7)	11.9	2.2	(1.1)	17.9	(0.4)	0.1
Other Revenues (d)	—	—	0.2	—	5.3	—	—
Total Other Revenues	(0.7)	11.9	2.4	(1.1)	23.2	(0.4)	0.1
Total Revenues	\$ 364.2	\$ 361.7	\$ 817.0	\$ 564.5	\$ 723.9	\$ 296.1	\$ 616.1

- (a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was \$32 million primarily related to the PPA with KGPCo. The remaining affiliated amounts were immaterial.
- (b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was \$270 million. The remaining affiliated amounts were immaterial.
- (c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was \$16 million primarily related to barging, urea transloading and other transportation services. The remaining affiliated amounts were immaterial.
- (d) Amounts include affiliated and nonaffiliated revenues.

Fixed Performance Obligations

The following table represents the Registrants' remaining fixed performance obligations satisfied over time as of March 31, 2022. Fixed performance obligations primarily include wholesale transmission services, electricity sales for fixed amounts of energy and stand ready services into PJM's RPM market. The Registrant Subsidiaries amounts shown in the table below include affiliated and nonaffiliated revenues.

Company	2022	2023-2024	2025-2026	After 2026	Total
			(in millions)		
AEP	\$ 926.3	\$ 164.7	\$ 157.8	\$ 102.1	\$ 1,350.9
AEP Texas	410.0	—	—	—	410.0
AEPTCo	1,104.2	—	—	—	1,104.2
APCo	147.8	32.2	24.3	11.6	215.9
I&M	24.9	8.8	8.8	4.5	47.0
OPCo	55.4	—	—	—	55.4
PSO	8.4	—	—	—	8.4
SWEPCo	31.5	—	—	—	31.5

Contract Assets and Liabilities

Contract assets are recognized when the Registrants have a right to consideration that is conditional upon the occurrence of an event other than the passage of time, such as future performance under a contract. The Registrants did not have material contract assets as of March 31, 2022 and December 31, 2021.

When the Registrants receive consideration, or such consideration is unconditionally due from a customer prior to transferring goods or services to the customer under the terms of a sales contract, they recognize a contract liability on the balance sheets in the amount of that consideration. Revenue for such consideration is subsequently recognized in the period or periods in which the remaining performance obligations in the contract are satisfied. The Registrants' contract liabilities typically arise from services provided under joint use agreements for utility poles. The Registrants did not have material contract liabilities as of March 31, 2022 and December 31, 2021.

Accounts Receivable from Contracts with Customers

Accounts receivable from contracts with customers are presented on the Registrant Subsidiaries' balance sheets within the Accounts Receivable - Customers line item. The Registrant Subsidiaries' balances for receivables from contracts that are not recognized in accordance with the accounting guidance for "Revenue from Contracts with Customers" included in Accounts Receivable - Customers were not material as of March 31, 2022 and December 31, 2021. See "Securitized Accounts Receivable - AEP Credit" section of Note 12 for additional information.

The following table represents the amount of affiliated accounts receivable from contracts with customers included in Accounts Receivable - Affiliated Companies on the Registrant Subsidiaries' balance sheets:

Company	March 31, 2022	December 31, 2021
		(in millions)
AEP Texas	\$ 0.7	\$ 0.4
AEPTCo	110.5	95.5
APCo	60.9	117.8
I&M	37.3	61.2
OPCo	53.6	51.7
PSO	13.9	18.8
SWEPCo	19.5	24.7

CONTROLS AND PROCEDURES

During the first quarter of 2022, management, including the principal executive officer and principal financial officer of each of the Registrants, evaluated the Registrants' disclosure controls and procedures. Disclosure controls and procedures are defined as controls and other procedures of the Registrants that are designed to ensure that information required to be disclosed by the Registrants in the reports that they file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Registrants in the reports that they file or submit under the Exchange Act is accumulated and communicated to the Registrants' management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. As of March 31, 2022, these officers concluded that the disclosure controls and procedures in place are effective and provide reasonable assurance that the disclosure controls and procedures accomplished their objectives.

There was no change in the Registrants' internal control over financial reporting (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the first quarter of 2022 that materially affected, or is reasonably likely to materially affect, the Registrants' internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of material legal proceedings, see “Commitments, Guarantees and Contingencies,” of Note 5 incorporated herein by reference.

Item 1A. Risk Factors

The Annual Report on Form 10-K for the year ended December 31, 2021 includes a detailed discussion of risk factors. As of March 31, 2022, the risk factors appearing in AEP's 2021 Annual Report are supplemented and updated as follows:

Supply chain disruptions and inflation could negatively impact operations and corporate strategy. (Applies to all Registrants)

AEP's operations and business plans depend on the global supply chain to procure the equipment, materials and other resources necessary to build and provide services in a safe and reliable manner. The delivery of components, materials, equipment and other resources that are critical to AEP's business operations and corporate strategy has been restricted by the current domestic and global supply chain upheaval. This has resulted in the shortage of critical items. International tensions, including the ramifications of regional conflict, could further exacerbate the global supply chain upheaval. These disruptions and shortages could adversely impact business operations and corporate strategy. The constraints in the supply chain could restrict the availability and delay the construction, maintenance or repair of items that are needed to support normal operations or are required to execute AEP's corporate strategy for continued capital investment in utility equipment. These disruptions and constraints could reduce future net income and cash flows and possibly harm AEP's financial condition.

Supply chain disruptions have contributed to higher prices of components, materials, equipment and other needed commodities and these inflationary increases may continue in the future. While inflation in the United States has been relatively low in recent years, during 2021, the economy in the United States encountered a material level of inflation. The impact of COVID-19 continues to increase uncertainty in the outlook of near-term economic activity, including whether inflation will continue and at what rate. AEP typically recovers increases in capital expenses from customers through rates in regulated jurisdictions. Failure to recover increased capital costs could reduce future net income and cash flows and possibly harm AEP's financial condition. Increases in inflation raises costs for labor, materials and services, and failure to secure these on reasonable terms may adversely impact AEP's financial condition.

Physical attacks or hostile cyber intrusions could severely impair operations, lead to the disclosure of confidential information and damage AEP's reputation. (Applies to all Registrants)

AEP and its regulated utility businesses face physical security and cybersecurity risks as the owner-operators of generation, transmission and/or distribution facilities and as participants in commodities trading. AEP and its regulated utility businesses own assets deemed as critical infrastructure, the operation of which is dependent on information technology systems. Further, the computer systems that run these facilities are not completely isolated from external networks. Parties that wish to disrupt the U.S. bulk power system or AEP operations could view these computer systems, software or networks as targets for cyber-attack. The Federal government has notified the owners and operators of critical infrastructure, such as AEP, that the conflict between Russia and Ukraine has increased the likelihood of a cyber-attack on such systems. In addition, the electric utility business requires the collection of sensitive customer data, as well as confidential employee and shareholder information, which is subject to electronic theft or loss.

A security breach of AEP or its regulated utility businesses' physical assets or information systems, interconnected entities in RTOs, or regulators could impact the operation of the generation fleet and/or reliability of the transmission and distribution system. AEP and its regulated utility businesses could be subject to financial harm associated with ransomware theft or inappropriate release of certain types of information, including sensitive customer, vendor, employee, trading or other confidential data. A successful cyber-attack on the systems that control generation, transmission, distribution or other assets could severely disrupt business operations, preventing service to customers or collection of revenues. The breach of certain business systems could affect the ability to correctly record, process and report financial information. A major cyber incident could result in significant expenses to investigate and repair security breaches or system damage and could lead to litigation, fines, other remedial action, heightened regulatory scrutiny and damage to AEP's reputation. In addition, the misappropriation, corruption or loss of personally identifiable information and other confidential data could lead to significant breach notification expenses and mitigation expenses such as credit monitoring. AEP and its third-party vendors have been subject, and will likely continue to be subject, to attempts to gain unauthorized access to their technology systems and confidential data or to attempts to disrupt utility and related business operations. While there have been immaterial incidents of phishing, unauthorized access to technology systems, financial fraud, and disruption of remote access across the AEP System, there has been no material impact on business or operations from these attacks. However, the AEP cannot guarantee that security efforts will detect or prevent breaches, operational incidents, or other breakdowns of technology systems and network infrastructure and cannot provide any assurance that such incidents will not have a material adverse effect in the future.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

The Federal Mine Safety and Health Act of 1977 (Mine Act) imposes stringent health and safety standards on various mining operations. The Mine Act and its related regulations affect numerous aspects of mining operations, including training of mine personnel, mining procedures, equipment used in mine emergency procedures, mine plans and other matters. SWEPCo, through its ownership of DHLC, a wholly-owned lignite mining subsidiary of SWEPCo, is subject to the provisions of the Mine Act.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) requires companies that operate mines to include in their periodic reports filed with the SEC, certain mine safety information covered by the Mine Act. Exhibit 95 "Mine Safety Disclosure Exhibit" contains the notices of violation and proposed assessments received by DHLC under the Mine Act for the quarter ended March 31, 2022.

Item 5. Other Information

None.

Item 6. Exhibits

The exhibits designated with an (X) in the table below are being filed on behalf of the Registrants.

Exhibit	Description	AEP	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
4(a)	April 7, 2022 Amendment and extension to \$4,000,000,000 Credit Agreement dated March 31, 2021 among the Company, Initial Lenders and Wells Fargo Bank National Association as Administrative Agent	X							
4(b)	April 7, 2022 Amendment and extension to \$1,000,000,000 Credit Agreement dated March 31, 2021 among the Company, Initial Lenders and Wells Fargo Bank National Association as Administrative Agent	X							
4(c)	April 19, 2022 Amendment and extension to \$500,000,000 Credit Agreement dated January 19, 2021 among the Company, Initial Lenders and Sumitomo Mitsui Banking Corporation as Administrative Agent							X	
31(a)	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X	X	X	X	X	X	X	X
31(b)	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X	X	X	X	X	X	X	X
32(a)	Certification of Chief Executive Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code	X	X	X	X	X	X	X	X
32(b)	Certification of Chief Financial Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code	X	X	X	X	X	X	X	X
95	Mine Safety Disclosures								X
101.INS	XBRL Instance Document	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.							
101.SCH	XBRL Taxonomy Extension Schema	X	X	X	X	X	X	X	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	X	X	X	X	X	X	X	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase	X	X	X	X	X	X	X	X
101.LAB	XBRL Taxonomy Extension Label Linkbase	X	X	X	X	X	X	X	X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	X	X	X	X	X	X	X	X
104	Cover Page Interactive Data File	Formatted as Inline XBRL and contained in Exhibit 101.							

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

AMERICAN ELECTRIC POWER COMPANY, INC.

By: /s/ Joseph M. Buonaiuto
Joseph M. Buonaiuto
Controller and Chief Accounting Officer

AEP TEXAS INC.
AEP TRANSMISSION COMPANY, LLC
APPALACHIAN POWER COMPANY
INDIANA MICHIGAN POWER COMPANY
OHIO POWER COMPANY
PUBLIC SERVICE COMPANY OF OKLAHOMA
SOUTHWESTERN ELECTRIC POWER COMPANY

By: /s/ Joseph M. Buonaiuto
Joseph M. Buonaiuto
Controller and Chief Accounting Officer

Date: April 28, 2022

**FIRST AMENDMENT TO
FIFTH AMENDED AND RESTATED CREDIT AGREEMENT**

This FIRST AMENDMENT TO FIFTH AMENDED AND RESTATED CREDIT AGREEMENT, dated as of April 7, 2022 (this "**Amendment**") is made by and among AMERICAN ELECTRIC POWER COMPANY, INC., a New York corporation (the "**Borrower**"), each of the Lenders and the LC Issuing Banks as reflected on the signature pages hereto, and WELLS FARGO BANK, NATIONAL ASSOCIATION ("**Wells Fargo**"), as administrative agent (together with its permitted successors in such capacity, the "**Administrative Agent**"). Capitalized terms used but not defined herein shall have the meanings assigned such terms in the Credit Agreement (as defined below).

WHEREAS, the Borrower, the Lenders and the LC Issuing Banks party thereto, and Wells Fargo, as administrative agent and sustainability structuring agent, are parties to that certain Fifth Amended and Restated Credit Agreement, dated as of March 31, 2021 (as amended, supplemented or modified prior to the date hereof, the "**Existing Credit Agreement**"; the Existing Credit Agreement as amended by this Amendment, the "**Credit Agreement**"), pursuant to which, among other things, the Borrower requested the Lenders provide the extensions of credit in the amounts and on the terms and conditions set forth in the Existing Credit Agreement.

WHEREAS, the Borrower has requested that the Lenders and the LC Issuing Banks (i) amend the Existing Credit Agreement as provided below and (ii) confirm the continued effectiveness of the Existing Credit Agreement as amended hereby.

WHEREAS, the Administrative Agent, the Lenders and the LC Issuing Banks signatory hereto, on the terms and conditions hereinafter set forth, are willing to grant the aforesaid requests of the Borrower.

NOW, THEREFORE, in consideration of the premises and in order to induce the Administrative Agent, the Lenders and the LC Issuing Banks to amend the Existing Credit Agreement, the parties hereto agree as follows:

SECTION 1. Amendment to Credit Agreement. Subject to the satisfaction of the conditions precedent specified in Section 2 below, the Existing Credit Agreement is hereby amended to (a) delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~), and (b) to add the bold double-underlined text (indicated textually in the same manner as the following example: **bold double-underlined text**) as set forth in the pages of the Existing Credit Agreement attached as Exhibit A hereto. Except as expressly stated above, each other provision of the Existing Credit Agreement (including all schedules and exhibits thereto, except those amended pursuant to Exhibit A hereto) shall remain as it was in effect immediately prior to the date hereof.

SECTION 2. Conditions to Effectiveness. This Amendment shall become effective on the date (the "**First Amendment Effective Date**") that each of the following conditions precedent is satisfied:

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- (a) The Administrative Agent shall have received on or before the First Amendment Effective Date the following, each dated the First Amendment Effective Date, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:
 - (i) certified copies of the Borrower's certificate of incorporation and bylaws, and resolutions of the board of directors of the Borrower approving this Amendment, a certificate of good standing for the Borrower from its jurisdiction of incorporation and all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Amendment;
 - (ii) a certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized

certifying the names and the signatures of the officers of the Borrower authorized to sign this Amendment and the other documents to be delivered by the Borrower hereunder; and

- (iii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit B hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.
- (b) On the First Amendment Effective Date, the following statements shall be true and the Administrative Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the First Amendment Effective Date, stating that:
 - (i) The representations and warranties of the Borrower contained in Section 4.01 of the Credit Agreement are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the First Amendment Effective Date, as though made on and as of such date; and
 - (ii) No event has occurred and is continuing that constitutes a Default.
- (c) The Borrower shall have paid all fees and expenses of the Administrative Agent and the Lenders then due and payable in accordance with the terms of the Fee Letter, dated as of March 21, 2022, among the Borrower, Wells Fargo Bank, and Wells Fargo Securities.
- (d) The Administrative Agent shall have received counterparts of this Amendment, executed and delivered by the Borrower and the Lenders.
- (e) The Administrative Agent shall have received copies of the Borrower's Report on Form 10-K, as filed with the SEC, for the fiscal year ended December 31, 2021 and the Borrower's Current Reports on Form 8-K, as filed with the SEC after the date of filing the Borrower's Report on Form 10-K for the fiscal year ended December 31, 2021 but prior to the First Amendment Effective Date (collectively, the "***Amendment Disclosure Documents***").

- (f) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender or any LC Issuing Bank through the Administrative Agent.

SECTION 3. Representations and Warranties of Borrower. The Borrower represents and warrants as follows:

(a) The execution, delivery and performance by each Borrower of this Amendment and the consummation by the Borrower of the transactions contemplated by this Amendment, are within the Borrower's corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(b) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Borrower of this Amendment.

(c) This Amendment has been duly executed and delivered by the Borrower. Each of this Amendment and the Credit Agreement, as amended by this Amendment, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

SECTION 4. Fees, Expenses, Etc. Administrative Agent shall have received all reasonable out-of-pocket fees, costs and expenses incurred by the Administrative Agent in connection with the negotiation, preparation and execution of this Amendment.

SECTION 5. Existing Eurodollar Rate Advances. Until the expiration of the Interest Period (as defined in the Existing Credit Agreement) applicable thereto, each Eurodollar Rate Advance (as defined in the Existing Credit Agreement) outstanding on the date hereof (i) shall continue to be subject to all of the terms of the Existing Credit Agreement applicable to such Eurodollar Rate Advance (without giving effect to the amendments contemplated hereby), and (ii) if still outstanding on the date of the expiration of such Interest Period, shall be converted on such date to a Base Rate Advance or SOFR Advance in accordance with the terms of the Credit Agreement.

SECTION 6. Reference to and Effect on the Credit Agreement. (a) Upon the effectiveness of Section 1 hereof: (i) each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby, and (ii) each reference in the Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of

like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby. This Amendment shall constitute a Loan Document.

(b) Except as specifically amended above, the Credit Agreement shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

(c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent, the Lenders or the LC Issuing Banks, under the Credit Agreement or any of the other Loan Documents.

(d) Nothing contained in this Amendment shall prejudice any right or remedy that the

Administrative Agent, any Lender or any LC Issuing Bank may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document, or any other instrument or agreement referred to therein.

SECTION 7. Reaffirmation. The Borrower hereby reaffirms its obligations under the Credit Agreement (as amended by this Amendment) and each Loan Document to which it is a party.

SECTION 8. Entire Agreement. This Agreement and the Loan Documents (including the Credit Agreement as amended by this Amendment) constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal among the parties hereto or any of them with respect to the subject matter hereof.

SECTION 9. Amendments; Modifications. Neither this Amendment nor any provision hereof may be waived, amended or modified, except in accordance with Section 8.01 of the Credit Agreement.

SECTION 10. Incorporated Provisions. The provisions of Section 8.12 (“**Jurisdiction, Etc.**”) and Section 8.13 (“**Waiver of Jury Trial**”) of the Credit Agreement are hereby incorporated by reference into this Agreement, mutatis mutandis.

SECTION 11. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, emailed pdf, or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 12. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

SECTION 13. Successors and Assigns. This Amendment shall be binding upon the Borrower, the Administrative Agent, the Lenders and the LC Issuing Banks and their respective

permitted successors and assigns, and shall inure to the benefit of the Borrower, the Lenders and the LC Issuing Banks, the Administrative Agent and the Lenders and their respective permitted successors and assigns.

SECTION 14. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signature page follows.]

-5-

AmericasActive:16640684.8

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

AMERICAN ELECTRIC POWER
COMPANY, INC.

By: 

Name: Renee V. Hawkins

[First Amendment to Fifth Amended and Restated Credit Agreement]

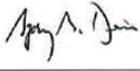
WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Administrative Agent, Swingline Lender, an LC
Issuing Bank and a Lender

By: 

Name: Keith Luettel
Title: Managing Director

[First Amendment to Fifth Amended and Restated Credit Agreement]

BARCLAYS BANK PLC,
as an LC Issuing Bank and a Lender

By: 

Name: Sydney G. Dennis
Title: Director

[First Amendment to Fifth Amended and Restated Credit Agreement]

JPMORGAN CHASE BANK, N.A.,
as an LC Issuing Bank and a Lender

By: Nancy R. Barwig

Name: Nancy R. Barwig
Title: Executive Director

[First Amendment to Fifth Amended and Restated Credit Agreement]

BANK OF AMERICA, N.A.,
as an LC Issuing Bank and a Lender

By: Dylan Honza

Name: Dylan Honza
Title: Vice President

[First Amendment to Fifth Amended and Restated Credit Agreement]

CITIBANK, N.A.,
as an LC Issuing Bank and a Lender

By: 

Name: Richard Rivera
Title: Vice President

[First Amendment to Fifth Amended and Restated Credit Agreement]

MIZUHO BANK, LTD.,
as an LC Issuing Bank and a Lender

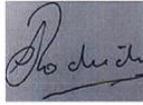
By: Edward Sacks

Name: Edward Sacks

Title: Authorized Signatory

[First Amendment to Fifth Amended and Restated Credit Agreement]

MUFG BANK, LTD.,
as an LC Issuing Bank and a Lender



By: _____

Name: Nietzsche Rodricks
Title: Managing Director

[First Amendment to Fifth Amended and Restated Credit Agreement]

THE BANK OF NOVA SCOTIA,
as an LC Issuing Bank and a Lender



By: _____

Name: David Dewar
Title: Director

[First Amendment to Fifth Amended and Restated Credit Agreement]

CANADIAN IMPERIAL BANK OF
COMMERCE, NEW YORK BRANCH,
as a Lender

By: Anju Abraham

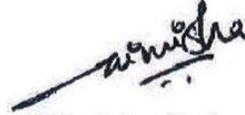
Name: Anju Abraham
Title: Executive Director

[First Amendment to Fifth Amended and Restated Credit Agreement]

CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK,
as a Lender

By: Darrell Stanley
Name: Darrell Stanley
Title: Managing Director

By:



Name: Nimisha Srivastav

Title: Director

[First Amendment to Fifth Amended and Restated Credit Agreement]

CREDIT SUISSE AG, NEW YORK BRANCH,
as a Lender

By: 

Name: Komal Shah
Title: Authorized Signatory

By: 

Name: Michael Dieffenbacher
Title: Authorized Signatory

[First Amendment to Fifth Amended and Restated Credit Agreement]

GOLDMAN SACHS BANK USA,
as a Lender

By: Andrew B. Vernon

Name: Andrew B. Vernon
Title: Authorized Signatory

[First Amendment to Fifth Amended and Restated Credit Agreement]

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: 

Name: Renee M. Bonnell
Title: Senior Vice President

[First Amendment to Fifth Amended and Restated Credit Agreement]

MORGAN STANLEY BANK, N.A.
as a Lender

By: 

Name: Michael King
Title: Authorized Signatory

[First Amendment to Fifth Amended and Restated Credit Agreement]

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: Ryan Rockwood

Name: Ryan Rockwood
Title: Vice President

[First Amendment to Fifth Amended and Restated Credit Agreement]

ROYAL BANK OF CANADA,
as a Lender

By: Martina Wellik

Name: Martina Wellik
Title: Authorized Signatory

[First Amendment to Fifth Amended and Restated Credit Agreement]

SUMITOMO MITSUI BANKING
CORPORATION,
as a Lender

By: Alkesh Nanavaty

Name: Alkesh Nanavaty
Title: Executive Director

[First Amendment to Fifth Amended and Restated Credit Agreement]

THE BANK OF NEW YORK MELLON,
as a Lender

By: Molly H. Ross

Name: Molly H. Ross
Title: Vice President

[First Amendment to Fifth Amended and Restated Credit Agreement]

THE TORONTO-DOMINION BANK, NEW
YORK BRANCH,
as a Lender

By:  _____

Name: Maria Macchiaroli
Title: Authorized Signatory

[First Amendment to Fifth Amended and Restated Credit Agreement]

TRUIST BANK,
as a Lender

By:  _____

Name: Justin Lien

Title: Director

[First Amendment to Fifth Amended and Restated Credit Agreement]

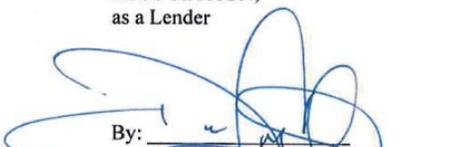
U.S. BANK, NATIONAL ASSOCIATION,
as a Lender

By: 

Name: John M. Eyerman
Title: Senior Vice President

[First Amendment to Fifth Amended and Restated Credit Agreement]

FIFTH THIRD BANK, NATIONAL
ASSOCIATION,
as a Lender

By: 

Name: Dan Conley
Title: Managing Director

[First Amendment to Fifth Amended and Restated Credit Agreement]

THE HUNTINGTON NATIONAL BANK,
as a Lender

By: Nolan Woodbury

Name: Nolan Woodbury
Title: Assistant Vice President

[First Amendment to Fifth Amended and Restated Credit Agreement]

Exhibit A
Amended Credit Agreement

[See attached]

U.S. \$4,000,000,000

FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of March 31, 2021
among

AMERICAN ELECTRIC POWER COMPANY, INC.
as the Borrower

THE LENDERS NAMED HEREIN
as Initial Lenders

THE LC ISSUING BANKS NAMED HEREIN
and

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Administrative Agent

WELLS FARGO SECURITIES, LLC
JPMORGAN CHASE BANK, N.A.
BARCLAYS BANK PLC
THE BANK OF NOVA SCOTIA
MUFG BANK, LTD.
CITIBANK, N.A.
BOFA SECURITIES, INC.
MIZUHO BANK, LTD.
Joint Lead Arrangers and Joint Bookrunners

JPMORGAN CHASE BANK, N.A.
BARCLAYS BANK PLC
Syndication Agents

THE BANK OF NOVA SCOTIA
MUFG BANK, LTD.
CITIBANK, N.A.
BANK OF AMERICA, N.A.
MIZUHO BANK, LTD.
Documentation Agents

WELLS FARGO SECURITIES, LLC
Sustainability Structuring Agent

AmericasActive:[16624138](#)-[16624138.12](#)

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FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

FIFTH AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 31, 2021 (this "*Agreement*"), among AMERICAN ELECTRIC POWER COMPANY, INC., a New York corporation (the "*Borrower*"), the banks, financial institutions and other institutional lenders listed on the signatures pages hereof (the "*Initial Lenders*"), WELLS FARGO BANK, NATIONAL ASSOCIATION ("*Wells Fargo Bank*"), as administrative agent (in such capacity, and its successors in such capacity as provided in Article VII, the "*Administrative Agent*") for the Lenders (as hereinafter defined), the LC Issuing Banks (as hereinafter defined), and the Swingline Lender (as hereinafter defined).

PRELIMINARY STATEMENT:

The Borrower has requested that the Lenders and the LC Issuing Banks agree, on the terms and conditions set forth herein, to amend and restate in its entirety the Fourth Amended and Restated Credit Agreement, dated as of June 30, 2016 (as amended and in effect immediately prior to the Restatement Effective Date, the "*Existing Credit Agreement*"), among the Borrower, Wells Fargo Bank, as administrative agent, and the banks, financial institutions and other institutional lenders party thereto. The Lenders and the LC Issuing Banks have indicated their willingness to amend and restate the Existing Credit Agreement on the terms and conditions of this Agreement.

On the Restatement Effective Date, with respect to each "Lender" under and as defined in the Existing Credit Agreement that declines or fails to enter into this Agreement by returning an executed counterpart hereof to the Administrative Agent prior to the Restatement Effective Date (each, a "*Departing Lender*"), then such institution's "Commitment" under and as defined in the Existing Credit Agreement shall terminate, effective on the Restatement Effective Date, the Borrower shall prepay all of such Departing Lender's "Advances" outstanding under and as defined in the Existing Credit Agreement and all interest, fees and other amounts owing, as of the Restatement Effective Date, to such Departing Lender under the Existing Credit Agreement, and such Departing Lender shall be released from its participations and any obligation to purchase participations in any "Letters of Credit" outstanding under and as defined in the Existing Credit Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree that the Existing Credit Agreement is amended and restated in its entirety as follows:

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01 Certain Defined Terms.

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Adjusted Term SOFR" means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"Administrative Agent" has the meaning specified in the recital of parties to this Agreement.

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"Administrative Questionnaire" means an administrative questionnaire in a form supplied by the Administrative Agent.

"Advance" means an advance by a Lender to the Borrower as part of a Borrowing and refers to a Base Rate Advance, or a Eurodollar Rate SOFR Advance or a LIBOR Market Index Rate Advance and to a Revolving Advance or a Swingline Advance.

"Affected Financial Institution" means (i) any EEA Financial Institution or (ii) any UK Financial Institution.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling",

“controlled by” and “under common control with”) of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

“*Agent Parties*” has the meaning specified in Section 8.02(c).

“*Agent’s Account*” means an account of the Administrative Agent maintained by the Administrative Agent from time to time designated in a written notice to the Lenders and the Borrower.

“~~Announcements~~ *Anniversary Date*” has the meaning specified in Section ~~4.05~~ 2.06(a).

“*Annual KPI Report*” has the meaning specified in the Pricing Schedule.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption.

“*Applicable Law*” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

~~“*Applicable Lending Office*” means, with respect to each Lender, such Lender’s Domestic Lending Office in the case of a Base Rate Advance and such Lender’s Eurodollar Lending Office in the case of a Eurodollar Rate Advance or a LIBOR Market Index Rate Advance.~~

“*Applicable Margin*” has the meaning specified in the Pricing Schedule.

“*Approved Fund*” means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

“*Assignment and Assumption*” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 8.07), and accepted by the Administrative Agent, in substantially the form of Exhibit C hereto or any other form approved by the Administrative Agent.

“**Available Commitment**” means, for each Lender at any time on any day, the unused portion of such Lender’s Commitment, computed after giving effect to all Extensions of Credit made or to be made on such day, the application of proceeds therefrom and all prepayments and repayments of Advances made on such day.

“**Available Commitments**” means the aggregate of the Lenders’ Available Commitments hereunder.

“**Available Tenor**” ~~has the meaning specified in Section 8.21(g)~~ means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 8.21(c).

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“**Bail-In Legislation**” means (i) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (ii) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“**Bank of America**” means Bank of America, N.A.

“**Bankruptcy Event**” means, with respect to any Person, such Person becomes the subject of a proceeding under any Debtor Relief Law, or has had a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets (including the Federal Deposit Insurance Corporation or any other Governmental Authority acting in a similar capacity) appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; *provided* that, a Bankruptcy Event shall not result solely by virtue of any ownership interest, or acquisition of any equity interest, in such Person by a Governmental Authority so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm obligations under any agreement in which it commits to extend credit.

“**Bank of America**” means Bank of America, N.A.

“**Barclays**” means Barclays Bank PLC.

“**Base Rate**” means ~~a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of the following rates then in effect:~~ at any time, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1.00%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate or Adjusted Term SOFR, as applicable (provided that clause (c) shall not be applicable during any period in which Adjusted Term SOFR is unavailable or unascertainable). Notwithstanding the foregoing, in no event shall the Base Rate be less than 0.00%.

(i) — the rate of interest announced publicly by Wells Fargo Bank, from time to time;

~~as Wells Fargo Bank's prime rate (it being acknowledged by the Borrower that such rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks);~~

~~(ii) 1/2 of 1% per annum above the Federal Funds Rate; and~~

~~(iii) the rate of interest per annum equal to the Eurodollar Rate as determined on such day (or if such day is not a Business Day, on the next preceding Business Day) that would be applicable to a Eurodollar Rate Advance having an Interest Period of one month, plus 1%.~~

"*Base Rate Advance*" means an Advance that bears interest as provided in Section 2.11(a).

~~"*Benchmark*" has the meaning specified in Section 8.21(g).~~

~~"*Benchmark Replacement*" has the meaning specified in Section 8.21(g).~~

~~"*Benchmark Replacement Adjustment*" has the meaning specified in Section 8.21(g).~~

~~"*Benchmark Replacement Conforming Changes*" has the meaning specified in Section 8.21(g) means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 8.21.~~

~~"*Benchmark Replacement*" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.~~

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such

component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published

component used in the calculation thereof).

“Benchmark Transition Start Date” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date² has occurred if, at such time, no Benchmark Replacement has replaced the ~~meaning specified~~ then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21 and (gy).

~~ending at the time that a Benchmark **Transition Event** Replacement has replaced the meaning specified then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21~~(g).

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“BHC Act Affiliate” has the meaning specified in Section 8.22.

“BOFAS” means BofA Securities, Inc., together with any of its Affiliates it deems appropriate to provide the services contemplated herein.

“Borrower” has the meaning specified in the recital of parties to this Agreement.

“Borrowing” means a borrowing by the Borrower consisting of simultaneous Advances of the same Type, having the same Interest Period and ratably made or Converted on the same day by each of the Lenders pursuant to Section 2.02, 2.03 or 2.13, as the case may be. All Advances to the Borrower of the same Type, having the same Interest Period and made or Converted on the same day shall be deemed a single Borrowing hereunder until repaid or next Converted.

“Borrowing Date” means the date of any Borrowing.

~~“Business Day” means any day of the year on which banks are not required or authorized by law to close in that (a) is not a Saturday, Sunday or other day on which the Federal Reserve Bank of New York City is closed and, if the applicable Business Day relates to any Eurodollar Rate Advances or LIBOR Market Index Rate Advances, Business Day also includes a day on which dealings are carried out in the London interbank market (b) is not a day on which commercial banks in Charlotte, North Carolina are closed.~~

“**Cash Collateralize**” means, to pledge and deposit with, or deliver to the Administrative Agent, or directly to the applicable LC Issuing Bank (with notice thereof to the Administrative Agent), for the benefit of one or more of the LC Issuing Banks, the Swingline Lender or the Lenders, as collateral for LC Outstandings or obligations of the Lenders to fund participations in respect of LC Outstandings or Swingline Advances, cash or deposit account balances or, if the Administrative Agent and the applicable LC Issuing Bank and the Swingline Lender shall agree, in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent, such LC Issuing Bank and the Swingline Lender, as applicable. “**Cash Collateral**” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support. “**Cash Collateralization**” shall have a meaning correlative to the foregoing.

“**CGMI**” means Citigroup Global Markets Inc.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided that* notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, implemented, adopted or issued.

“**Citibank**” means Citibank, N.A.

“**Commitment**” means, for each Lender, the obligation of such Lender to make Advances to the Borrower and to acquire participations in Letters of Credit and Swingline Advances hereunder in an aggregate amount no greater than the amount set forth on Schedule II hereto or, if such Lender has entered into any Assignment and Assumption, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), in each such case as such amount may be reduced from time to time pursuant to Section 2.08.

“**Commitment Fee Rate**” has the meaning specified in the Pricing Schedule.

“**Commitment Percentage**” means, as to any Lender as of any date of determination, the percentage describing such Lender’s pro rata share of the Commitments set forth in the Register from time to time; *provided that* in the case of Section 8.16 when a Defaulting Lender shall exist, “**Commitment Percentage**” means the percentage of the total Commitments (disregarding any

Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Commitment Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“**Commitments**” means the aggregate of the Lenders’ Commitments hereunder.

“**Communications**” has the meaning specified in Section 8.02(b).

“**Confidential Information**” means information that the Borrower furnishes to the Administrative Agent, the Joint Lead Arrangers or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent, the Joint Lead Arrangers

or such Lender from a source other than the Borrower.

“**Conforming Changes**” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 8.04 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by overall gross receipts or income, or net income (however denominated) or that are franchise Taxes, privilege Taxes, license Taxes or branch profits Taxes.

“Consolidated Capital” means the sum of (i) Consolidated Debt of the Borrower and (ii) the consolidated equity of all classes of stock (whether common, preferred, mandatorily convertible preferred or preference) of the Borrower, in each case determined in accordance with GAAP, but including Equity-Preferred Securities issued by the Borrower and its Consolidated Subsidiaries and excluding the funded pension and other postretirement benefit plans, net of tax, components of accumulated other comprehensive income (loss).

“Consolidated Debt” of the Borrower means the total principal amount of all Debt described in clauses (i) through (v) of the definition of Debt and Guaranties of such Debt of the Borrower and its Consolidated Subsidiaries, excluding, however, (i) Debt of AEP Credit, Inc. that is non-recourse to the Borrower, (ii) Stranded Cost Recovery Bonds, and (iii) Equity-Preferred Securities not to exceed 10% of Consolidated Capital (calculated for purposes of this clause without reference to any Equity-Preferred Securities); provided that Guaranties of Debt included in the total principal amount of Consolidated Debt shall not be added to such total principal amount.

“**Consolidated Subsidiary**” means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with GAAP.

“**Consolidated Tangible Net Assets**” means, on any date of determination and with respect to any Person at any time, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of such Person and its Consolidated Subsidiaries most recently delivered to the Lenders pursuant to Section 5.01(i) as of such date of determination, net of applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the consolidated current liabilities of such Person and its Consolidated Subsidiaries appearing on such balance sheet.

“**Convert**”, “**Conversion**” and “**Converted**” each refers to a conversion of Advances of one Type into Advances of the other Type, or the selection of a new, or the renewal of the same, Interest Period for ~~Eurodollar Rate~~ SOFR Advances, pursuant to Section 2.12 or 2.13.

“**Covered Entity**” has the meaning specified in Section 8.22.

“**Covered Party**” has the meaning specified in Section 8.22.

“**Credit Party**” means the Administrative Agent, any LC Issuing Bank and each Lender.

~~“**Daily Simple SOFR**” has the meaning specified in Section 8.21(g).~~

“**Debt**” of any Person means, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person’s business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, including, without limitation, the leases described in clause (iv) of Section 5.02(c), (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, (vi) all Guaranties and (vii) all reasonably quantifiable obligations under indemnities or under support or capital contribution agreements, and other reasonably quantifiable obligations (contingent or otherwise) to purchase or otherwise to assure a creditor against loss in respect of, or to assure an obligee against loss in respect of, all Debt of others referred to in clauses (i) through (vi) above guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss.

“**Debtor Relief Laws**” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“**Declining Lender**” has the meaning specified in Section 2.06(b).

“**Default**” means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

“**Default Right**” has the meaning specified in Section 8.22.

“**Defaulting Lender**” means, subject to Section 8.16(b), any Lender that (i) has failed to (A) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been

satisfied, or (B) pay to any Credit Party any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Advances) within two Business Days of the date when due, (ii) has notified the Borrower or any Credit Party in writing that it does not intend to comply with its funding obligations hereunder or generally under other agreements in which it commits to extend credit, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund an Advance hereunder and states that such position is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (iii) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (iii) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (iv) has become the subject of (A) a Bankruptcy Event or (B) a Bail-in Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (i) through (iv) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 8.16(b)) upon delivery of written notice of such determination to the Borrower, each LC Issuing Bank, and each Lender.

"*Departing Lender*" has the meaning specified in the Preliminary Statement in this Agreement.

"*Designated Lender*" has the meaning specified in Section 2.07(a).

"*Disclosure Documents*" means the Borrower's Report on Form 10-K, as filed with the SEC, for the fiscal year ended December 31, ~~2020~~2021 and the Borrower's Current Reports on Form 8-K, as filed with the SEC after the date of filing the Borrower's Report on Form 10-K for the period ended December 31, ~~2020~~2021 but prior to the ~~Restatement~~First Amendment Effective Date.

"*Dollars*" and the symbol "\$" mean lawful currency of the United States of America.

~~"*Domestic Lending Office*" means, with respect to any Lender, the office of such Lender specified as its "*Domestic Lending Office*" on such Lender's Administrative Questionnaire or in the Assignment and Assumption pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.~~

“Early Opt-in Election” has the meaning specified in Section 8.21(g).

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Record” has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

“Electronic Signature” has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 8.07(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 8.07(b)(iii)).

“Environmental Action” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (i) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (ii) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“Environmental Law” means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equity-Preferred Securities” means (i) debt or preferred securities that are mandatorily convertible or mandatorily exchangeable into common shares of the Borrower and (ii) any other securities, however denominated, including but not limited to hybrid capital and trust originated preferred securities, (A) issued by the Borrower or any Consolidated Subsidiary of the Borrower, (B) that are not subject to mandatory redemption or the underlying securities, if any, of which are not subject to mandatory redemption, (C) that are perpetual or mature no less than 30 years from the date of issuance, (D) the indebtedness issued in connection with which, including any

guaranty, is subordinate in right of payment to the unsecured and unsubordinated indebtedness of the issuer of such indebtedness or guaranty, and (E) the terms of which permit the deferral of the payment of interest or distributions thereon to a date occurring after the Termination Date.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) the Internal Revenue Code.

“ERISA Event” means (i) the termination of or withdrawal from any Plan by the Borrower or any of its ERISA Affiliates, (ii) the failure by the Borrower or any of its ERISA

Affiliates to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Plan or (iii) the failure by the Borrower or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

~~“Erroneous Payment” has the meaning specified assigned thereto in Section 7.06(a).~~

~~“Erroneous Payment Deficiency Assignment” has the meaning assigned thereto in Section 7.06(d).~~

~~“Erroneous Payment Impacted Class” has the meaning assigned thereto in Section 7.06(d).~~

~~“Erroneous Payment Return Deficiency” has the meaning assigned thereto in Section 7.06(d).~~

~~“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.~~

~~“Eurocurrency Liabilities” has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.~~

~~“Eurodollar Lending Office” means, with respect to any Lender, the office of such Lender specified as its “Eurodollar Lending Office” on such Lender’s Administrative Questionnaire or in the Assignment and Assumption pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.~~

~~“Eurodollar Rate” means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing, the London interbank offered rate (rounded upward to the nearest 1/16th of 1%) as administered by ICE Benchmark Administration Limited (or any other Person that takes over the administration of such rate) for deposits in immediately available funds in Dollars for a period equal in length to such Interest Period as displayed on page LIBOR01 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute Reuters page or screen that displays such rate, or on the appropriate page or screen of such other comparable information service that publishes such rate from time to time as selected by the Administrative Agent in its discretion)~~

~~(in each case, the “Screen Rate”) at approximately 11:00 A.M. (London time) two Business Days before the first day of such Interest Period, provided, that if the Screen Rate (including, without limitation, any Benchmark Replacement with respect thereto) shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement, and provided, further, if the Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”), the Eurodollar Rate for such Borrowing shall be a rate determined by the Administrative Agent to be the arithmetic average of the rate per annum (rounded upward to the nearest 1/16th of 1%) at which deposits in Dollars in minimum amounts of at least \$5,000,000 would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 A.M. (London time) two Business Days before the first day of such Interest Period for a period equal to such Interest Period; provided, that if such rate (including, without limitation, any Benchmark Replacement with respect thereto) shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.~~

~~“Eurodollar Rate Advance” means an Advance that bears interest as provided in Section 2.11(e).~~

~~“Eurodollar Rate Reserve Percentage” of any Lender for any Interest Period for each Eurodollar Rate Advance means the reserve percentage applicable to such Lender during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) then applicable to such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.~~

~~“Events of Default” has the meaning specified in Section 6.01.~~

~~“Exchange Act” has the meaning specified in Section 6.01(f).~~

~~“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by overall gross receipts or income, or net income (however denominated), franchise Taxes, privilege Taxes, license Taxes or branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its ~~Applicable~~applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.20(b)) or (ii) such Lender changes its ~~Applicable~~applicable Lending Office, except in each case to the extent that, pursuant to Section 2.18, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its ~~Applicable~~applicable Lending Office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.18(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.~~

~~“Existing Credit Agreement” has the meaning specified in the Preliminary Statement in this Agreement.~~

~~“Existing Letter of Credit” means each letter of credit previously issued that (a) is outstanding on the Restatement Effective Date and (b) is listed on Schedule 2.04(j).~~

~~“Extension Effective Date” has the meaning specified in Section 2.06(c).~~

~~“Extension of Credit” means the making of a Borrowing, the issuance of a Letter of Credit or the amendment of any Letter of Credit having the effect of extending the stated termination date thereof or increasing the maximum amount available to be drawn thereunder. For purposes of this Agreement, a Conversion shall not constitute an Extension of Credit.~~

“*FATCA*” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, and any intergovernmental agreement entered into in connection with such sections of the Internal Revenue Code and any legislation, law, regulation or practice enacted or promulgated pursuant to such intergovernmental agreement.

“*FCR*” has the meaning specified in Section 1.05.

“*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 Administrative Agent from three Federal funds brokers of recognized standing selected by it; *provided* that if the Federal Funds Rate as determined in accordance with this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“*Floor First Amendment*” means that certain [First Amendment to Fifth Amended and Restated Credit Agreement](#), entered into by the Borrower, the Administrative Agent and the Lenders party thereto, dated as of April 7, 2022.

“*First Amendment Effective Date*” has the meaning specified in [Section 8.21\(g\) the First Amendment](#).

“*Floor*” means a rate of interest equal to 0.00%.

“*Foreign Lender*” means a Lender that is not a U.S. Person.

“*Foreign Plan*” has the meaning specified in Section 4.01(i).

“*FRB*” means the [Board of Governors of the Federal Reserve System of the United States](#).

“**Fronting Exposure**” means, at any time there is a Defaulting Lender, (a) with respect to any LC Issuing Bank, such Defaulting Lender’s Commitment Percentage of the LC Outstandings with respect to Letters of Credit issued by such LC Issuing Bank, other than such LC Outstandings as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof and (b) with respect to the Swingline Lender, such Defaulting Lender’s Commitment Percentage of outstanding Swingline Advances other than Swingline Advances as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

“**Fund**” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

“**GAAP**” has the meaning specified in Section 1.03.

“**GenCo**” means AEP Generation Resources Inc.

“**Governmental Approval**” means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

“**Governmental Authority**” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Guaranty**” of any Person means any obligation, contingent or otherwise, of such Person (i) to pay any Debt of any other Person or (ii) incurred in connection with the issuance by a third person of a Guaranty of Debt of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise).

“**Hazardous Materials**” means (i) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (ii) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

~~“**IBA**” has the meaning specified in Section 1.05.~~

~~“**Impacted Interest Period**” has the meaning specified for such term in the definition herein of “Eurodollar Rate.”~~

“**Indemnified Party**” has the meaning specified in Section 8.04(b).

“**Indemnified Taxes**” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“**Initial Lenders**” has the meaning specified in the recital of parties to this Agreement.

~~“**Interest Period**” means, for each Eurodollar Rate as to any SOFR Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate SOFR Advance is disbursed or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate converted to or continued as a SOFR Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, with respect to Eurodollar Rate Advances, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period date one (1), three (3) or six (6) months thereafter, in each case as selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months (or, for any Borrowing, any period specified by the Borrower that is shorter than one month, if all Lenders agree), as the Borrower may, upon notice received by the Administrative~~

Agent not later than 11:00 A.M. on the third Business Day prior to the first day of such Interest Period, select in its Notice of Borrowing or a notice of conversion and subject to availability; provided, ~~however,~~ that:

(i) ~~the Borrower may not select any Interest Period that ends after the Termination Date of any Lender;~~

(ii) ~~Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Borrowing shall be of the same duration;~~

(iii) ~~whenever the last day of~~

(i) the Interest Period shall commence on the date of advance of or conversion to any SOFR Advance and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

(ii) if any Interest Period would otherwise ~~occur~~ expire on a day other than that is not a Business Day, the last day of such Interest Period shall be extended to ~~occur~~ expire on the next succeeding Business Day; provided, ~~however,~~ that, if such extension would cause the last day of such Interest Period to occur in the next following calendar any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, the last day of such Interest Period shall ~~occur~~ expire on the next immediately preceding Business Day; and

(iv) ~~whenever the first day of any Interest Period occurs on a day~~

(iii) any Interest Period that begins on the last Business Day of an initial~~a~~ calendar month (or on a day for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by at the number~~end~~ of months equal to the number of months in such Interest Period, such Interest Period) shall end on the last Business Day of such ~~succeeding~~ the relevant calendar month at the end of such Interest Period;

(iv) no Interest Period shall extend beyond the Termination Date;

(v) there shall be no more than ten (10) Interest Periods in effect at any time; and

(vi) no tenor that has been removed from this definition pursuant to Section 8.21 shall be available for specification in any Notice of Borrowing or notice of conversion.

“**Internal Revenue Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“**IRS**” means the United States Internal Revenue Service.

~~“**ISDA Definitions**” has the meaning specified in Section 8.21(g).~~

“**Joint Lead Arrangers**” means Wells Fargo Securities, JPMorgan, Barclays, Scotiabank, MUFG, Citibank, BOFAS and Mizuho, in their capacities as joint lead arrangers and joint bookrunners for the credit facilities provided for herein.

“**JPMorgan**” means JPMorgan Chase Bank, N.A.

“**KPI Metrics**” has the meaning specified in the Pricing Schedule.

“**LC Collateral Account**” has the meaning specified in Section 2.04(b).

“**LC Commitment**” means, with respect to any LC Issuing Bank, the maximum permitted amount of the LC Outstandings that may be attributable to Letters of Credit issued by such LC Issuing Bank. The initial amount of the LC Commitment for (a) each of Wells Fargo Bank, JPMorgan, Barclays, Scotiabank, MUFG, Citibank, Bank of America and Mizuho, in its capacity as an LC Issuing Bank, is \$50,000,000, and (b) in the case of any LC Issuing Bank that becomes an LC Issuing Bank hereunder pursuant to Section 2.04(a), the maximum permitted amount contained in a written agreement referred to in such Section, or, in each case, such other maximum permitted amount with respect to any LC Issuing Bank as may have been agreed in writing (and notified in writing to the Administrative Agent) by such LC Issuing Bank and the Borrower.

“**LC Fee**” has the meaning specified in Section 2.05(c).

“**LC Issuing Bank**” means (a) Wells Fargo Bank, JPMorgan, Barclays, Scotiabank, MUFG, Citibank, Bank of America and Mizuho, (b) solely in respect of any Existing Letter of Credit, the Person that is the issuer thereof and (c) any Lender that shall agree to serve as LC Issuing Bank pursuant to Section 2.04(a), each in its capacity as an issuer of Letters of Credit hereunder. Each LC Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such LC Issuing Bank, in which case the term “LC Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate (it being agreed that such LC Issuing Bank shall, or shall cause such Affiliate to, comply with the requirements of Section 2.04 with respect to such Letters of Credit).

“**LC Outstandings**” means, on any date of determination, the sum of (i) the undrawn stated amounts of all Letters of Credit that are outstanding on such date plus (ii) the aggregate principal amount of all unpaid reimbursement obligations of the Borrower on such date with respect to payments made by any LC Issuing Bank under any Letter of Credit (excluding reimbursement obligations that have been repaid with the proceeds of any Borrowing).

“**LC Payment Notice**” has the meaning specified in Section 2.04(e).

“**Lenders**” means, at any time, collectively, (i) the Initial Lenders (other than any such Initial Lenders that have previously assigned all of their respective Advances and Commitments to other Persons in accordance with Section 8.07(b) at such time), and (ii) any other Persons that

have become Lenders holding Advances and/or Commitments at such time in accordance with Section 8.07(b). Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender.

“**Lending Office**” means, with respect to any Lender, the office of such Lender maintaining such Lender’s Extensions of Credit, which office may, to the extent the applicable Lender notifies the Administrative Agent in writing, include an office of any Affiliate of such Lender or any domestic or foreign branch of such Lender or Affiliate.

“**Letter of Credit**” means any standby letters of credit issued by an LC Issuing Bank pursuant to Section 2.04.

~~“**LIBOR Market Index Rate**” means, subject to the implementation of a Benchmark~~

~~Replacement in accordance with Section 8.21, for any day, an interest rate per annum for one month Dollar deposits as published by the ICE Benchmark Administration Limited, a United Kingdom company (or a comparable or successor quoting service approved by the Administrative Agent), at approximately 11:00 a.m. (London time) on such day, or if such day is not a Business Day, then the immediately preceding Business Day. If, for any reason, such rate is not so published, then the LIBOR Market Index Rate shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which Dollar deposits would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 a.m., London time, on such date of determination for delivery on the date in question for a one month term. Notwithstanding the foregoing, (i) in no event shall the LIBOR Market Index Rate (including, without limitation, any Benchmark Replacement with respect thereto) be less than 0% and (ii) in the event that a Benchmark Replacement with respect to the LIBOR Market Index Rate is implemented then all references herein to LIBOR Market Index Rate shall be deemed references to such Benchmark Replacement.~~

~~“LIBOR Market Index Rate Advance” means an Advance that bears interest as provided in Section 2.11(b).~~

“Lien” means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“Loan Documents” means, collectively, (i) the Commitment Letter, dated as of March 8, 2021, among the Borrower, Wells Fargo Bank, Wells Fargo Securities, JPMorgan, Barclays, Scotiabank, MUFG, CGMI, Bank of America, BOFAS and Mizuho, (ii) the Fee Letter, dated as of March 8, 2021, among the Borrower, Wells Fargo Bank, Wells Fargo Securities, JPMorgan and Barclays, (iii) the Fee Letter, dated as of March 8, 2021, among the Borrower, Scotiabank, MUFG, CGMI, Bank of America, BOFAS and Mizuho, (iv) the Fee Letter, dated as of March 8, 2021, between the Borrower and the Administrative Agent, (v) [the Fee Letter, dated as of March 21, 2022, between the Borrower, Wells Fargo Bank and Wells Fargo Securities](#), (vi) this Agreement, and (vii) each promissory note issued pursuant to Section 2.10(d), in each case, as any of the foregoing may be amended, supplemented or modified from time to time.

“Margin Regulations” means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“Margin Stock” has the meaning specified in the Margin Regulations.

“**Material Adverse Change**” means any material adverse change (i) in the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement against the Borrower or the ability of the Borrower to perform its obligations under this Agreement.

“**Material Adverse Effect**” means a material adverse effect (i) on the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement against the Borrower or the ability of the Borrower to perform its obligations under this Agreement.

“**Minimum Collateral Amount**” means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 103% of the Fronting Exposure of all LC Issuing Banks with respect to Letters of Credit issued and outstanding at such time and (ii) otherwise, an amount determined by the Administrative Agent and the LC Issuing Banks in their reasonable discretion.

“**Mizuho**” means Mizuho Bank, Ltd.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Moody’s Rating**” means, on any date of determination, the debt rating most recently announced by Moody’s with respect to the long-term senior unsecured debt issued by the Borrower.

“**MUFG**” means MUFG Bank, Ltd.

“**Multiemployer Plan**” has the meaning specified in Section 4.01(i).

“**New 2-Year Credit Agreement**” means the Credit Agreement, dated as of the Restatement Effective Date, among the Borrower, Wells Fargo Bank, as administrative agent, and the banks, financial institutions and other institutional lenders party thereto pursuant to which the lenders party thereto provide to the Borrower a \$1,000,000,000 revolving credit facility.

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders in accordance with the terms of Section 8.01 and (ii) has been approved by the Required Lenders.

“**Non-Defaulting Lender**” means, at any time, each Lender that is not a Defaulting Lender at such time.

“**non-performing Lender**” has the meaning specified in Section 2.04(f).

“**Notice of Borrowing**” has the meaning specified in Section 2.02(a).

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or

perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Advance, Commitment or Loan Document).

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.20(b)).

“**Outstanding Credits**” means, on any date of determination and as to any Lender, the sum of (i) the aggregate principal amount of such Lender’s Advances outstanding on such date

plus (ii) such Lenders participation in LC Outstandings on such date plus (iii) such Lender's participation in any outstanding Swingline Advances.

"Overnight Rate" means, for any day, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant" has the meaning specified in Section 8.07(d).

"Participant Register" has the meaning specified in Section 8.07(d).

"Patriot Act" has the meaning specified in Section 8.14.

"Permitted Liens" means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(g) hereof; (ii) Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens, and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings; (iii) Liens incurred or deposits made to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations; (iv) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (v) any judgment Lien, unless an Event of Default under Section 6.01(g) shall have occurred and be continuing; (vi) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower or any Significant Subsidiary and not created in contemplation of such event; (vii) deposits made in the ordinary course of business to secure the performance of bids, trade contracts (other than for Debt), operating leases and surety bonds; (viii) Liens upon or in any real property or equipment acquired, constructed, improved or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property); (ix)

extensions, renewals or replacements of any Lien described in clause (iii), (vi), (vii) or (viii) for the same or a lesser amount, *provided, however*, that no such Lien shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced; and (x) any other Lien not covered by the foregoing exceptions as long as immediately after the creation of such Lien the aggregate principal amount of Debt secured by all Liens created or assumed under this clause (x) does not exceed 10% of Consolidated Tangible Net Assets of the Borrower.

“**Person**” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

“**Plan**” has the meaning specified in Section 4.01(i).

“**Platform**” has the meaning specified in Section 8.02(b).

“**Pricing Certificate**” has the meaning specified in the Pricing Schedule.

“**Pricing Certificate Inaccuracy**” has the meaning specified in the Pricing Schedule.

“**Pricing Schedule**” means Schedule I to this Agreement.

“**Prime Rate**” means, at any time, the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The parties hereto acknowledge that the rate announced publicly by the Administrative Agent as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

“**Proposed Increased Commitment**” has the meaning specified in Section 2.07(a).

“**QFC**” has the meaning specified in Section 8.22.

“**QFC Credit Support**” has the meaning specified in Section 8.22.

“**Recipient**” means (a) the Administrative Agent, (b) any Lender and (c) any LC Issuing Bank, as applicable.

~~“**Reference Time**” has the meaning specified in Section 8.21(g).~~

“**Register**” has the meaning specified in Section 8.07(c).

“**Related Parties**” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“**Relevant Governmental Body**” ~~has the meaning specified in Section 8.21(g)~~ means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

“**Request for Issuance**” means a request made pursuant to Section 2.04 in the form of Exhibit B.

“**Required Lenders**” means at any time Lenders owed in excess of 50% of the Outstanding Credits at such time, or, if there are no Outstanding Credits, Lenders having in excess of 50% in interest of the Commitments in effect at such time having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. Subject to Section 8.01, the Outstanding Credits and Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“**Resolution Authority**” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“**Restatement Effective Date**” has the meaning specified in Section 3.01.

“**Restructuring Law**” means Texas Senate Bill 7, as enacted by the Legislature of the

State of Texas and signed into law on June 18, 1999, Ohio Senate Bill No. 3, as enacted by the General Assembly of the State of Ohio and signed into law on July 6, 1999, or any similar law applicable to the Borrower or any Subsidiary of the Borrower governing the deregulation or restructuring of the electric power industry.

“**Revolving Advance**” means an Advance made by a Lender as part of a Borrowing to the Borrower pursuant to Section 2.02.

“**RTO Transaction**” means the transfer of transmission facilities to a regional transmission organization or equivalent organization as approved or ordered by the Federal Energy Regulatory Commission.

“**S&P**” means S&P Global Ratings, a business unit of S&P Global, Inc.

“**S&P Rating**” means, on any date of determination, the rating most recently announced by S&P with respect to the long-term senior unsecured debt issued by the Borrower.

~~“**Sanctions**” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any EU member state, or Her Majesty’s Treasury of the United Kingdom.~~

~~“**Sanctioned Country**” means, at any time of determination, a region, a country, region or territory that which is itself (or whose government is) the subject or target of any Sanctions.~~

~~“**Sanctioned Person**” means, at any time of determination, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any EU member state or Her Majesty’s Treasury of the United Kingdom, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by or acting on behalf of any such Person described in the preceding clause (a) or (b), or (d) any Person with which, to the Borrower’s actual knowledge, any Lender is prohibited under Sanctions relevant to it from dealing or engaging in transactions. For purposes of the foregoing, control of a Person shall be deemed to include where a Sanctioned Person (i) owns or has power to vote 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of the Person or other individuals performing similar functions for the Person, or (ii) has the power to direct or cause the direction~~

~~of the management and policies of the Person, whether by ownership of equity interests, contracts or otherwise, any target of Sanctions, including: (a) any Person on any list of targets identified or designated pursuant to any Sanctions, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by the Office of Foreign Assets Control of the U.S. Department of the Treasury to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s) or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.~~

“Sanctions” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future statute or executive order), the United Nations Security Council, the European Union, any European member state, Her Majesty’s Treasury, or other relevant sanctions authority in any jurisdiction in which (a) the Borrower or any of its Subsidiaries or Affiliates is located or conducts business, (b) in which any of the proceeds of the Outstanding Credits will be used, or (c) from which repayment of the Outstanding Credits will be derived.

“Scotiabank” means The Bank of Nova Scotia.

“SEC” means the United States Securities and Exchange Commission.

“Significant Subsidiary” means, at any time, any Subsidiary of the Borrower that constitutes at such time a “significant subsidiary” of the Borrower, as such term is defined in Regulation S-X of the SEC as in effect on the date hereof (17 C.F.R. Part 210) (other than AEP Energy Supply LLC or GenCo); provided, however, that if AEP Energy Supply LLC or GenCo own, on an aggregate basis, assets exceeding 20% of the Borrower’s “total assets” as used in Regulation S-X, AEP Energy Supply LLC or GenCo will be considered Significant Subsidiaries, and provided, further, that “total assets” as used in Regulation S-X shall not include securitization transition assets, phase-in cost assets or similar assets on the balance sheet of any Subsidiary resulting from the issuance of Stranded Cost Recovery Bonds or other asset backed securities of a similar nature.

~~“SOFR” has the meaning specified in Section 8.21(g).~~

~~“means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator” has the meaning specified in Section 8.21(g).~~

“SOFR Administrator’s Website” has the meaning specified” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Advance” means an Advance that bears interest at a rate based on Adjusted Term SOFR as provided in Section 8.212.11(gb).

“Stranded Cost Recovery Bonds” means securities, however denominated, that are issued by the Borrower or any Consolidated Subsidiary of the Borrower that are (i) non-recourse

to the Borrower and its Significant Subsidiaries (other than for failure to collect and pay over the charges referred to in clause (ii) below) and (ii) payable solely from transition or similar charges authorized by law (including, without limitation, any “financing order”, as such term is defined in the Texas Utilities Code) to be invoiced to customers of any Subsidiary of the Borrower or to retail electric providers.

“Subsidiary” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership or joint venture or (iii) the beneficial interest in such trust or estate is at the time

directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

“**Supported QFC**” has the meaning specified in Section 8.22.

“**Sustainability Structuring Agent**” means Wells Fargo Securities or such other entity appointed to such role in accordance with clause 1(hg) of the Pricing Schedule.

“**Swingline Advance**” means any swingline advance made by the Swingline Lender to the Borrower pursuant to Section 2.03, and all such swingline advances collectively as the context requires.

“**Swingline Commitment**” means the lesser of (a) \$200,000,000 and (b) the aggregate amount of the Commitments.

“**Swingline Lender**” means Wells Fargo Bank in its capacity as swingline lender hereunder or any successor thereto.

“**Swingline Participation Amount**” has the meaning assigned thereto in Section 2.03(b)(iii).

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Term SOFR**” ~~has the meaning specified in Section 8.21(g)~~ means,

(a) for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Periodic Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term

SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Advance on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “**Base Rate Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

“**Term SOFR Notice**” has the meaning specified in Section 8.21(g). **Adjustment**” means, for any calculation with respect to a Base Rate Advance, 0.10% per annum, or a SOFR Advance, 0.10% per annum for each applicable Interest Period therefor.

“**Term SOFR Transition Event**” has the meaning specified in Section 8.21(g).

“**Term SOFR Administrator**” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“**Term SOFR Reference Rate**” means the forward-looking term rate based on SOFR.

“**Termination Date**” means, with respect to any Lender, the earlier to occur of (i) March 31, 2026 or such later date that may be established for such Lender from time to time pursuant to Section 2.06 hereof, and (ii) the date of termination in whole of the Commitments available to the Borrower pursuant to Section 2.08 or 6.01.

“**Total Credit Exposure**” means, as to any Lender at any time, the unused Commitment and Outstanding Credits of such Lender at such time.

“**Type**” refers to the distinction between Advances bearing interest at the Base Rate, Advances bearing interest at the LIBOR Market Index Rate and Advances bearing interest at the Eurodollar Rate SOFR.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**Unadjusted Benchmark Replacement**” has the meaning specified in Section 8.21(g). **means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.**

“**U.S. Government Securities Business Day**” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in Sections 2.02(a), 2.13 and 2.14, in each case, such day is also a Business Day.

“**U.S. Person**” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“*U.S. Special Resolution Regimes*” has the meaning specified in Section 8.22.

“*U.S. Tax Compliance Certificate*” has the meaning specified in Section 2.18(g)(ii)(B)(iii).

“*USD LIBOR*” has the meaning specified in Section 8.21(g).

“*Voting Stock*” means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or Persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

“*Wells Fargo Bank*” has the meaning specified in the recital of parties to this Agreement.

“*Wells Fargo Securities*” means Wells Fargo Securities, LLC.

“*Withholding Agent*” means the Borrower and the Administrative Agent.

“*Write-Down and Conversion Powers*” means, (i) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (ii) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02 Computation of Time Periods.

In this Agreement in the computation of periods 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 mean “to but excluding”.

SECTION 1.03 Accounting Terms.

All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles applied in accordance with the consistency requirements thereof as in effect from time to time (“GAAP”); *provided* that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the Restatement Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change to GAAP occurring after the Restatement Effective Date as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)*, issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case to the extent that such change would require treating any operating lease entered into on or prior to December 31, 2018 that would not otherwise constitute Debt as a capital lease where such operating lease would not constitute Debt and was not required to be so treated under GAAP as in effect on the Restatement Effective Date.

SECTION 1.04 Other Interpretive Provisions.

As used herein, except as otherwise specified herein, (i) references to any Person include its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities; (ii) references to any Applicable Law include amendments, supplements and successors thereto; (iii) references to specific sections, articles, annexes, schedules and exhibits are to this Agreement; (iv) words importing any gender include the other gender; (v) the singular includes the plural and the plural includes the singular; (vi) the words “including”, “include” and “includes” shall be deemed to be followed by the words “without limitation”; (vii) captions and headings are for ease of reference only and shall not affect the construction hereof; and (viii) references to any time of day shall be to New York City time unless otherwise specified. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person.

SECTION 1.05 Rates.

~~The interest rate on Advances may be determined by reference to a benchmark rate that is, or may in the future become, the subject to regulatory reform or cessation. Regulators have signaled the need to use alternative reference rates for some of these benchmark rates and, as a result, such benchmark rates may cease to comply with applicable laws and regulations, may be permanently discontinued or the basis on which they are calculated may change. The London interbank offered rate, which may be one of the benchmark rates with reference to which the interest on Advances may be determined, is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On March 5, 2021, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (“IBA”), the administrator of the London interbank offered rate,~~

~~and the Financial Conduct Authority (the “FCA”), the regulatory supervisor of IBA, announced in public statements (the “Announcements”) that the final publication or representativeness date for the London interbank offered rate for: (a) Dollars for 1-week and 2-month tenor settings will be December 31, 2021 and (b) Dollars for overnight, 1-month, 3-month, 6-month and 12-month tenor settings will be June 30, 2023. No successor administrator for IBA was identified in the Announcements. As a result, it is possible that commencing immediately after such dates, the London interbank offered rate for such tenors may no longer be available or may no longer be deemed a representative reference rate upon which to determine the interest rate on applicable Advances. There is no assurance that the dates set forth in the Announcements will not change or that IBA or the FCA will not take further action that could impact the availability, composition or characteristics of any London interbank offered rate. Public and private sector industry initiatives have been and continue, as of the date hereof, to be underway to implement new or alternative reference rates to be used in place of London interbank offered rates. In the event that the London interbank offered rate or any other then-current Benchmark is no longer available or in~~

~~certain other circumstances set forth in Section 8.21, such Section 8.21 provides a mechanism for determining an alternative rate of interest. The Administrative Agent will notify the Borrower, pursuant to Section 8.21, of any change to the reference rate upon which the interest rate on Advances is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (ia) the continuation of, administration of, submission of, calculation of, or any other matter related to the London interbank offered rate or other Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition of "Eurodollar Rate" or "LIBOR Market Index Rate" thereof, or with respect to any alternative, comparable or successor rate thereto, or replacement rate thereof thereto (including any then current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement reference rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 8.21, will be similar to, or produce the same value or economic equivalence of, the Eurodollar Rate or any other Benchmark, or have the same volume or liquidity as did, the London interbank offered rate Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (iib) the effect, implementation or composition of any Benchmark Replacement Conforming Changes. Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.~~

SECTION 1.06 Divisions.

For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its ~~Equity Interests~~ equity interests at such time.

ARTICLE II
AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01 The Advances.

(a) Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Revolving Advances in Dollars to the Borrower and to participate in Letters of Credit and Swingline Advances from time to time on any Business Day during the period from the date hereof until the Termination Date in an aggregate outstanding amount not to exceed at any time such Lender's Available Commitment at such time. Within the limits of each Lender's Commitment and as hereinabove and hereinafter provided, the Borrower may request Borrowings hereunder, and repay or prepay Advances pursuant to Section 2.14 and utilize the resulting increase in the Available Commitments for further Borrowings in accordance with the terms hereof.

(b) In no event shall the Borrower be entitled to request or receive any Borrowing that would cause the aggregate Outstanding Credits (including such requested Borrowing) to exceed the aggregate Commitments.

SECTION 2.02 Making Revolving Advances.

(a) Each Borrowing of Revolving Advances shall be in an amount not less than \$10,000,000 (or, if less, the Available Commitments at such time) or an integral multiple of \$1,000,000 in excess thereof and shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitment Percentages. Each such Borrowing shall be made on notice, given not later than 11:00 A.M. on the third U.S. Government Securities Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of ~~Eurodollar Rate~~SOFR Advances, or not later than 1:00 P.M. on the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by the Borrower to the Administrative Agent, which shall give to each Lender prompt written notice. Each such notice of a Borrowing under this Section 2.02 (a "**Notice of Borrowing**") shall be by telephone, confirmed immediately in writing, or fax in substantially the form of Exhibit A hereto, specifying therein the requested (i) Borrowing Date for such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of ~~Eurodollar Rate~~SOFR Advances, the initial Interest Period for each such Advance. Each Lender shall, before 3:00 P.M. on the applicable Borrowing Date, make available for the account of its ~~Applicable~~applicable Lending Office to the Administrative Agent at the Agent's Account, in same day funds, such Lender's ratable portion of the Borrowing to be made on such Borrowing Date. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Section 3.02, the Administrative Agent will promptly make such funds available to the Borrower in such manner as the Borrower shall have specified in the applicable Notice of Borrowing and as shall be reasonably acceptable to the Administrative Agent.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select ~~Eurodollar Rate~~SOFR Advances for any Borrowing if the aggregate amount of such Borrowing is less than \$10,000,000 or if the obligation of the Lenders to make ~~Eurodollar Rate~~SOFR Advances shall then be suspended pursuant to Section 2.12(b), 2.12(e) or 2.16, and (ii) there shall be not more than 20 Borrowings at any one time outstanding.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to comprise ~~Eurodollar Rate~~SOFR

Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Section 3.02, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

~~(d) Unless the Administrative Agent shall have received notice by courier or fax from a Lender prior to any Borrowing Date or, in the case of a Base Rate Advance or a LIBOR Market Index Rate Advance, prior to the time of Borrowing, that such Lender will not make available to the Administrative Agent such Lender's Advance as part of the Borrowing to be made on such Borrowing Date~~In connection with any borrowing hereunder, the Administrative Agent may assume that ~~such~~each

Lender has made ~~its respective share of~~ such ~~portion~~ borrowing available ~~to the Administrative Agent~~ on such ~~Borrowing Date~~ in accordance with ~~subsection (a) of this Section 2.02, and the Administrative Agent may (but it shall not be required to)~~ the terms hereof and may, in reliance upon such assumption, make available to the Borrower ~~on such date~~ a corresponding amount. ~~If and to the extent that~~ In such event, if a Lender shall ~~has not~~ ~~have so in fact~~ made ~~such Advance~~ its share of the applicable borrowing available to the Administrative Agent, ~~such~~ then the applicable Lender and the Borrower severally agree to ~~repay~~ pay to the Administrative Agent forthwith on demand such corresponding amount, ~~together~~ with interest thereon, for each day from ~~and including~~ the date such amount is made available to the Borrower ~~until to but excluding~~ the date ~~such amount is repaid~~ of payment to the Administrative Agent, at (i) ~~A~~ in the case of a payment to be made by such Lender, ~~the Overnight Rate and (B) in the case of a payment to be made by the Borrower, the interest rate applicable at the time to~~ Base Rate Advances comprising such Borrowing. If the Borrower and (ii) in the case of such Lender, the Federal Funds Rate shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender shall ~~repay~~ pays its share of the applicable borrowing to the Administrative Agent ~~such corresponding amount, such, then the amount so repaid~~ paid shall constitute such Lender's Advance ~~as part of included in such Borrowing for purposes of this Agreement~~ borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03 Swingline Advances.

(a) Subject to the terms and conditions of this Agreement and the other Loan Documents and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, the Swingline Lender may, in its sole discretion, make Swingline Advances to the Borrower from time to time from the Restatement Effective Date to, but not including, the Termination Date; provided, that (i) after giving effect to any amount requested, the Outstanding Credits shall not exceed the Commitment and (ii) the aggregate principal amount of all outstanding Swingline Advances (after giving effect to any amount requested) shall not exceed the Swingline Commitment.

(b) (i) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), by written notice given no later than 11:00 a.m. on any Business Day request each Lender

to make, and each Lender hereby agrees to make, a Revolving Advance as a ~~LIBOR Market Index~~ Base Rate Advance in an amount equal to such Lender's Commitment Percentage of the aggregate amount of the Swingline Advances outstanding on the date of such notice, to repay the Swingline Lender. Each Lender shall make the amount of such Revolving Advance available to the Administrative Agent in immediately available funds at the Administrative Agent's Lending Office not later than 1:00 p.m. on the day specified in such notice. The proceeds of such Revolving Advance shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Swingline Advances. No Lender's obligation to fund its respective Commitment Percentage of a Swingline Advance shall be affected by any other Lender's failure to fund its Commitment Percentage of a Swingline Advance, nor shall any Lender's Commitment Percentage be increased as a result of any such failure of any other Lender to fund its Commitment Percentage of a Swingline Advance.

(ii) The Borrower shall pay to the Swingline Lender on demand, and in any event on the Termination Date, in immediately available funds the amount of such Swingline Advance to the extent amounts received from the Lenders are not sufficient to repay in full the outstanding Swingline Advances requested or required to be refunded. In addition, the Borrower irrevocably authorizes the Administrative Agent to charge any account maintained by the Borrower with the Swingline Lender (up to the amount available therein) in order to immediately pay the Swingline Lender the amount of such Swingline Advances to the extent amounts received from the Lenders are not sufficient to repay in full the outstanding Swingline Advances requested or required to be refunded. If any portion of any such amount paid to the Swingline Lender shall be recovered by or on behalf of the Borrower from the Swingline Lender in bankruptcy or otherwise, the loss of the amount so recovered shall be ratably shared among all the Lenders in accordance with their respective Commitment Percentages.

(iii) If for any reason any Swingline Advance cannot be refinanced with a Revolving Advance pursuant to Section 2.03(b)(i), each Lender shall, on the date such Revolving Advance was to have been made pursuant to the notice referred to in Section 2.03(b)(i), purchase for cash an undivided participating interest in the then outstanding Swingline Advances by paying to the Swingline Lender an amount (the "*Swingline Participation Amount*") equal to such Lender's Commitment Percentage of the aggregate principal amount of Swingline Advances then outstanding. Each Lender will immediately transfer to the Swingline Lender, in immediately available funds, the amount of its Swingline Participation Amount. Whenever, at any time after the Swingline Lender has received from any Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Advances, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Advances then due); provided that in the event that such payment received by the Swingline Lender is required to be returned, such Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(iv) Each Lender's obligation to make the Revolving Advances referred to in Section 2.03(b)(i) and to purchase participating interests pursuant to Section 2.03(b)(iii) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of

the other conditions specified in Article III, (C) any adverse change in the condition (financial or otherwise) of the Borrower, (D) any breach of this Agreement or any other Loan Document by the Borrower or any other Lender or (E) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(v) If any Lender fails to make available to the Administrative Agent, for the account of the Swingline Lender, any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(b) by the time specified in Section 2.03(b)(i) or 2.03(b)(iii), as applicable, the Swingline Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swingline Lender at a rate per annum equal to the applicable Federal Funds Rate, plus any administrative, processing or similar fees customarily charged by the Swingline Lender

in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Advance or Swingline Participation Amount, as the case may be. A certificate of the Swingline Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (v) shall be conclusive absent manifest error.

(c) The Borrower shall deliver its irrevocable Notice of Borrowing to the Administrative Agent not later than 11:00 a.m. on the same Business Day as each Swingline Advance, of its intention to borrow, specifying (A) the date of such borrowing, which shall be a Business Day, (B) the amount of such borrowing, which shall be in an aggregate principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof (or the remaining amount of the Swingline Commitment).

(d) Not later than 1:00 p.m. on the proposed Borrowing Date, the Swingline Lender will make available to the Administrative Agent, for the account of the Borrower, at the Administrative Agent's ~~Applicable~~applicable Lending Office in funds immediately available to the Administrative Agent, the Swingline Advances to be made on such Borrowing Date. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of each borrowing requested pursuant to this Section in immediately available funds by crediting or wiring such proceeds to the deposit account as agreed upon by the Borrower and the Administrative Agent from time to time.

(e) The Borrower hereby agrees to repay the outstanding principal amount of all Swingline Advances in accordance with Section 2.03(b) (but, in any event, no later than the Termination Date), together, in each case, with all accrued but unpaid interest thereon.

SECTION 2.04 Letters of Credit.

(a) Each LC Issuing Bank has severally agreed to act as an LC Issuing Bank and, in such capacity, each LC Issuing Bank has severally agreed to issue Letters of Credit in an amount such that the LC Outstandings attributable to Letters of Credit issued by such LC Issuing Bank is not greater than the LC Commitment for such LC Issuing Bank, subject to the terms and conditions set forth herein. The Borrower may also from time to time appoint one or more Lenders (with the consent of any such Lender, which consent may be withheld in the sole discretion of each Lender) to act, either directly or through an Affiliate of such Lender, as an LC Issuing Bank hereunder. Any such appointment and the terms thereof shall be evidenced in a separate written agreement executed by the Borrower and the relevant LC Issuing Bank, a copy of which agreement shall be delivered by the Borrower to the Administrative Agent. The Administrative Agent shall give prompt notice of any such appointment to the other Lenders. Upon such appointment, if and for so long as such Lender shall have any obligation to issue any Letters of Credit hereunder or any Letter of Credit issued by such Lender shall remain outstanding, such Lender shall be

deemed to be, and shall have all the rights and obligations of, an "LC Issuing Bank" under this Agreement.

(b) Subject to the terms and conditions hereof, each Letter of Credit shall be issued (or the stated maturity thereof extended or terms thereof modified or amended) on not less than two Business Days' prior notice thereof by delivery of a Request for Issuance to the Administrative Agent (which shall promptly distribute copies thereof to the Lenders) and the relevant LC Issuing Bank for the account of the Borrower or any of its Subsidiaries; *provided* that the Borrower shall be the account party for the purposes of this Agreement and shall have the reimbursement obligations with respect thereto. Each Letter of Credit shall be issued in a form acceptable to the LC Issuing Bank. Each Request for Issuance shall specify (i) the identity of the relevant LC Issuing Bank, (ii) the date (which shall be a Business Day) of issuance of such Letter of Credit (or the date of effectiveness of such extension, modification or amendment) and the stated expiry date thereof (which shall be not more than one year after the date of issuance, *provided*, that if the expiry date of such Letter of Credit is later than the Termination Date of any Lender, the Borrower will no later than five Business Days prior to such Termination Date deposit in an account designated with the Administrative Agent (the "**LC Collateral Account**"), in the name of the Administrative Agent and for the benefit of the applicable Lenders and the applicable LC Issuing Banks, in same day funds, an amount equal to the product of (A) 1.03 times the aggregate undrawn stated amount of such Letter of Credit and (B) the Commitment Percentage of the Commitments expiring on such Termination Date), (iii) the proposed stated amount of such Letter of Credit (which amount shall not (A) be less than \$100,000 and (B) be subject to any automatic increase provisions), (iv) the name and address of the beneficiary of such Letter of Credit and (v) a statement of drawing conditions applicable to such Letter of Credit, and if such Request for Issuance relates to an amendment or modification of a Letter of Credit, it shall, to the extent applicable, be accompanied by the consent of the beneficiary of the Letter of Credit thereto. Each Request for Issuance shall be irrevocable unless modified or rescinded by the Borrower not less than two days prior to the proposed date of issuance (or effectiveness) specified therein. Not later than 12:00 noon on the proposed date of issuance (or effectiveness) specified in such Request for Issuance, and upon fulfillment of the applicable conditions precedent and the other requirements set forth herein, the relevant LC Issuing Bank shall issue (or extend, amend or modify) such Letter of Credit and provide notice and a copy thereof to the Administrative Agent, which shall, upon request by a Lender, promptly furnish copies thereof to such Lender; *provided* that the LC Issuing Bank shall not issue or amend any Letter of Credit if such LC Issuing Bank has received notice from the Administrative Agent that the applicable conditions precedent have not been satisfied.

(c) No Letter of Credit shall be requested or issued hereunder if, after the issuance thereof, (i) the aggregate Outstanding Credits would exceed the aggregate Commitments, (ii) the portion of the LC Outstandings attributable to Letters of Credit issued by any LC Issuing Bank will not exceed the LC Commitment of such LC Issuing Bank or (iii) the aggregate LC Outstandings would exceed \$1,200,000,000.

(d) The Borrower hereby agrees to pay to the Administrative Agent for the account of each LC Issuing Bank and, if they shall have purchased participations in the reimbursement obligations of the Borrower pursuant to subsection (e) below, the participating Lenders, on each date on which such LC Issuing Bank shall pay any amount under any Letter of Credit issued by such LC Issuing Bank, a sum equal to the amount so paid plus interest on such amount from the date so paid by such LC Issuing Bank until repayment to such LC Issuing Bank in full at a fluctuating interest rate per annum equal to the interest rate applicable to Base Rate Advances plus 2%. The Borrower may reimburse drawings under a Letter of Credit with an Advance. Notwithstanding anything herein to the contrary, the obligations with respect to Letters of Credit of (i) the Borrower shall survive any Termination Date and shall remain in effect until no Letters of Credit remain outstanding, (ii) each Lender shall survive to the extent that the Borrower shall fail to deposit Cash Collateral in the LC Collateral Account as required under subsection

(b) above and (iii) each Lender shall be reinstated, to the extent any such Cash Collateral, the application thereof or the reimbursement in respect thereof is required to be returned to the Borrower by any LC Issuing Bank after such Termination Date.

(e) If any LC Issuing Bank shall not have been reimbursed in full for any payment made by such LC Issuing Bank under a Letter of Credit issued by such LC Issuing Bank on the date of such payment, such LC Issuing Bank may give the Administrative Agent and each Lender prompt notice thereof (an "**LC Payment Notice**") no later than 12:00 noon on any Business Day on or after the Business Day immediately succeeding the date of such payment by such LC Issuing Bank. Each Lender severally agrees to purchase a participation in the reimbursement obligation of the Borrower to such LC Issuing Bank by paying to the Administrative Agent for the account of such LC Issuing Bank an amount equal to such Lender's Commitment Percentage of such unreimbursed amount paid by such LC Issuing Bank, plus interest on such amount at a rate per annum equal to the Federal Funds Rate from the date of the

payment by such LC Issuing Bank to the date of payment to such LC Issuing Bank by such Lender. Each such payment by a Lender shall be made not later than 3:00 P.M. on the later to occur of (i) the Business Day immediately following the date of such payment by such LC Issuing Bank and (ii) the Business Day on which such Lender shall have received an LC Payment Notice from such LC Issuing Bank. Each Lender's obligation to make each such payment to the Administrative Agent for the account of such LC Issuing Bank shall be several and shall not be affected by the occurrence or continuance of a Default or the failure of any other Lender to make any payment under this Section 2.04(e). Each Lender further agrees that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(f) The failure of any Lender to make any payment to the Administrative Agent for the account of any LC Issuing Bank in accordance with subsection (e) above shall not relieve any other Lender of its obligation to make payment, but no Lender shall be responsible for the failure of any other Lender. If any Lender (a "***non-performing Lender***") shall fail to make any payment to the Administrative Agent for the account of any LC Issuing Bank in accordance with subsection (e) above within five Business Days after the LC Payment Notice relating thereto, then, for so long as such failure shall continue, such LC Issuing Bank shall be deemed, for purposes of Sections 6.01 and 8.01 hereof, to be a Lender owed a Borrowing in an amount equal to the outstanding principal amount due and payable by such non-performing Lender to the Administrative Agent for the account of such LC Issuing Bank pursuant to subsection (e) above. Any non-performing Lender and the Borrower (without waiving any claim against such Lender for such Lender's failure to purchase a participation in the reimbursement obligations of the Borrower under subsection (e) above) severally agree to pay to the Administrative Agent for the account of such LC Issuing Bank forthwith on demand such amount, together with interest thereon for each day from the date such Lender would have purchased its participation had it complied with the requirements of subsection (e) above until the date such amount is paid to the Administrative Agent at (i) in the case of the Borrower, the interest rate applicable at the time to Base Rate Advances plus 2%, in accordance with Section 2.04(d), and (ii) in the case of such Lender, the Federal Funds Rate.

(g) The payment obligations of each Lender under Section 2.04(e) and of the Borrower under this Agreement in respect of any payment under any Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

- (i) any lack of validity or enforceability of this Agreement or any other agreement or instrument relating thereto or to such Letter of Credit;
- (ii) any amendment or waiver of, or any consent to departure from, the terms of this Agreement or such Letter of Credit;

(iii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against any beneficiary, or any transferee, of such Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), any LC Issuing Bank, or any other Person, whether in connection with this Agreement, the transactions contemplated hereby, thereby or by such Letter of Credit, or any unrelated transaction;

(iv) any statement or any other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment in good faith by any LC Issuing Bank under the Letter of Credit issued by such LC Issuing Bank against presentation of a draft or certificate that does not comply with the terms of such Letter of Credit;

(vi) the use that may be made of any Letter of Credit by, or any act or omission of, the beneficiary of any Letter of Credit (or any Person for which the beneficiary may be acting); or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

(h) Without limiting any other provision of this Section 2.04, for purposes of this Section 2.04 any LC Issuing Bank may rely upon any oral, telephonic, telegraphic, facsimile, electronic, written or other communication believed in good faith to have been authorized by the Borrower, whether or not given or signed by an authorized Person of the Borrower.

(i) The Borrower assumes all risks of the acts and omissions of any beneficiary or transferee of any Letter of Credit. Neither any LC Issuing Bank, the Lenders nor any of their respective officers, directors, employees, agents or Affiliates shall be liable or responsible for (i) the use that may be made of such Letter of Credit or any acts or omissions of any beneficiary or transferee thereof in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (iii) payment by any LC Issuing Bank against presentation of documents that do not comply with the terms of such Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit; or (iv) any other circumstances whatsoever in making or failing to make payment under such Letter of Credit, except that the Borrower and each Lender shall have the right to bring suit against each LC Issuing Bank, and each LC Issuing Bank shall be liable to the Borrower and any Lender, to the extent of any direct, as opposed to consequential, damages suffered by the Borrower or such Lender that the Borrower or such Lender obtains a final non-appealable judgment by a court of competent jurisdiction that such damages were caused by such LC Issuing Bank's willful misconduct or gross negligence, including, in the case of the Borrower, such LC Issuing Bank's willful failure to make timely payment under such Letter of Credit following the presentation to it by the beneficiary thereof of a draft and accompanying certificate(s) that strictly comply with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, each LC Issuing Bank may accept sight drafts and accompanying certificates presented under the Letter of Credit issued by such LC Issuing Bank that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and payment against such documents shall not constitute willful misconduct or gross negligence by such LC Issuing Bank. Notwithstanding the foregoing, no Lender shall be obligated to indemnify the Borrower for damages caused by any LC Issuing Bank's willful misconduct or gross negligence.

(j) Upon satisfaction of all conditions precedent set forth in Sections 3.01 and 3.02, each Existing Letter of Credit shall be deemed to be a "Letter of Credit" issued pursuant to this Section 2.04 on the date of this Agreement for all purposes of this Agreement and the other Loan Documents.

SECTION 2.05 Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee equal to the Commitment Fee Rate in effect for each day, multiplied by the amount of such Lender's Available Commitment; *provided*, that the amount of outstanding Swingline Advances shall not be considered usage of the Available Commitments for the purpose of calculating such commitment fee (i) from the date hereof, in the case of each Initial Lender, and (ii) from the effective date specified in the Assignment and Assumption pursuant to which it became a Lender, in the case of each other Lender, in each case until the Termination Date of such Lender, payable quarterly in arrears

on the last day of each March, June, September and December, commencing September 30, 2016, and ending on the Termination Date of such Lender.

(b) The Borrower shall pay to the Administrative Agent such fees as may from time to time be agreed between the Borrower and the Administrative Agent.

(c) The Borrower shall pay to the Administrative Agent for the account of each Lender a fee (the "*LC Fee*") on the daily aggregate principal amount of each such Lender's Commitment Percentage of the LC Outstandings for each day (i) from the date hereof, in the case of each Initial Lender, and (ii) from the effective date specified in the Assignment and Assumption pursuant to which it became a Lender, in the case of each other Lender, in each case until the later to occur of (x) the Termination Date of such Lender, and (y) the date on which no Letters of Credit in which such Lender is obligated to participate are outstanding, payable on the last day of each March, June, September and December (commencing on September 30, 2016), and on such later date, at a rate equal at all times to the Applicable Margin in effect from time to time for ~~Eurodollar Rate~~SOFR Advances.

(d) The Borrower shall pay to each LC Issuing Bank fronting and other fees for the issuance and maintenance of Letters of Credit issued by such LC Issuing Bank and for drawings thereunder as may be separately agreed between the Borrower and such LC Issuing Bank.

SECTION 2.06 Extension of the Termination Date.

(a) Not earlier than 60 days prior to, nor later than 30 days prior to each anniversary of the ~~Restatement~~First Amendment Effective Date (each, an "*Anniversary Date*"), the Borrower may request by notice made to the Administrative Agent (which shall promptly notify the Lenders thereof) a one-year extension of the Termination Date. Each Lender shall notify the Administrative Agent by the date specified by the Administrative Agent (which date shall be a Business Day and shall not be less than 15 days prior to, nor more than 30 days prior to, the ~~Extension Effective~~Anniversary Date) that either (A) such Lender declines to consent to extending the Termination Date or (B) such Lender consents to extending the Termination Date. Any Lender not responding within the above time period shall be deemed not to have consented to extending the Termination Date. The Administrative Agent shall, after receiving the notifications from all of the Lenders or the expiration of such period, whichever is earlier, notify the Borrower and the Lenders of the results thereof. The Borrower may request no more than two (2) extensions of the Termination Date pursuant to this Section following the First Amendment Effective Date. For the avoidance of doubt, at no time may the term of this Agreement exceed five (5) years.

(b) If any Lender declines, or is deemed to have declined, to consent to such request for extension (each a "*Declining Lender*"), the Borrower shall have the right to replace such Declining

Lender in accordance with Section 2.20(b). Any Lender replacing a Declining Lender shall be deemed to have consented to such request for extension (regardless of when such replacement is effective) and shall not be deemed to be a Declining Lender.

(c) If the Required Lenders have consented to the extension of the Termination Date, the Termination Date shall be extended (solely with respect to each Lender that consented to the extension) to the date that is one year after the then-effective Termination Date, effective as of the ~~date to be determined by the Administrative Agent and the Borrower (the "Extension Effective Anniversary Date").~~ On or prior to the ~~Extension Effective Anniversary~~ Date, the Borrower shall deliver to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, (i) the resolutions of the Borrower authorizing such extension, certified as being in effect as of the ~~Extension Effective Anniversary~~ Date and the related incumbency certificate of the Borrower, (ii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), as to such matters as any Lender through the Administrative Agent may reasonably request and (iii) a certificate of the Borrower stating that on and as of such ~~Extension Effective Anniversary~~ Date, and after giving effect to the extension to be effective on such date, all conditions precedent to an Extension of Credit are satisfied. ~~On each Extension Effective Date or prior to the Termination Date applicable to any Declining Lender, the such~~ Declining Lender shall have received payment in full of the principal amount of all Advances outstanding owing to such Declining Lender and all interest thereon and all fees and other amounts (including, without limitation, any amounts payable pursuant to Section 8.04(c)), payable to such Declining Lender accrued through such ~~Extension Effective~~ Termination Date. Promptly following such ~~Extension Effective Anniversary~~ Date, the Administrative Agent shall distribute an amended Schedule II to this Agreement (which shall thereafter be incorporated into this Agreement) to reflect any changes, if any, in the Lenders, the Commitments and each Lender's Commitment Percentage as of such ~~Extension Effective Anniversary~~ Date.

(d) Each LC Issuing Bank and the Swingline Lender may, in its sole discretion, elect not to serve in such capacity following any extension of the Termination Date; *provided* that, (i) the Borrower and the Administrative Agent may appoint a replacement for such resigning LC Issuing Bank or Swingline Lender, and (ii) whether such replacement is found shall not otherwise affect the extension of the Termination Date.

SECTION 2.07 Increase of the Commitments.

(a) The Borrower may, from time to time, provided that no Default or Event of Default has occurred and is continuing, request by notice to the Administrative Agent, to increase the Commitments in minimum increments of \$10,000,000, up to a maximum increase aggregate amount for all such increases to occur after the Restatement Effective Date of \$1,000,000,000, by designating one or more Eligible Assignees (each a "***Designated Lender***") that agree to accept all or a portion of such additional Commitments (the "***Proposed Increased Commitment***"), provided, that (x) if a Designated Lender is not a Lender, such Designated Lender shall be reasonably acceptable to the Administrative Agent and each LC Issuing Bank and the Swingline Lender, and such Designated Lender's Proposed Increased Commitment shall be at least \$5,000,000; and (y) if Designated Lender is a Lender, such Designated Lender shall be reasonably acceptable to each LC Issuing Bank and the Swingline Lender, and allocations of the Proposed Increased Commitment among Designated Lenders that are Lenders shall be based on the ratio of each existing Lender's Proposed Increased Commitment, if any, to the aggregate of all Proposed Increased Commitments. The Borrower may elect to remove or replace any such designated Eligible Assignee at any time prior to the effective date of such increase, *provided* that any newly designated Eligible Assignee is reasonably acceptable to the Administrative Agent and each LC Issuing Bank and the Swingline Lender.

(b) The Administrative Agent shall promptly notify the Designated Lenders of the Proposed Increased Commitment. Each Designated Lender shall notify the Administrative Agent by the date specified by the Administrative Agent (which date shall be a Business Day) that either (A) such Designated Lender declines to accept its additional Commitments or (B) such Designated Lender consents to accept its additional Commitments. Any Designated Lender not responding on or prior to the date specified by the Administrative Agent shall be deemed not to have consented to accept its additional Commitments. The Administrative Agent shall, after receiving the notifications from all of the Designated Lenders or following the date specified in the notice to such Designated Lenders, whichever is earlier, notify the Borrower and the Lenders of the results thereof and the effective date of any additional Commitments. The Borrower shall deliver (i) a certificate signed by a duly authorized officer of the Borrower to the Administrative Agent, dated as of the effective date of such additional Commitments, stating that all conditions precedent to an Extension of Credit set forth in Section 3.02 are true and correct on and as of such effective date and (ii) a favorable opinion of counsel for the Borrower

(which may be an attorney of American Electric Power Service Corporation), as to such matters as any Lender through the Administrative Agent may reasonably request.

(c) Promptly following the effective date of any Commitment increase pursuant to this Section 2.07, (i) the Administrative Agent shall distribute an amended Schedule II to this Agreement (which shall thereafter be incorporated into this Agreement) to reflect any changes in Lenders, the Commitments and each Lender's Commitment Percentage as of such effective date and (ii) the Borrower shall prepay the outstanding Borrowings (if any) in full, and shall simultaneously make new Borrowings hereunder in an amount equal to such prepayment, so that, after giving effect thereto, the Borrowings are held ratably by the Lenders in accordance with their respective Commitments (after giving effect to such Commitment increase). Prepayments made under this clause (c) shall not be subject to the notice requirements of Section 2.14.

(d) Notwithstanding any provision contained herein to the contrary, from and after the date of any Commitment increase and the making of any Advances on such date pursuant to clause (c)(ii) above, all calculations and payments of fees and of interest on the Advances shall take into account the actual Commitment of each Lender and the principal amount outstanding of each Advance made by such Lender during the relevant period of time.

SECTION 2.08 Termination or Reduction of the Commitments.

(a) The Borrower shall have the right, upon at least three Business Days' notice to the Administrative Agent, to terminate in whole or reduce ratably in part the Available Commitments, *provided* that (i) each partial reduction shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (ii) no such termination or reduction shall be made that would reduce the aggregate Commitments to an amount less than the aggregate Outstanding Credits on the date of such termination or reduction.

(b) The Borrower may terminate the Available Commitment of any Lender that is a Defaulting Lender in accordance with Section 8.16(a)(vi).

(c) The Commitment of each Lender shall automatically terminate on the Termination Date applicable to such Lender as provided in Section 2.06.

(d) Once terminated, neither a Commitment nor any portion thereof may be reinstated.

SECTION 2.09 Repayment of Advances.

(a) The Borrower shall repay to the Administrative Agent for the account of each Lender on the Termination Date with respect to such Lender the aggregate principal amount of all Advances made by such Lender to the Borrower then outstanding.

(b) If at any time the aggregate principal amount of Outstanding Credits exceed the aggregate Commitments, the Borrower shall pay or prepay so much of the Borrowings (*first*, the Swingline Advances, and *second*, Revolving Advances) and/or deposit funds in the LC Collateral Account equal to 103% of so much of the LC Outstandings as shall be necessary in order that the principal amount of Advances outstanding plus the aggregate amount of LC Outstandings not so Cash Collateralized will not exceed the Commitments.

SECTION 2.10 Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Advance made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(b) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Advance made hereunder, the Type of each Advance made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to subsections (a) and (b) of this Section 2.10 shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations therein recorded; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Advances and interest thereon in accordance with their terms.

(d) Any Lender may request that any Advances made by it be evidenced by one or more promissory notes. In such event, the Borrower shall prepare, execute and deliver to such Lender one or more promissory notes payable to such Lender (or, if requested by such Lender, to such Lender and its assignees) and in a form approved by the Administrative Agent. Thereafter, the Advances evidenced by such promissory notes and interest thereon shall at all times (including after assignment pursuant to Section 8.07) be represented by one or more promissory notes in such form payable to the payee named therein.

SECTION 2.11 Interest on Advances.

The Borrower shall pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) **Base Rate Advances.** During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate plus (y) the Applicable Margin for Base Rate Advances in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

~~(b) **LIBOR Market Index Rate Advances.** During such periods as any LIBOR Market Index Rate Advance is outstanding, a rate per annum equal at all times to the sum of (x) the LIBOR Market Index Rate plus (y) the Applicable Margin for LIBOR Market Index Rate Advances in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such LIBOR Market Index Rate Advance is prepaid, whether due to acceleration or otherwise, and at maturity.~~

~~(b) **(c) Eurodollar Rate SOFR Advances.** During such periods as such Advance is a Eurodollar Rate SOFR Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) the Eurodollar Rate Adjusted Term SOFR for such Interest Period for such Advance plus (y) the Applicable Margin for Eurodollar Rate SOFR Advances in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the~~

first day of such Interest Period and on the date such Eurodollar Rate SOFR Advance shall be Converted or paid in full:

~~(d) — **Additional Interest on Eurodollar Rate Advances.** The Borrower shall pay to each Lender, so long as such Lender shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender, from the date of such Advance until such principal amount is paid in full, at an interest rate *per annum* equal at all times to the remainder obtained by subtracting (i) the Eurodollar Rate for the Interest Period for such Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% *minus* the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which interest is payable on such Advance. Such additional interest shall be determined by such Lender and notified to the Borrower through the Administrative Agent.~~

~~(c) **(e) Swingline Advances.** Swingline Advances shall be made and maintained as LIBOR Market Interest Base Rate Advances only.~~

SECTION 2.12 Interest Rate Determination.

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.11(a), (b) or (c), ~~and, if applicable, the rate for the purpose of determining the applicable interest rate under Section 2.11(d).~~

~~(b) If, Subject to Section 8.21 below, in connection with respect to any Eurodollar Rate Advances or LIBOR Market Index Rate Advances, request for a SOFR Advance or a conversion to or continuation thereof or otherwise, if for any reason (i) the Required Lenders notify the Administrative Agent that the Eurodollar Rates shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining Adjusted Term SOFR for any the applicable Interest Period for such Advances will with respect to a proposed SOFR Advance on or prior to the first day of such Interest Period or (ii) the Required Lenders shall determine (which determination shall be conclusive and binding absent manifest error) that Adjusted Term SOFR does not adequately and fairly reflect the cost to such Required Lenders of making, funding or maintaining their respective Eurodollar Rates such Advances or LIBOR Market Index Rate Advances for during such Interest Period and, or in the case of clause (ii), the Required Lenders have provided notice of such determination to the Administrative Agent determines that adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Eurodollar Rate or LIBOR Market Index Rate Advance, then, in each case, the Administrative Agent shall forthwith so~~

~~notify the Borrower and the Lenders, whereupon (A) each Eurodollar Rate Advance and LIBOR Market Index Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (B) the promptly give notice thereof to the Borrower. Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make Eurodollar Rate SOFR Advances, and LIBOR Market Index Rate Advances, or to Convert outstanding Advances into Eurodollar Rate Advances any right of the Borrower to convert any Advance to or continue any Advance as a SOFR Advance, shall be suspended (to the extent of the affected SOFR Advances or the affected Interest Periods) until the Administrative Agent shall notify the Borrower and (with respect to clause (ii), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Advances (to the extent of the affected SOFR Advances or the affected Interest Periods) or, failing that, the circumstances causing such suspension no longer exist Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Advances in the amount specified therein and (B) any outstanding affected SOFR Advance will be deemed to have been converted into Base Rate Advances at the end of the applicable Interest Period. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 8.04.~~

(c) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate SOFR Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of Eurodollar Rate SOFR Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each Eurodollar Rate SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make Eurodollar Rate Advances and LIBOR Market Index Rate SOFR Advances, or to Convert outstanding Advances into Eurodollar Rate SOFR Advances shall be suspended.

SECTION 2.13 Optional Conversion of Advances.

The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 12:00 noon on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.12 and 2.16, Convert all or any part of Advances of one Type comprising the same Borrowing into Advances of the other Type or of the same Type but having a new Interest Period; *provided, however*, that the Borrower may not request that Swingline Advances be converted into or continued as Eurodollar Rate SOFR Advances or Base Rate Advances, any Conversion of Eurodollar Rate SOFR Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate SOFR Advances, any Conversion of Base Rate Advances into Eurodollar Rate SOFR Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Advances shall result in more separate Borrowings than permitted under Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into Eurodollar Rate SOFR Advances, the duration of the initial Interest Period for each such Advance. Each such notice of Conversion shall be irrevocable and binding on the Borrower.

SECTION 2.14 Optional Prepayments of Advances.

The Borrower may, upon at least two Business Days' notice, in the case of Eurodollar Rate SOFR Advances, and upon notice not later than 11:00 A.M. (New York City time) on the date of prepayment, in the case of Base Rate Advances or LIBOR Market Index Rate Advances, to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and, if such notice is given, the Borrower shall prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; *provided, however*, that (x) each partial prepayment shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (y) in the event of any such prepayment of a Eurodollar Rate SOFR Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

SECTION 2.15 Increased Costs.

(a) **Increased Costs Generally.** If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of the FRB, as amended and in effect from time to time)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurodollar Rate Reserve Percentage, in the case of Eurodollar Rate Advances) or any LC Issuing Bank;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or any LC Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender or any Letter of Credit or Swingline Advance or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender, any LC Issuing Bank or such other Recipient of making, converting to, continuing or maintaining any Advance (or of maintaining its obligation to make any such Advance), or to increase the cost to such Lender, such LC Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or Swingline Advance (or of maintaining its obligation to participate in or to issue any Letter of Credit or Swingline Advance), or to reduce the amount of any sum received or receivable by such Lender, such LC Issuing Bank or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of such Lender, such LC Issuing Bank or other Recipient, the Borrower will shall promptly pay to any such Lender, such LC Issuing Bank or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such LC Issuing Bank or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements.** If any Lender or any LC Issuing Bank determines that any Change in Law affecting such Lender or such LC Issuing Bank or any Applicable applicable Lending Office of such Lender or such Lender's or such LC Issuing Bank's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or such LC Issuing Bank's capital or on the capital of such Lender's or such LC Issuing Bank's

holding company, if any, as a consequence of this Agreement, the ~~Commitments~~ Commitment of such Lender or the Advances made by ~~such Lender~~, or participations in Letters of Credit or Swingline Advances held by, such Lender, or the Letters of Credit issued by ~~any such~~ such LC Issuing Bank, to a level below that which such Lender or such LC Issuing Bank or such Lender's or such LC Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such LC Issuing Bank's policies and the policies of such Lender's or such LC Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time upon written request of such Lender or such LC Issuing Bank, the Borrower ~~will~~ shall promptly pay to such Lender or such LC Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such LC Issuing Bank or such Lender's or such LC Issuing Bank's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender, or an LC Issuing Bank or such other Recipient setting forth the amount or amounts necessary to compensate such Lender or such LC Issuing Bank ~~or its, such other Recipient or any of their respective~~ holding ~~company~~ companies, as the case may be, as specified in ~~subsection paragraph~~ (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or such LC Issuing Bank or such other Recipient, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or any LC Issuing Bank or such other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such LC Issuing Bank's or such other Recipient's right to demand such compensation; provided that the Borrower shall not be required to compensate ~~any~~ any Lender or an LC Issuing Bank or any other Recipient pursuant to this Section for any increased costs incurred or reductions suffered more than ~~six~~ nine (9) months prior to the date that such Lender or such LC Issuing Bank or such other Recipient, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or such LC Issuing Bank's or such other Recipient's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the ~~six~~ nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Survival. All of the obligations of the Borrower under this Section 2.15 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.16 Illegality Laws Affecting SOFR Availability.

If ~~due to, after the date hereof, the introduction of, or any Change~~ change in, any Applicable Law ~~for any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency,~~ shall ~~become~~ make it unlawful or impossible for any ~~Credit Party (or its Eurodollar)~~ Credit Party (or its Eurodollar) of the Lenders (or any of their respective Lending ~~Office~~ Offices) to ~~honor its obligations hereunder to make, or maintain or fund its Eurodollar Rate Advances or LIBOR Market Index Rate Advance, and any SOFR Advance, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, such Credit Party Lender shall so notify the promptly give notice thereof to the Administrative Agent, and the Administrative Agent shall forthwith give notice thereof to the other Credit Parties and the Borrower, whereupon~~ promptly give notice to the Borrower and the other Lenders

(an "Illegality Notice"). Thereafter, until ~~such Credit Party~~ each affected Lender notifies the ~~Borrower~~ Administrative Agent and the Administrative Agent notifies the Borrower that the circumstances giving rise to such ~~suspension~~ determination no longer exist, ~~the (i) any obligation of such Credit Party the Lenders to make Eurodollar Rate SOFR Advances, and LIBOR Market Index Rate Advances, or to Convert outstanding Advances into Eurodollar Rate Advances any right of the Borrower to convert any Advance to a SOFR Advance or continue any Advance as a SOFR Advance, shall be suspended. Before giving any notice to and (ii) if necessary to avoid such illegality, the Administrative Agent pursuant to this Section 2.16, such Credit Party shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions applicable to such Credit Party) to designate a different Eurodollar Lending Office if such designation would~~ shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate". Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all SOFR Advances to Base Rate Advances (in

~~each case, if necessary to avoid the need for giving such notice and would not be illegal, in the judgment of such Credit Party, be otherwise disadvantageous to such Credit Party. If such notice is given, each Eurodollar Rate Advance or LIBOR Market Index Rate Advance of such Credit Party then outstanding Administrative Agent shall be converted to compute the Base Rate Advance either (i) without reference to clause (c) of the definition of "Base Rate", on the last day of the then current Interest Period applicable to such Eurodollar Rate Advance if such Credit Party therefor, if all affected Lenders may lawfully continue to maintain and fund such Advance SOFR Advances to such day, or (ii) immediately, if such Credit Party shall determine that it any Lender may not lawfully continue to maintain and fund such Advance SOFR Advances to such day. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 8.04.~~

SECTION 2.17 Payments and Computations.

(a) The Borrower shall make each payment to be made by it hereunder not later than 1:00 P.M. on the day when due in Dollars to the Administrative Agent at the Agent's Account in same day funds without condition or deduction for any counterclaim, defense, recoupment or setoff. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or commitment fees ratably (other than amounts payable pursuant to Section ~~2.11(d)~~, 2.15, 2.18, 8.04(c) or 8.16) to the Lenders for the account of their respective ~~Applicable~~ Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its ~~Applicable~~ applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Assumption, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves. Each payment to the Administrative Agent on account of the principal of or interest on the Swingline Advances or of any fee, commission or other amounts payable to the Swingline Lender shall be made in like manner, but for the account of the Swingline Lender.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder, after any applicable grace period, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the rate referred to in clause (i) of the definition of the "Base Rate" contained in Section 1.01 shall be made by the Administrative Agent on the basis of a

year of 365 or 366 days, as the case may be, and all computations of interest based on ~~the Eurodollar Rate~~SOFR or the Federal Funds Rate and of commitment fees and LC Fees shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, commitment fees or LC Fees are payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fees, as the case may be; *provided, however*, that, if such extension would cause payment of interest on or principal of Eurodollar RateSOFR Advances to be made in the next following calendar month or on a date after the Termination Date, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to a Lender hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date, and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.18 Taxes.

(a) **Defined Terms.** For purposes of this Section 2.18, the term “Lender” includes any LC Issuing Bank and the term “Applicable Law” includes FATCA.

(b) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Borrower.** The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Borrower.** The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes

were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders.** Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 8.07(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were

correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f) **Evidence of Payments.** As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.18, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) **Status of Lenders.** (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.18(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(iii) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W 8BEN E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W 8BEN E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(iv) executed copies of IRS Form W-8ECI;

(v) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “*U.S. Tax Compliance Certificate*”) and (y) executed copies of IRS Form W-8BEN or W 8BEN E;

(vi) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, W 8BEN E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(A) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(B) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be

necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.18 (including by the payment of additional amounts pursuant to this Section 2.18), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity

payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **FATCA Withholding.** For purposes of determining withholding Taxes imposed under FATCA, from and after the Restatement Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the obligations of the Borrower set forth in this Agreement as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Sections 1.1471-2(b)(2)(i) and 1.1471-2T(b)(2)(i).

(j) **Survival.** Each party’s obligations under this Section 2.18 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.19 Sharing of Payments, Etc.

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it or participations in Letters of Credit or Swingline Advances (other than pursuant to Section ~~2.11(d)~~, 2.15, 2.18, 8.04(c) or 8.16 or in respect of ~~Eurodollar Rate~~SOFR Advances converted into Base Rate Advances pursuant to Section 2.16) by the Borrower in excess of its ratable share of payments on account of the Advances to the Borrower and participations in Letters of Credit and Swingline Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in such Advances owing to them and participations in Letters of Credit and Swingline Advances as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such

purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.19 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(b) If any Lender shall fail to make any payment required to be made by it pursuant to Sections 2.02(d), 2.03(f), 2.04(e) or 7.05, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent and the LC Issuing Banks to satisfy such Lender's obligations to it or them under such Section until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as Cash Collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.20 Mitigation Obligations; Replacement of Lenders.

(a) **Designation of a Different Lending Office.** If any Lender delivers a notice pursuant to Section 2.16, requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different ~~Applicable~~ Lending Office or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.18, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender delivers a notice pursuant to Section 2.16, requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18 and, in each case, such Lender has declined or is unable to designate a different ~~Applicable~~ Lending Office in accordance with Section 2.20(a), or if any Lender is a Declining Lender, a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 8.07), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or 2.18) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); *provided that*:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 8.07(b)(iv);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Advances and any participations in Swingline Advances and/or Letters of Credit funded pursuant to Section 2.03(h) or 2.04(e), as applicable, together with all applicable accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.04(c)) from the assignee (to the extent of such outstanding principal amounts and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.18, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) no Default shall have occurred and be continuing;

(v) such assignment does not conflict with Applicable Law; and

(vi) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III CONDITIONS PRECEDENT

SECTION 3.01 Conditions Precedent to Effectiveness of this Agreement and Initial Extensions of Credit.

This Agreement and the obligation of each Lender and each LC Issuing Bank, as applicable, to make the initial Extension of Credit to be made by it hereunder shall take effect on the date (the "*Restatement Effective Date*") on which each of the following conditions precedent has been satisfied:

(a) The Administrative Agent shall have received on or before the Restatement Effective Date the following, each dated the Restatement Effective Date, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:

(i) Certified copies of the Borrower's certificate of incorporation and bylaws, and resolutions of the board of directors of the Borrower approving this Agreement, a certificate of good standing for the Borrower from its jurisdiction of incorporation and all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Agreement.

(ii) A certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered by the Borrower hereunder.

(iii) A favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit D hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.

(iv) A favorable opinion of Winston & Strawn LLP, counsel for the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent.

(b) On the Restatement Effective Date, the following statements shall be true and the Administrative Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Restatement Effective Date, stating that:

(i) The representations and warranties of the Borrower contained in Section 4.01 are true and correct in all material respects on and as of the Restatement Effective Date, as though made on and as of such date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(c) The Borrower shall have paid all fees and expenses of the Administrative Agent, the Joint Lead Arrangers and the Lenders then due and payable in accordance with the terms of the Loan Documents (including the fees and expenses of counsel to the Administrative Agent to the extent then due and payable).

(d) The Administrative Agent shall have received counterparts of this Agreement, executed and delivered by the Borrower and the Lenders.

(e) The Administrative Agent shall have received all promissory notes (if any) requested by the Lenders pursuant to Section 2.10(d), duly completed and executed by the Borrower and payable to such Lenders.

(f) The Administrative Agent shall have received a Pricing Certificate setting forth the Non-Emitting Generation Capacity Percentage for the 2020 calendar year and the Baseline DART Rate (in each case, together with computations in reasonable detail in respect thereof).

(g) The Administrative Agent shall have received copies of the Disclosure Documents.

(h) The Administrative Agent shall have received all documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, to the extent such documentation or information is requested by the Administrative Agent on behalf of the Lenders prior to the Restatement Effective Date.

(i) The New 2-Year Credit Agreement shall have been executed and delivered by the Borrower and the other parties thereto, the aggregate amount of revolving commitments thereunder shall be not more than \$1,000,000,000 and such revolving commitments shall have become effective in accordance with its terms.

(j) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender or any LC Issuing Bank through the Administrative Agent.

SECTION 3.02 Conditions Precedent to each Extension of Credit.

The obligation of each Lender and each LC Issuing Bank, as applicable, to make each Extension of Credit to be made by it hereunder (other than in connection with any Borrowing that would not increase the aggregate principal amount of Advances outstanding immediately prior to the making of

such Borrowing) shall be subject to the satisfaction of the conditions precedent set forth in Section 3.01 and on the date of such Borrowing:

(a) The following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Extension of Credit shall constitute a representation and warranty by the Borrower that on the date of such Extension of Credit such statements are true):

(i) The representations and warranties of the Borrower contained in Section 4.01 (other than the representation and warranty in Section 4.01(e) and the representation and warranty set forth in the penultimate sentence of Section 4.01(f)) are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the date of such Extension of Credit, before and after giving effect to such Extension of Credit and to the

application of the proceeds therefrom, as though made on and as of such date, and

(ii) No event has occurred and is continuing or would result from such Extension of Credit or from the application of the proceeds therefrom, that constitutes a Default.

(b) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender or any LC Issuing Bank through the Administrative Agent.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

SECTION 4.01 Representations and Warranties of the Borrower.

The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, and each Significant Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized.

(b) The execution, delivery and performance by the Borrower of each Loan Document, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(c) Each Loan Document has been duly executed and delivered by the Borrower. Each Loan Document is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

(d) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Borrower of any Loan Document.

(e) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any Governmental Authority or arbitrator that is reasonably likely to have a Material Adverse Effect, except as disclosed in the Disclosure Documents.

(f) The consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at December 31, ~~2020~~2021, and the related consolidated statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal periods then ended (accompanied by an opinion of Deloitte & Touche LLP, an independent registered public accounting firm), copies of each of which have been furnished to each Lender, fairly present the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such dates and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such dates, all in accordance with generally accepted accounting principles consistently applied. Since December 31, ~~2020~~2021, there has been no Material Adverse Change. As of the ~~Restatement~~First Amendment Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

(g) No written statement, information, report, financial statement, exhibit or schedule furnished by or on behalf of the Borrower to the Administrative Agent, any Lender or any LC Issuing Bank in connection with the syndication or negotiation of this Agreement or included herein or delivered pursuant hereto (other than, for the avoidance of doubt, any Pricing Certificate) contained, contains, or will contain any material misstatement of fact or intentionally omitted, omits, or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are, or will be made, not misleading.

(h) Except as disclosed in the Disclosure Documents, the Borrower and each Significant Subsidiary is in material compliance with all laws (including ERISA and Environmental Laws) rules, regulations and orders of any Governmental Authority applicable to it.

(i) No failure to satisfy the minimum funding standard applicable to a Plan for a plan year (as described in Section 302 of ERISA and Section 412 of the Internal Revenue Code) that could reasonably be expected to have a Material Adverse Effect, whether or not waived, has occurred with respect to any Plan. The Borrower has not incurred, and does not presently expect to incur, any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its ERISA Affiliates have complied in all material respects with ERISA and the Internal Revenue Code. The Borrower and each of its Subsidiaries have complied in all material respects with foreign law applicable to its Foreign Plans, if any. As used herein, the term "**Plan**" means an "employee pension benefit plan" (as defined in Section 3 of ERISA) which is and has been established or maintained, or to which contributions are or have been made or should be made according to the terms of the plan, by the Borrower or any of its ERISA Affiliates. The term "**Multiemployer Plan**" means any Plan which is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA). The term "**Foreign Plan**" means any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement maintained by any Subsidiary which, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

(j) The Borrower and its Subsidiaries have filed or caused to be filed all material Federal, state and local tax returns that are required to be filed by them, and have paid or caused to be paid all material taxes shown to be due and payable on such returns or on any assessments received by them (to the extent that such taxes and assessments have become due and payable) other than those taxes contested in good faith and for which adequate reserves have been established in accordance with GAAP.

(k) The Borrower is not engaged in the business of extending credit for the purpose of buying or carrying Margin Stock, and no proceeds of any Advance will be used to buy or carry any Margin Stock or to extend credit to others for the purpose of buying or carrying any Margin Stock. Not more than 25% of the assets of the Borrower and the Significant Subsidiaries that are subject to the restrictions of Section 5.02(a), (c) or (d) constitute Margin Stock.

(l) Neither the Borrower nor any Significant Subsidiary is an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended. Neither the making of any Extension of Credit, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated hereby will violate any provision of such Act or any rule, regulation or order of the SEC thereunder.

(m) All Significant Subsidiaries as of the ~~Restatement~~[First Amendment](#) Effective Date are listed on Schedule 4.01(m) hereto.

(n) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective directors and officers and, to the knowledge of the Borrower, its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or any of their respective directors or officers, or (b) to the knowledge of the Borrower, any employee or agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing, Letter of Credit, or use of proceeds thereof or other transaction contemplated by this Agreement violates, or will violate, Anti-Corruption Laws or applicable Sanctions.

ARTICLE V COVENANTS OF THE BORROWER

SECTION 5.01 Covenants.

So long as any Advance or any other amount payable hereunder shall remain unpaid, any Letter of Credit shall remain outstanding or any Lender shall have any Commitment hereunder, the Borrower will:

(a) ***Preservation of Existence, Etc.*** Preserve and maintain, and cause each Significant Subsidiary to preserve and maintain, its corporate, partnership or limited liability company (as the case may be) existence and all material rights (charter and statutory) and franchises; *provided, however*, that the Borrower and any Significant Subsidiary may consummate any merger or consolidation permitted under Section 5.02(a); and *provided further* that neither the Borrower nor any Significant Subsidiary shall be required to preserve any right or franchise if (i) the board of directors of the Borrower or such Significant Subsidiary, as the case may be, shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Significant Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower or such Significant Subsidiary, as the case may be, or to the Lenders; (ii) required in connection with or pursuant to any Restructuring Law; or (iii) required in connection with the RTO Transaction; and *provided further*, that no Significant Subsidiary shall be required to preserve and maintain its corporate existence if (x) the loss thereof is not disadvantageous in any material respect to the Borrower or to the Lenders or (y) required in connection with or pursuant to any Restructuring Law or (z) required in connection with the RTO Transaction.

(b) **Compliance with Laws, Etc.** Comply, and cause each Significant Subsidiary to comply, in all material respects, with Applicable Law, with such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(c) **Performance and Compliance with Other Agreements.** Perform and comply, and cause each Significant Subsidiary to perform and comply, with the provisions of each indenture, credit agreement, contract or other agreement by which it is bound, the non-performance or non-compliance with which would result in a Material Adverse Change.

(d) **Inspection Rights.** At any reasonable time and from time to time, permit the Administrative Agent, any LC Issuing Bank or any Lender or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Significant Subsidiary and to discuss the affairs, finances and accounts of the Borrower and any Significant Subsidiary with any of their officers or directors and with their independent certified public accountants.

(e) **Maintenance of Properties, Etc.** Maintain and preserve, and cause each Significant Subsidiary to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted and except as required in connection with or pursuant to any Restructuring Law or in connection with RTO Transaction.

(f) **Maintenance of Insurance.** Maintain, and cause each Significant Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties; *provided, however*, that the Borrower and each Significant Subsidiary may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties and to the extent consistent with prudent business practice.

(g) **Payment of Taxes, Etc.** Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; *provided, however*, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which adequate reserves are being maintained in accordance with GAAP, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(h) **Keeping of Books.** Keep, and cause each Significant Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Significant Subsidiary in accordance with GAAP.

(i) **Reporting Requirements.** Furnish to the Lenders:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a copy of the Borrower's Quarterly Report on Form 10-Q for such quarter, as filed with the SEC, which shall contain a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as having been prepared in accordance

with generally accepted accounting principles and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as to compliance with the terms of this Agreement and (A) certifying that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (B) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the Borrower's Annual Report on Form 10-K for such year, as

filed with the SEC, which shall contain a copy of the annual audit report for such year for the Borrower and its Subsidiaries, containing a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, in each case accompanied by an opinion by ~~Deloitte & Touche LLP~~[Pricewaterhouse Coopers](#) or another independent registered public accounting firm acceptable to the Required Lenders, and consolidating statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as to compliance with the terms of this Agreement and (A) certifying that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (B) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(iii) as soon as possible and in any event within five days after the chief financial officer or treasurer of the Borrower obtains knowledge of the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all Reports on Form 8-K that the Borrower or any Significant Subsidiary files with the SEC or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Significant Subsidiary of the type described in Section 4.01(e);

(vi) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification;

(vii) such other information respecting the Borrower or any of its Subsidiaries as any LC Issuing Bank or any Lender through the Administrative Agent may from time to time reasonably request; and

(viii) with respect to each calendar year (with the first such delivery to occur in calendar year 2022, in respect of the KPI Metrics for the calendar year 2021), no later than five (5) Business Days following the publication of the Annual KPI Report (it being understood, for the avoidance of doubt, that the publication of the Annual KPI Report shall be deemed to have occurred upon the earlier to occur of the publication of either the Sustainability Report or the CAR (as each such term is defined in the definition of "Annual KPI Report")) for such calendar year (but no earlier than April 1 and no later than June 30 of such year), a Pricing Certificate for such calendar year; provided, however, that for any calendar year the Borrower may elect not to deliver a Pricing Certificate, and such election shall not constitute a Default or Event of Default under this Agreement.

Notwithstanding the foregoing, the information required to be delivered pursuant to clauses (i), (ii) and (iv) shall be deemed to have been delivered if such information shall be available on the website of the SEC at <http://www.sec.gov> or any successor website; *provided* that the compliance certificates required under clauses (i) and (ii) shall be delivered in the manner specified in Section 8.02(b).

(j) **Compliance with Anti-Corruption Laws and Sanctions.** Maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(k) **Use of Proceeds.** Use the proceeds of the Borrowings and Letters of Credit for working capital and general corporate purposes of the Borrower; provided that no part of the proceeds of any of the Advances or Letters of Credit shall be used for purchasing or carrying margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System) or for any purpose which violates the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System. If requested by the Administrative Agent or any Lender (through the Administrative Agent), the Borrower shall promptly furnish to the Administrative Agent and each requesting Lender a statement in conformity with the requirements of Form G-3 or Form U-1, as applicable, under Regulation U of the Board of Governors of the Federal Reserve System.

SECTION 5.02 Negative Covenants.

So long as any Advance or any other amount payable hereunder shall remain unpaid, any Letter of Credit shall remain outstanding or any Lender shall have any Commitment hereunder, the Borrower agrees that it will not:

(a) **Mergers, Etc.** Merge or consolidate with or into any Person, or permit any Significant Subsidiary to do so, except that (i) any Subsidiary may merge or consolidate with or into any other Subsidiary of the Borrower, (ii) any Subsidiary may merge into the Borrower, (iii) any Significant Subsidiary may merge with or into any other Person so long as such Significant Subsidiary continues to be a Significant Subsidiary of the Borrower and (iv) the Borrower may merge with any other Person so long as the successor entity (if other than the Borrower) assumes, in form reasonably satisfactory to the Administrative Agent, all of the obligations of the Borrower under this Agreement and the other Loan Documents, is incorporated or otherwise organized under the laws of a state of the United States of America or the District of Columbia and has long-term senior unsecured debt ratings issued (and confirmed after giving effect to such merger) by S&P or Moody's of at least BBB- and Baa3, respectively (or if no such ratings have been issued, commercial paper ratings issued (and confirmed after giving effect to such merger) by S&P and Moody's of at least A-3 and P-3, respectively), *provided*, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(b) **Stock of Significant Subsidiaries.** Sell, lease, transfer or otherwise dispose of, other than (i) in connection with an RTO Transaction, but only if no Default or Event of Default has occurred and is continuing or would result from such RTO Transaction, or (ii) pursuant to the requirements of any Restructuring Law, equity interests in any Significant Subsidiary of the Borrower (other than AEP Energy Services, Inc. or CSW Energy, Inc.) if such Significant Subsidiary would cease to be a Subsidiary as a result of such sale, lease, transfer or disposition.

(c) **Sales, Etc. of Assets.** Sell, lease, transfer or otherwise dispose of, or permit any Significant Subsidiary (other than AEP Energy Services, Inc. or CSW Energy, Inc.) to sell, lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any assets, except (i) sales in the ordinary course of its business, (ii) sales, leases, transfers or dispositions of assets to any Person that is not a wholly-owned Subsidiary of the Borrower that in the aggregate do not exceed 20% of the Consolidated Tangible Net Assets of the Borrower and its

Subsidiaries, whether in one transaction or a series of transactions, (iii) other sales, leases, transfers and dispositions made in connection with an RTO Transaction or pursuant to the requirements of any Restructuring Law or to a wholly owned Subsidiary of the Borrower, or (iv) sales of pollution control assets to a state or local government or any political subdivision or agency thereof in connection with any transaction with such Person pursuant to which such Person sells or otherwise transfers such pollution control assets back to the Borrower or a Subsidiary under an installment sale, loan or similar agreement, in each case in connection with the issuance of pollution control or similar bonds.

(d) **Liens, Etc.** Create or suffer to exist, or permit any Significant Subsidiary to create or suffer to exist, any Lien on or with respect to any of its properties, including, without limitation, on or with respect to equity interests in any Subsidiary of the Borrower, whether now owned or hereafter acquired, or assign, or permit any Significant Subsidiary to assign, any right to receive income (other than in connection with Stranded Cost Recovery Bonds and the sale of accounts receivable by the Borrower), other than (i) Permitted Liens, (ii) the Liens existing on the date hereof, (iii) Liens securing first mortgage bonds issued by any Subsidiary of the Borrower the rates or charges of which are regulated by the Federal Energy Regulatory Commission or any state governmental authority, *provided* that the aggregate principal amount of such first mortgage bonds of any such Subsidiary do not exceed 66 2/3% of the net value of plant, property and equipment of such Subsidiary and (iv) the replacement, extension or renewal of any Lien permitted by clauses (ii) and (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(e) **Restrictive Agreements.** Enter into, or permit any Significant Subsidiary to enter into (except in connection with or pursuant to any Restructuring Law), any agreement after the date hereof, or amend, supplement or otherwise modify any agreement existing on the date hereof, that imposes any restriction on the ability of any Significant Subsidiary to make payments, directly or indirectly, to its shareholders by way of dividends, advances, repayment of loans or intercompany charges, expenses and accruals or other returns on investments that is more restrictive than any such restriction applicable to such Significant Subsidiary on the date hereof; *provided, however*, that any Significant Subsidiary may agree to a financial covenant limiting its ratio of Consolidated Debt to Consolidated Capital to no more than 0.675 to 1.000.

(f) **ERISA.** (i) Terminate or withdraw from, or permit any of its ERISA Affiliates to terminate or withdraw from, any Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such termination or withdrawal, if such termination or withdrawal could have a Material Adverse Effect, (ii) incur a full or partial withdrawal, or permit any ERISA Affiliate to incur a full or partial withdrawal, from any Multiemployer Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such withdrawal, if such

withdrawal could have a Material Adverse Effect, (iii) otherwise fail, or permit any of its ERISA Affiliates to fail, to comply in all material respects with ERISA or the related provisions of the Internal Revenue Code if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect, or (iv) fail, or permit any of its Subsidiaries to fail, to comply with Applicable Law with respect to any Foreign Plan if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect.

(g) **Margin Stock.** Use the proceeds of any Extension of Credit to buy or carry Margin Stock.

(h) **No Violation of Anti-Corruption Laws or Sanctions.** Request any Borrowing or Letter of Credit, or use or permit any of its Subsidiaries or its or their respective directors, officers, employees and agents to use, directly or, to the actual knowledge of the Borrower or any of its Subsidiaries, indirectly, any Letter of Credit or the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.03 Financial Covenant.

So long as any Advance shall remain unpaid, any Letter of Credit shall remain outstanding or any Lender shall have any Commitment hereunder, the Borrower will maintain a ratio of Consolidated Debt to Consolidated Capital, as of the last day of each March, June, September and December, of not greater than 0.675 to 1.000.

ARTICLE VI EVENTS OF DEFAULT

SECTION 6.01 Events of Default.

If any of the following events ("**Events of Default**") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable, or shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made (other than, for the avoidance of doubt, any Pricing Certificate Inaccuracy; provided that the Borrower complies with Section 1(e) of the Pricing Schedule with respect to such Pricing Certificate Inaccuracy); or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(a), 5.01(i)(iii) or 5.02 (other than Section 5.02(f)), or (ii) the Borrower shall fail to provide Cash Collateral in accordance with Section 2.04(b), 2.09(b), 8.16(a)(v) or 8.17, or (iii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) Any event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower (but excluding Debt outstanding hereunder) or any Significant Subsidiary outstanding in a principal or notional amount of at least \$50,000,000 in the aggregate if the effect of such event or condition is to accelerate or require early termination of the maturity or tenor of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), terminated, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity or the original tenor thereof; or

(e) The Borrower or any Significant Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any Significant Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation,

winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any Significant Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) (i) Any entity, person (within the meaning of Section 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) that as of the date hereof was beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of less than 30% of the Borrower's Voting Stock shall acquire a beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act), directly or indirectly, of Voting Stock of the Borrower (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of the Borrower; or (ii) during any period of up to 24 consecutive months, commencing after the date hereof, individuals who at the beginning of such 24-month period were directors of the Borrower shall cease for any reason to constitute a majority of the board of directors of the Borrower, *provided* that any person becoming a director subsequent to the date hereof, whose election, or nomination for election by the Borrower's shareholders, was approved by a vote of at least a majority of the directors of the board of directors of the Borrower as comprised as of the date hereof shall be, for purposes of this provision, considered as though such person were a member of the board as of the date hereof; or

(g) Any judgment or order for the payment of money in excess of \$50,000,000 in the case of the Borrower or any Significant Subsidiary to the extent not paid or insured shall be rendered against the Borrower or any Significant Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) (i) The termination of or withdrawal from the United Mine Workers' of America 1974 Pension Trust by the Borrower or any of its ERISA Affiliates shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such termination or withdrawal exceeds \$75,000,000 in the aggregate; or (ii) any other ERISA Event shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such ERISA Event exceeds \$50,000,000;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender and each LC Issuing Bank to make Extensions of Credit to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the outstanding Borrowings, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the outstanding Borrowings, all such interest and all such amounts shall become and be forthwith due and payable by the Borrower, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however*, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender and each LC Issuing Bank to make Extensions of Credit shall automatically be terminated and (B) the outstanding Borrowings, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

SECTION 6.02 Actions in Respect of the Letters of Credit upon Default.

If any Event of Default described in Section 6.01(e) shall have occurred and be continuing or the Borrowings shall have otherwise been accelerated or the Commitments terminated pursuant to Section 6.01, then the Administrative Agent may, or shall at the request of the Required Lenders, make demand upon the Borrower to, and forthwith upon such demand the Borrower will, deposit in the LC Collateral Account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders and LC Issuing Banks, in same day funds, an amount equal to 103% of the aggregate undrawn stated amounts of all Letters of Credit that are outstanding on such date. If at any time the Administrative Agent determines that any funds held in the LC Collateral Account are subject to any right or claim of any Person other than the Administrative Agent, the Lenders and the LC Issuing Banks or that the total amount of such funds is less than 103% of the aggregate undrawn stated amounts of all Letters of Credit that are outstanding on such date, the Borrower will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited and held in the LC Collateral Account, an amount equal to the excess of (i) 103% of such aggregate undrawn stated amounts of all Letters of Credit that are outstanding on such date over (ii) the total amount of funds, if any, then held in the LC Collateral Account that the Administrative Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit in the LC Collateral Account, such funds shall be applied to reimburse the relevant LC Issuing Bank or Lender holding a participation in the reimbursement obligation of the Borrower to such LC Issuing Bank to the extent permitted by applicable law.

ARTICLE VII THE ADMINISTRATIVE AGENT

SECTION 7.01 Authorization and Action.

Each Lender and each LC Issuing Bank hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters expressly provided for in this Agreement as being subject to the discretion of the Administrative Agent, such matters shall be subject to the sole discretion of the Administrative Agent, its directors, officers, agents and employees. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the outstanding Borrowings), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully

protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders; *provided, however*, that the Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or Applicable Law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02 Agent's Reliance, Etc.

Neither the Administrative Agent nor any of its 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 or willful misconduct as determined in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat each Lender recorded in the Register as the owner of

the Commitment recorded for such Lender in the Register until the Administrative Agent receives and accepts an Assignment and Assumption entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07 and except as provided otherwise in Section 8.16; (ii) may consult with legal counsel (including counsel for the Borrower), 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; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) 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 on the part of any Lender or to inspect the property (including the books and records) of any Lender; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, this Agreement or any other instrument or document furnished pursuant thereto; (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by fax) believed by it to be genuine and signed or sent by the proper party or parties; and (vii) shall not have any fiduciary duty to any other Lender.

SECTION 7.03 Administrative Agent and its Affiliates.

With respect to its Commitments and the Advances made by it, the Person serving as Administrative Agent shall have the same rights and powers in its capacity as a Lender under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, own securities of, act as the financial advisor for, accept investment banking engagements from and generally engage in any kind of business with, the Borrower, any Lender and any of their respective Subsidiaries or Affiliates thereof as if such Person were not the Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 7.04 Lender Credit Decision.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05 Indemnification.

Each Lender severally agrees to indemnify the Administrative Agent, each LC Issuing Bank and each of their respective Related Parties (to the extent not promptly reimbursed by the Borrower and without limiting its obligation to do so) from and against such Lender's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Administrative Agent, such LC Issuing Bank or such Related Party in any way relating to or arising out of this Agreement or any action taken or omitted by such Person under this Agreement; *provided, however*, that no Lender shall be liable, as to the Administrative Agent, any LC Issuing Bank or any Related Party of any of the foregoing, for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of such Person as determined in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent, each LC Issuing Bank and each Related Party of any of the foregoing promptly upon demand for its ratable share of any costs and expenses (including, without limitation, fees and reasonable expenses of counsel) payable by the Borrower under Section 8.04, to the extent that the Administrative Agent, such LC Issuing Bank or such Related Party is not promptly reimbursed for such costs and expenses by the Borrower after request therefor and without limiting the Borrower's obligation to do so. For purposes of this Section 7.05, the Lenders' respective ratable shares of any amount shall be determined, at any time, according to the sum of (i) the aggregate principal amount of the Advances outstanding at such time and owing to the respective Lenders and (ii) the aggregate unused portions of their respective Commitments at such time. In the event that any Lender shall have failed to make any Advance as required hereunder, such Lender's Commitment shall be considered to be unused for purposes of this Section 7.05 to the extent of the amount of such Advance. The failure of any Lender to reimburse the Administrative Agent, any LC Issuing Bank or any Related Party of any of the foregoing promptly upon demand for its ratable share of any amount required to be paid by the Lender to the Administrative Agent, such LC Issuing Bank or such Related Party as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse the Administrative Agent, such LC Issuing Bank or such Related Party for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Administrative Agent, such LC Issuing Bank or such Related Party for such other Lender's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 7.05 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

SECTION 7.06 Erroneous Payments.

(a) Each Lender, each LC Issuing Bank and ~~the Swingline Lender~~ any other party hereto hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender, ~~or LC Issuing Bank and the Swingline Lender~~ or any other Person that has received funds from the Administrative Agent or any of its Affiliates, either for its own account or on behalf of a Lender, LC Issuing Bank (each such recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion that any funds received by such ~~Lender, LC Issuing Bank and the Swingline Lender from the Administrative Agent or any of its Affiliates~~ Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such ~~Lender, LC Issuing Bank and the Swingline Lender~~ Payment Recipient (whether or not known to such ~~Lender, LC Issuing Bank and the Swingline Lender~~ Payment Recipient) or (ii) ~~any~~ Payment Recipient receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, ~~prepayment or repayment~~ sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, ~~prepayment or~~

~~repayment, as applicable~~, (y) that was not preceded or accompanied by a notice of payment, ~~prepayment or repayment~~ sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, ~~prepayment or repayment, as applicable~~, or (z) that such ~~Lender, LC Issuing Bank or Swingline Lender~~ Payment Recipient otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) then, in each case, an error in payment ~~has~~ shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 7.06(a), whether received as a payment, prepayment or repayment of principal, interest, fees, ~~distribution~~ or otherwise; individually and collectively, an "Erroneous Payment") ~~and the Lender, LC Issuing Bank and Swingline Lender, as the case may be, then, in each case, such Payment Recipient is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment and; provided that nothing in this Section shall require the Administrative Agent to provide any of the extent permitted by applicable law, such Lender, LC Issuing Bank or Swingline Lender notices specified in clauses (i) or (ii) above. Each Payment Recipient agrees that it shall not assert any right or claim to the~~ any Erroneous Payment, and hereby waives; any

claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments ~~received~~, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each ~~Lender, each LC Issuing Bank and Swingline Lender~~ Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly ~~(and, in all events, within one Business Day of its knowledge (or deemed knowledge) of such error)~~ notify the Administrative Agent in writing of such occurrence ~~and, in,~~

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and upon demand from the Administrative Agent, it such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds (and in the currency so received), together with interest thereon at the Federal Funds Rate in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender, LC Issuing Bank or Swingline Lender Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an “*Erroneous Payment Return Deficiency*”), then at the sole discretion of the Administrative Agent and upon the Administrative Agent’s written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the “*Erroneous Payment Impacted Class*”) to the Administrative Agent or, at the option of the Administrative Agent, the Administrative Agent’s applicable lending affiliate in an amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the “*Erroneous Payment Deficiency Assignment*”) plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by the Administrative Agent or its applicable lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment. The parties hereto acknowledge and agree that (1) any assignment contemplated in this clause (d) shall be

made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor, (2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of Section 8.07 and (3) the Administrative Agent may reflect such assignments in the Register without further consent or action by any other Person.

(c) ~~(e) The Borrower~~ Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any ~~Lender, LC Issuing Bank or Swingline Lender~~ Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent (1) shall be subrogated to all the rights of such ~~Lender, LC Issuing Bank, Swingline Lender~~ Payment Recipient with respect to such amount and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under this Section 7.06 or under the indemnification provisions of this Agreement, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not ~~pay, prepay, repay~~ for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or ~~otherwise satisfy~~ other satisfaction of any obligations hereunder owed by the Borrower ~~if the Borrower has not made a payment to~~, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent ~~in respect of such~~ from the Borrower for the purpose of making a payment on the obligations ~~in accordance with the terms hereof~~ hereunder and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the obligations hereunder, the obligations hereunder or any part thereof that were so credited, and all rights of the ~~applicable Lender, LC Issuing Bank, Swingline Lender or Administrative Agent~~ Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

(f) ~~(d)~~ Each party's obligations under this Section 7.06 shall survive the resignation or replacement of the Administrative Agent or any transfer of ~~rights~~ right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all obligations hereunder (or any portion thereof) ~~or~~ under any Loan Document.

(g) Nothing in this Section 7.06 will constitute a waiver or release of any claim of the Administrative Agent hereunder arising from any Payment Recipient's receipt of an Erroneous Payment.

ARTICLE VIII MISCELLANEOUS

SECTION 8.01 Amendments, Etc.

Subject to Section 8.16(a)(i), no amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment, waiver or consent shall:

(a) unless in writing and signed by all the Lenders (other than, in the case of the following clauses (i) through (iv), any Defaulting Lender), do any of the following:

(i) amend Section 3.01 or 3.02 or waive any of the conditions specified therein,

(ii) ~~(ii)~~ increase the aggregate amount of the Commitments (except pursuant to Section 2.07),

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(iii) change the definition of Required Lenders or the percentage of the Commitments or of the aggregate unpaid principal amount of the outstanding Borrowings, or the number or percentage of the Lenders, that shall be required for the Lenders or any of them to take any action hereunder, or

(iv) amend or waive this Section 8.01 or any provision of this Agreement that requires pro rata treatment of the Lenders; or

(b) unless in writing and signed by each Lender that is directly affected thereby, do any of the following:

(i) increase the amount or extend the termination date of such Lender's Commitment, or subject such Lender to any additional obligations,

(ii) reduce the principal of, or interest on, or rate of interest applicable to, the outstanding Advances of such Lender or any fees or other amounts payable to such Lender hereunder, or

(iii) postpone any date fixed for any payment of principal of, or interest on, the outstanding Advances or any fees or other amounts payable to such Lender hereunder; and

provided further that (x) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent or any LC Issuing Bank in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent or such LC Issuing Bank, as the case may be, under this Agreement, (y) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, each LC Issuing Bank and the Required Lenders, amend or waive Section 8.16 and (z) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, the Swingline Lender and the Required Lenders adversely affect the rights or duties of the Swingline Lender under this Agreement; provided, this Agreement may be amended to adjust the borrowing mechanics related to Swingline Advances with only the written consent of the Administrative Agent, the Swingline Lender and the Borrower so long as the obligations of the Lenders, if any, who have not executed such amendment are not adversely affected thereby; provided, further, no provision hereof impacting any obligation or liability of the Sustainability Structuring Agent may be amended, waived or consented to without the prior written consent of the Sustainability Structuring Agent. Notwithstanding the foregoing, (A) any amendment, modification or other supplement to ~~the Sustainability Table(i) the defined terms “Fee Adjustment”, or “Margin Adjustment”, or (ii) the Pricing Schedule or any other provision of this Agreement relating to the KPI Metrics, in each case, in such a way that would result in the Applicable Margin being reduced by more than 5.0 basis points and/or the Commitment Fee Rate being reduced by more than 1.0 basis point, may, in each case, be entered into~~ or amended in a writing executed only by with the Borrower written consent of each Lender and the Sustainability Structuring Agent, each acting reasonably, and acknowledged by and with the acknowledgement of the Administrative Agent (acting reasonably), and shall not require the consent of any other Lender (provided that, ~~if any such amendment, modification or other supplement is not in connection with the occurrence of an event as contemplated by Section 1(i) of the Pricing Schedule and is reasonably determined by the Administrative Agent and/or~~ notwithstanding anything herein to the contrary, any other provision of this Agreement related to the KPI Metrics, including the Pricing Schedule, may be amended or modified with the consent, in writing, of the Sustainability Structuring Agent to be material to the interests of and the Required Lenders, and with the acknowledgement of the Administrative Agent and the Sustainability Structuring Agent may grant or withhold consent in their respective sole discretion), and (B) any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the

Commitment of each Lender and the obligations of each LC Issuing Bank not consenting to the amendment provided for therein shall terminate (but such Lender or LC Issuing Bank shall continue to be entitled to the benefits of Sections 2.15, 2.18 and 8.04) upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender or LC Issuing Bank not consenting thereto receives payment in full of the principal outstanding amount of and interest accrued on each Advance made by it or any Letter of Credit issued by it and outstanding, as the case may be, and all other amounts owing to it or accrued for its account under this Agreement and is released from its obligations hereunder.

SECTION 8.02 Notices, Etc.

(a) The Borrower hereby agrees that any notice that is required to be delivered to it hereunder shall be delivered to the Borrower as set forth in this Section 8.02. All notices and other communications provided for hereunder shall be in writing (including fax) and mailed, faxed or delivered, if to the Borrower at its address at 1 Riverside Plaza, Columbus, Ohio 43215, Attention: Treasurer (fax: (614) 716-2807; telephone: (614) 716-2208; email: lldieck@aep.com), with a copy to the General Counsel (fax: (614) 716-3440; telephone: (614) 716-3300); if to any Initial Lender, at its **Domestic** Lending Office specified in its Administrative Questionnaire; if to any other Lender, at its **Domestic** Lending Office specified in the Assignment and Assumption pursuant to which it became a Lender; if to the Administrative Agent, at its address at Wells Fargo Bank, National Association, 1525 W WT Harris Blvd, Charlotte, NC 28262, Mail Code: D1109-019, Attention: Syndication Agency Services (fax: 704-715-0017; telephone: 704-590-2706; email: agencyrequests@wellsfargo.com); if to any LC Issuing Bank, at such address as shall be designated by such LC Issuing Bank and notified to the Lenders pursuant to Section 2.04; or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall be effective when delivered or received at the appropriate address or number to the attention of the appropriate individual or department, except that notices and communications to the Administrative Agent pursuant to Article II, III or VII shall not be effective until received by the Administrative Agent. Delivery by fax or electronic transmission of an executed counterpart of any amendment or waiver of any provision of this Agreement or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) The Borrower and the Lenders hereby agree that the Administrative Agent may make any information required to be delivered under Section 5.01(i)(i), (ii), (iv) and (v) (the "**Communications**") available to the Lenders by posting the Communications on Intralinks, SyndTrak or a substantially similar electronic transmission systems (the "**Platform**"). The Borrower and the Lenders hereby acknowledge that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES (COLLECTIVELY, "**AGENT PARTIES**") HAVE

ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as

provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.03 No Waiver; Remedies.

No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04 Costs and Expenses.

(a) The Borrower agrees to pay promptly upon demand all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, (i) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (ii) the reasonable fees and expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay promptly upon demand all costs and expenses of the Administrative Agent, the LC Issuing Banks and the Lenders, if any (including, without limitation, counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Administrative Agent, LC Issuing Banks and the Lenders in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower agrees to indemnify and hold harmless each Lender, each LC Issuing Bank, [the Sustainability Structuring Agent](#) and the Administrative Agent and each of their Related Parties (each, an "***Indemnified Party***") from and against any and all claims, damages, losses and liabilities, joint or several, to which any such Indemnified Party may become subject, in each case arising out of or in connection with or relating to (including, without limitation, in connection with any

investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Extensions of Credit (ii) any error or omission in connection with posting of the data required to be delivered pursuant to Section 5.01(i)(i), (ii) or (iv) on the website of the SEC or any successor website or (iii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, and to reimburse any Indemnified Party for any and all reasonable expenses (including, without limitation, reasonable fees and expenses of counsel) as they are incurred in connection with the investigation of or preparation for or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Borrower or any of its Affiliates and whether or not any of the transactions contemplated hereby are consummated or this Agreement is terminated, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower agrees not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Extensions of Credit.

(c) If any payment of principal of, or Conversion of, any ~~Eurodollar Rate~~SOFR Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.09, 2.12(d), 2.15 or 2.17, acceleration of the maturity of the outstanding Borrowings pursuant to Section 6.01, the assignment of any such Advance pursuant to Section 2.20(b) or for any other reason (in the case of any such payment or Conversion), or if any prepayment of a SOFR Advance is made on a date other than the date specified in any notice therefor delivered pursuant hereto, the Borrower shall, promptly upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (other than loss of Applicable Margin), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.15 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

(e) The Borrower agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or its security holders or creditors related to or arising out of or in connection with this Agreement, the Extensions of Credit or the use or proposed use of the proceeds thereof, any of the transactions contemplated by any of the foregoing or in the loan documentation or the performance by an Indemnified Party of any of the foregoing (including the use by unintended recipients of any information or other materials distributed through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents) except to the extent that any loss, claim, damage, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(f) In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against the Borrower or any of its Affiliates in which such Indemnified Party is not named as a defendant, the Borrower agrees to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the fees and disbursements of its legal counsel.

SECTION 8.05 Right of Set-off.

Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the outstanding Borrowings due and payable pursuant to the provisions of Section 6.01, each Credit Party and each of its Affiliates is hereby authorized at any time and from time to time, to the

fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Credit Party or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement held by such Credit Party, whether or not such Credit Party shall have made any demand under this Agreement and although such obligations may be unmaturing; provided that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 8.16 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the LC Issuing Banks, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations of the Borrower owing to such Defaulting Lender as to which it exercised such right of setoff. Each Credit Party agrees promptly to notify the Borrower after any such set-off and application, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Credit Party and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Credit Party and its Affiliates may have.

SECTION 8.06 Binding Effect.

This Agreement shall become effective upon satisfaction of the conditions precedent specified in Section 3.01 and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent, each Lender and each LC Issuing Bank (upon its appointment pursuant to Section 2.04(a)) and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of all of the Lenders. None of the Joint Lead Arrangers nor any Person designated as a "Documentation Agent", a "Syndication Agent" or "Sustainability Structuring Agent" with respect to this Agreement shall have any duties or liabilities under this Agreement other than in its capacity as a Lender.

SECTION 8.07 Assignments and Participations.

(a) ***Successors and Assigns of Lenders Generally.*** No Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly

contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts.**

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if the "**Trade Date**" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$10,000,000, or an integral multiple of \$1,000,000 in excess thereof, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment assigned.

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of each LC Issuing Bank and the Swingline Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment.

(iv) **Assignment and Assumption.** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (to be paid by the assigning Lender, or, in the case of an

assignment pursuant to Section 2.20(b), the Borrower); *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) **No Assignment to Certain Persons.** No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) **No Assignment to Natural Persons.** No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) **Certain Additional Payments.** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and Commitments in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this subsection, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.15, 2.18 and 8.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed in writing by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) **Register.** The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Assumption delivered to it and a register in which it shall record the names and addresses of the

Lenders, and the Commitments of, and principal amounts (and stated interest) of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.**

(i) Any Lender may at any time, without the consent of, or notice to, the Borrower, the Administrative Agent, or any LC Issuing Bank, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, the LC Issuing Banks and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 7.05 with respect to any payments made by such Lender to its Participant(s).

(ii) Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (ii), (iii) or (iv) of the first sentence of Section 8.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.18, 8.04(b) and 8.04(c) (subject to the requirements and limitations therein, including the requirements under Section 2.18(g) (it being understood that the documentation required under Section 2.18(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of Section 2.20(b) as if it were an assignee under subsection (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.18, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.20(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.05 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.18 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Commitments, Advances or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Advances, Letters of Credit or its other obligations under any Loan

Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitments, Advances, Letters of Credit or other obligations are in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central banking authority; *provided* that no such pledge or assignment shall release such Lender from any of its obligations

hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.08 Confidentiality.

Each of the Administrative Agent, the Lenders and the LC Issuing Banks agree to maintain the confidentiality of the Confidential Information, except that Confidential Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any state, federal or foreign authority or examiner regulating banks, banking or other financial institutions and any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Law or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder or (iii) any credit insurance provider relating to the Borrower and its obligations; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or this Agreement or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement; (h) with the consent of the Borrower; or (i) to the extent such Confidential Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender, and LC Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and each Lender may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or any Lender in connection with the administration or servicing of this Agreement, the other Loan Documents and the Commitments. Any Person required to maintain the confidentiality of Confidential Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Confidential Information as such Person would accord to its own confidential information.

SECTION 8.09 Governing Law.

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

SECTION 8.10 Severability; Survival.

(a) In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby.

(b) All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Advances and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the LC Issuing Banks or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Advance or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated.

SECTION 8.11 Execution in Counterparts; Electronic Execution.

(a) This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to this Agreement, any other Loan Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Agreement or any other Loan Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature from

any party hereto, the Administrative Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (b) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and ~~any of the Credit Parties~~ Borrower, electronic images of this Agreement or any other Loan Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of the Loan Documents based solely on the lack of paper original copies of any Loan Documents, including with respect to any signature pages thereto.

SECTION 8.12 Jurisdiction, Etc.

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, THE COUNTY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT IN THE COURTS OF ANY JURISDICTION.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 8.13 Waiver of Jury Trial.

EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT, EACH LC ISSUING BANK AND EACH LENDER HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE ADMINISTRATIVE AGENT, ANY LC ISSUING BANK, THE BORROWER OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

SECTION 8.14 USA Patriot Act.

Each of the Lenders and the LC Issuing Banks hereby notifies the Borrower that (a) pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law as of October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the “*Patriot Act*”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or LC Issuing Bank, as the case may be, to identify the Borrower in accordance with the Patriot Act and (b) pursuant to the Beneficial Ownership Regulation, it is required to obtain a Beneficial Ownership ~~Certificate~~Certification.

SECTION 8.15 No Fiduciary Duty.

Each of the Administrative Agent, the Sustainability Structuring Agent, each Lender and each of their respective Affiliates and their officers, directors, controlling persons, employees, agents and advisors (collectively, solely for purposes of this Section 8.15, the “Lenders”) may have economic interests that conflict with those of the Borrower. The Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and the Borrower, its stockholders or its Affiliates. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm’s-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its Affiliates has advised or is currently advising the Borrower on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (iv) the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate. The Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

SECTION 8.16 Defaulting Lenders.

(a) **Defaulting Lender Adjustments.** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) **Waivers and Amendments.** Such Defaulting Lender’s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 8.01.

(ii) **Defaulting Lender Waterfall.** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 8.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting

Lender to any LC Issuing Bank or the Swingline Lender hereunder; *third*, to Cash Collateralize the LC Issuing Banks’ and Swingline Lender’s Fronting Exposure with respect to such Defaulting Lender in accordance with Section 8.17; *fourth*, as the Borrower may request (so long as no Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender’s potential future funding obligations with respect to Advances under this Agreement and (y) Cash Collateralize the LC Issuing Banks’ future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 8.17; *sixth*, to the payment of any amounts owing to the Lenders or the LC Issuing Banks as a result of any judgment of a court of competent jurisdiction obtained by any Lender or the LC Issuing Banks against such Defaulting Lender as a result of such Defaulting Lender’s breach of

its obligations under this Agreement; *seventh*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that, if (x) such payment is a payment of the principal amount of any Advances or LC Outstandings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Advances of, and LC Outstandings owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of, or LC Outstandings owed to, such Defaulting Lender until such time as all Advances and funded and unfunded participations in LC Outstandings and Swingline Advances are held by the Lenders pro rata in accordance with the Commitments without giving effect to Section 8.16(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 8.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Certain Fees.** (A) No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.05(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive LC Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Commitment Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 8.17.

(C) With respect to any fees not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in LC Outstandings or Swingline Advances that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each LC Issuing Bank and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such LC Issuing Bank's or Swingline Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) **Reallocation of Participations to Reduce Fronting Exposure.** All or any part of such Defaulting Lender's participation in LC Outstandings and Swingline Advances shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Commitment Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) no Event of Default shall have occurred and be continuing, (y) such reallocation does not cause the aggregate Outstanding Credits of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment and (z) such reallocation does not cause the aggregate Outstanding Credits to exceed the aggregate Commitments. Subject to Section 8.20, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) **Repayment of Swingline Advances; Cash Collateral.** If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, *first*, repay Swingline Advances in an amount equal to the Swingline Lender's Fronting Exposure and, *second*, Cash Collateralize the LC Issuing Banks' Fronting Exposure in accordance with the procedures set forth in Section 8.17.

(vi) **Reduction of Available Commitments.** The Borrower may terminate the Available Commitment of any Lender that is a Defaulting Lender upon not less than three Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 8.16(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); *provided* that (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, any LC Issuing Bank, or any Lender may have against such Defaulting Lender.

(b) **Defaulting Lender Cure.** If the Borrower, the Administrative Agent, the Swingline Lender and each LC Issuing Bank agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances and funded and unfunded participations in LC Outstandings and Swingline Advances to be held pro rata by the Lenders in accordance with the Commitments (without giving effect to Section 8.16(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed in writing by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) **New Swingline Advances/Letters of Credit.** So long as any Lender is a Defaulting Lender, (i) the Swingline Lender shall not be required to fund any Swingline Advances unless it is satisfied that it shall have no Fronting Exposure after giving effect to such Swingline Advance, and (ii) no LC Issuing Bank shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

(d) **Bankruptcy Event of a Parent Company.** If (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) any LC Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no LC Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless the LC Issuing Bank shall have entered into arrangements with the Borrower or such Lender, satisfactory to such LC Issuing Bank to defease any risk to it in respect of such Lender hereunder.

SECTION 8.17 Cash Collateral

At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent, any LC Issuing Bank or the Swingline Lender (with a copy to the Administrative Agent) the Borrower shall Cash Collateralize the LC Issuing Banks' and/or

Swingline Lender's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 8.16(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(i) **Grant of Security Interest.** The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of each LC Issuing Bank and the Swingline Lender, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lender's obligation to fund participations in respect of LC Outstandings and Swingline Advances, to be applied pursuant to subsection (ii) below. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent, each LC Issuing Bank and the Swingline Lender as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(ii) **Application.** Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 8.17 or Section 8.16 in respect of Letters of Credit and Swingline Advances shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of LC Outstandings and Swingline Advances (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(iii) **Termination of Requirement.** Cash Collateral (or the appropriate portion thereof) provided to reduce any LC Issuing Bank's and/or the Swingline Lender's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 8.17 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent, each LC Issuing Bank and the Swingline Advances that there exists excess Cash Collateral; provided that, subject to Section 8.16, the Person providing Cash Collateral and each LC Issuing Bank and the Swingline Lender may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations.

SECTION 8.18 Reallocations.

The Administrative Agent, the Borrower and each Lender agree that upon the effectiveness of this Agreement on the Restatement Effective Date, the amount of such Lender's Commitment is as set forth on Schedule II hereto.

SECTION 8.19 Amendment and Restatement of Existing Credit Agreement.

This Agreement continues in effect the Existing Credit Agreement, and the Existing Credit Agreement shall be amended and restated in its entirety by the terms and provisions of this Agreement, which shall supersede all terms and provisions of the Existing Credit Agreement effective from and after the Restatement Effective Date. This Agreement is not intended to, and shall not, constitute a novation of any indebtedness or other obligations owing by the Borrower under the Existing Credit Agreement or a waiver or release of any indebtedness or other obligations owing, or any "Defaults" or "Events of Default" (each as defined in the Existing Credit Agreement) existing, under the Existing Credit Agreement based on any facts or events occurring or existing at or prior to the execution and delivery of this Agreement.

SECTION 8.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document or (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any applicable Resolution Authority.

SECTION 8.21 Benchmark Replacement Setting.

(a) ~~(i) Benchmark Replacement.~~ Notwithstanding anything to the contrary herein or in any other Loan Document ~~if, upon the occurrence of a Benchmark Transition Event or an Early Opt in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a)(1) or (a)(2) of the definition of "with a Benchmark Replacement" for. Any such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in~~

~~accordance with clause (a)(3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in amendment with respect of any to a Benchmark setting Transition Event will become effective at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided Administrative Agent has posted such proposed amendment to the all affected Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement amendment from Lenders comprising the Required Lenders.~~

~~(ii) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Term SOFR Transition Event and its related No replacement of a Benchmark with a Benchmark Replacement Date have occurred pursuant to this Section 8.21(a) will occur prior to the Reference Time~~

~~in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that this clause (ii) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may elect or not elect to do so in its sole discretion.~~ Transition Start Date.

(b) ~~Benchmark Replacement—~~Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make ~~Benchmark Replacement~~ Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such ~~Benchmark Replacement~~ Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any ~~occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, and~~ (B) the implementation of any Benchmark Replacement, (C) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement—~~Conforming Changes,~~ (D) The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 8.21(d) ~~below and~~ (E) ~~the commencement or conclusion of any Benchmark Unavailability Period.~~ Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 8.21(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 8.21(c).

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR or USD LIBOR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such

Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be ~~no longer~~ representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will ~~no longer~~ not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Eurodollar Rate SOFR Advances to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Advances and (B) any outstanding affected SOFR Advances will be deemed to have been converted to Base Rate Advances at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

~~(f) — London Interbank Offered Rate Benchmark Transition Event. On March 5, 2021, the IBA, the administrator of the London interbank offered rate, and the FCA, the regulatory supervisor of the IBA, made the Announcements that the final publication or representativeness date for the London interbank offered rate for: (I) Dollars for 1-week and 2-month tenor settings will be December 31, 2021 and (II) Dollars for overnight, 1-month, 3-month, 6-month and 12-month tenor settings will be June 30, 2023. No successor administrator for the IBA was identified in such Announcements. The parties hereto agree and acknowledge that the Announcements resulted in the occurrence of a Benchmark Transition Event with respect to the London interbank offered rate for Dollars and that any obligation of the Administrative Agent to notify any parties of any such Benchmark Transition Event pursuant to Section 8.21(e) shall be deemed satisfied.~~

~~(g) — Certain Defined Terms. As used in this Section titled "Benchmark Replacement Setting":~~

~~"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then removed from the definition of "Interest Period" pursuant to Section 8.21(d).~~

~~"Benchmark" means, initially, USD LIBOR; provided that if a Benchmark Transition Event, a Term SOFR Transition Event, or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to USD LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 8.21(a).~~

~~"Benchmark Replacement" means, for any Available Tenor,~~

~~(a) — with respect to any Benchmark Transition Event or Early Opt-in Election, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:~~

~~(1) — the sum of: (A) Term SOFR and (B) the related Benchmark Replacement Adjustment provided, that, if the Borrower has provided a notification to the Administrative Agent in writing on or prior to such Benchmark Replacement Date that the Borrower has a Hedge Agreement in place with respect to any of the Advances as of the date of such notice (which such notification the Administrative Agent shall be entitled to rely upon and shall have no duty or obligation to ascertain the correctness or completeness of), then the Administrative Agent, in its sole discretion, may decide not to determine the Benchmark Replacement pursuant to this clause (a)(1) for such Benchmark Transition Event or Early Opt-in Election, as applicable;~~

~~(2) — the sum of: (A) Daily Simple SOFR and (B) the related Benchmark Replacement Adjustment;~~

~~(3) — the sum of: (A) **the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower** as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment; or~~

~~(b) — with respect to any Term SOFR Transition Event, the sum of (i) Term SOFR and (ii) the related Benchmark Replacement Adjustment;~~

~~provided that, (i) in the case of clause (a)(1), if the Administrative Agent decides that Term SOFR is not administratively feasible for the Administrative Agent, then Term SOFR will be deemed unable to be determined for purposes of this definition and (ii) in the case of clause (a)(1) or clause (b) of this definition, the applicable Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (a)(1), (a)(2) or (a)(3) or clause (b) of this definition would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.~~

~~“**Benchmark Replacement Adjustment**” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:~~

~~(1) — for purposes of clauses (a)(1) and (a)(2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent:~~

~~(a) — the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement;~~

~~(b) — the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Available Tenor of such Benchmark;~~

~~(2) — for purposes of clause (a)(3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities; and~~

~~(3) — for purposes of clause (b) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of USD LIBOR with a SOFR-based rate;~~

~~provided that, (x) in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion and (y) if the then-current Benchmark is a term rate, more than one tenor of such Benchmark is available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement that will replace such Benchmark in accordance with Section 8.21(a) will not be a term rate, the Available Tenor of such Benchmark for purposes of this definition of “Benchmark Replacement Adjustment” shall be deemed to be, with respect to each Unadjusted Benchmark Replacement having a payment period for interest calculated with reference thereto, the Available Tenor that has approximately the same length (disregarding business-day adjustments) as such payment period.~~

~~“**Benchmark Replacement Conforming Changes**” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).~~

~~“**Benchmark Replacement Date**” means the earliest to occur of the following events with respect to the then-current Benchmark:~~

~~(1) — in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);~~

~~(2) — in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein;~~

~~(3) — in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the Administrative Agent has provided the Term SOFR Notice to the Lenders and the Borrower pursuant to Section 8.21(a)(ii); or~~

- ~~(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders; written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.~~

~~For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).~~

~~"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:~~

- ~~(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);~~
- ~~(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or~~

- ~~(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.~~

~~For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).~~

~~"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21.~~

~~"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.~~

~~"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.~~

~~"Early Opt-in Election" means, if the then-current Benchmark is USD LIBOR, the occurrence of:~~

- ~~(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review); and~~
- ~~(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from USD LIBOR and the provision by the Administrative Agent of written notice of such election to the Lenders.~~

~~"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Eurodollar Rate, LIBOR Market Index Rate or USD LIBOR, as applicable.~~

~~"Hedge Agreement" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward~~

~~foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.~~

~~"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.~~

~~“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two (2) London Banking Days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by the Administrative Agent in its reasonable discretion.~~

~~“Relevant Governmental Body” means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.~~

~~“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.~~

~~“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).~~

~~“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.~~

~~“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.~~

~~“Term SOFR Notice” means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.~~

~~“Term SOFR Transition Event” means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in the replacement of the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21 with a Benchmark Replacement the Unadjusted Benchmark Replacement component of which is not Term SOFR.~~

~~“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.~~

~~“USD LIBOR” means the London interbank offered rate for Dollars.~~

SECTION 8.22 Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, “**QFC Credit Support**” and each such QFC a “**Supported QFC**”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**U.S. Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) If a Covered Entity that is party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. If a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section, the following terms have the following meanings:

“**BHC Act Affiliate**” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“**Covered Entity**” means any of the following:

- (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**QFC**” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Schedule I

Pricing Schedule

1. Sustainability Adjustments

(a) Following the delivery of a Pricing Certificate in respect of the most recently ended calendar year, (i) the Applicable Margin shall be increased or decreased (or neither increased nor decreased), as applicable, pursuant to the Applicable KPI Margin Adjustment as set forth in such Pricing Certificate in the manner and at the times described in this Pricing Schedule, and (ii) the Commitment Fee Rate shall be increased or decreased (or neither increased nor decreased), as applicable, pursuant to the Applicable KPI Fee Adjustment as set forth in such Pricing Certificate in the manner and at the times described in this Pricing Schedule. For purposes of the foregoing, (A) each of the Applicable KPI Margin Adjustment and the Applicable KPI Fee Adjustment shall be effective as of the fifth Business Day following receipt by the Administrative Agent of a Pricing Certificate delivered pursuant to Section 5.01(i)(viii) based upon the KPI Metrics set forth in such Pricing Certificate and the calculations of the Applicable KPI Margin Adjustment and the Applicable KPI Fee Adjustment calculations, as applicable, therein (such day, the “**Sustainability Pricing Adjustment Date**”) and (B) each change in the Applicable Margin and the Commitment Fee Rate resulting from a Pricing Certificate and the Applicable KPI Margin Adjustment and the Applicable KPI Fee Adjustment related thereto shall be effective during the period commencing on and including the applicable Sustainability Pricing Adjustment Date and ending on the date immediately preceding the next such Sustainability Pricing Adjustment Date (or, in the case of non-delivery of a Pricing Certificate for the immediately following period, the last day such Pricing Certificate for such following period could have been delivered pursuant to the terms of Section 5.01(i)(viii)).

(b) For the avoidance of doubt, only one Pricing Certificate may be delivered in respect of any calendar year. It is further understood and agreed that the Applicable Margin will never be reduced or increased by more than 5.0 basis points and the Commitment Fee Rate will never be reduced or increased by more than 1.0 basis points, in each case pursuant to the Applicable KPI Margin Adjustment or the Applicable KPI Fee Adjustment, as applicable, during any calendar year. For the avoidance of doubt, any adjustment to the Applicable Margin or Commitment Fee Rate by reason of application of one or several KPI Metrics in any year shall not be cumulative year-over-year. Each applicable adjustment shall only apply until the earlier of (i) June 30 of the next calendar year and (ii) the next Sustainability Pricing Adjustment Date.

(c) It is hereby understood and agreed that if no Pricing Certificate has been delivered by the Borrower and/or the Annual KPI Report has not been published by June 30 of any calendar year, the Applicable KPI Margin Adjustment will be positive 5.0 basis points and the Applicable KPI Fee Adjustment will be positive 1.0 basis points commencing on such June 30 and continuing until a Pricing Certificate is delivered and the Annual KPI Report is published.

(d) If (i)(A) the Borrower or any Lender becomes aware of any material inaccuracy in any KPI Adjustment or the KPI Metrics as reported in a Pricing Certificate (any such material inaccuracy, a “**Pricing Certificate Inaccuracy**”) and, in the case of any Lender, such Lender delivers, not later than 10 Business Days after obtaining knowledge thereof, a written notice to the Administrative Agent describing such Pricing Certificate Inaccuracy in reasonable detail (which description shall be shared with each other Lender and the Borrower), or (B) the Borrower and the Lenders agree that there was a Pricing Certificate Inaccuracy at the time of delivery of a Pricing Certificate, and (ii) a proper calculation of any KPI Adjustment or the KPI Metrics would have resulted in an increase in the Applicable Margin and the Commitment Fee Rate for any period, the Borrower shall be obligated to pay to the Administrative Agent

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for the account of the applicable Lenders or the applicable LC Issuing Bank, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code, automatically and without further action by the Administrative Agent, any Lender or any LC Issuing Bank), but in any event within 10 Business Days after the Borrower has received written notice of, or has agreed in writing that there was, a Pricing Certificate Inaccuracy, an amount equal to the excess of (1) the amount of interest and fees that should have been paid for such period over (2) the amount of interest and fees actually paid for such period. If the Borrower becomes aware of any Pricing Certificate Inaccuracy and, in connection therewith, if a proper calculation of the KPI Adjustment or the KPI Metrics would have resulted in a decrease in the Applicable Margin and the Commitment Fee Rate for any period, then, upon receipt by the Administrative Agent of notice from the Borrower of such Pricing Certificate Inaccuracy (which notice shall include corrections to the calculations of such KPI Adjustment or the KPI Metrics, as applicable), commencing on the Business Day following receipt by the Administrative Agent of such

notice, the Applicable Margin and the Commitment Fee Rate shall be adjusted to reflect the corrected calculations of such KPI Adjustment or the KPI Metrics, as applicable. Notwithstanding the foregoing or anything to the contrary herein, any information in a Pricing Certificate shall be deemed to be not materially inaccurate (and no Pricing Certificate Inaccuracy shall be deemed to have occurred in respect thereof), and any calculation of any KPI Adjustment or the KPI Metrics shall be deemed proper, if such information or calculation was made by the Borrower in good faith based on information reasonably available to the Borrower at the time that such calculation was made.

(e) It is understood and agreed that any Pricing Certificate Inaccuracy (and any consequences thereof) shall not constitute a Default or Event of Default; provided, that, the Borrower complies with the terms of this clause (e) with respect to such Pricing Certificate Inaccuracy. Notwithstanding anything to the contrary herein, unless such amounts shall be due upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code, (i) any additional amounts required to be paid pursuant the immediately preceding clause shall not be due and payable until the date that is ten (10) Business Days after a written demand is made for such payment by the Administrative Agent in accordance with such paragraph, (ii) any nonpayment of such additional amounts prior to or upon the date that is ten (10) Business Days after such written demand for payment by the Administrative Agent shall not constitute a Default (whether retroactively or otherwise) and (iii) none of such additional amounts shall be deemed overdue prior to such date that is ten (10) Business Days after such written demand or shall accrue interest at the then applicable rate plus 2% prior to such date that is ten (10) Business Days after such written demand.

(f) Each party hereto hereby agrees that neither the Administrative Agent nor any Sustainability Structuring Agent shall have any responsibility for (or liability in respect of) reviewing, auditing or otherwise evaluating any calculation by the Borrower of any KPI Adjustment (or any of the data or computations that are part of or related to any such calculation) set forth in any Pricing Certificate (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry).

~~(g) Upon the occurrence of a Significant KPI Event, the Administrative Agent shall determine, in consultation with the Borrower, if the KPI Adjustment shall be applied with respect to the applicable calendar year and such determination shall be posted to the Lenders and shall become effective within five (5) Business Days after such posting, unless Lenders constituting Required Lenders object to such determination within such five (5) Business Day period.~~

(g) ~~(h)~~—To the extent the Sustainability Structuring Agent ceases to be a Lender, the Borrower will use commercially reasonable efforts to seek to appoint another Person that is a Lender to fulfill the role of Sustainability Structuring Agent.

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~~(i) To Neither the extent any event occurs (which would include, without limitation, a material disposition or material acquisition) which, in the opinion of the Borrower and the Sustainability Structuring Agent, acting reasonably, means that one or more of the Sustainability Targets or Sustainability Thresholds set forth in the Sustainability Table is no longer applicable given changes in the Borrower's structure, then the Borrower and the Sustainability Structuring Agent will report to the Lenders that such Sustainability Targets and Sustainability Thresholds will no longer apply. In such a scenario, Administrative Agent nor Sustainability Structuring Agent: (i) makes any assurances whether the Agreement meets any criteria or expectations of the Borrower or any Lender with regard to environmental or social impact and sustainability performance, or whether the facility, including the characteristics of the relevant KPI Metrics (including any environmental, social and sustainability criteria or any computation methodology), meet any industry standards for sustainability-linked credit facilities, or (ii) has any responsibility for or liability in respect of reviewing, auditing or otherwise evaluating any calculation by the Borrower will then cease to refer to of the applicable KPI Metrics, Sustainability Targets and Sustainability Thresholds in the Pricing Certificate for such period or any margin or fee adjustment (or any of the data or computations that are part of or related to any such calculation) set out in any Pricing Certificate (and the Administrative Agent and the Sustainability Structuring Agent may rely conclusively on any such certificate, without further inquiry, when implementing any pricing adjustment).~~

2. *Defined Terms*

As used in this Pricing Schedule and the Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Annual KPI Report" means the Annual EEI ESG/Sustainability Report For Investors (the "Sustainability Report") and/or the Corporate Accountability Report (the "**CAR**") in respect of the Non-Emitting Generation Capacity Percentage and the DART Rate, in each case, publicly reported by the Borrower and published on an Internet or an intranet website to which each Lender, the Administrative Agent and the Sustainability Structuring Agent have been provided access.

"Applicable DART Rate Fee Adjustment" means, with respect to any calendar year, (a) ~~an increase of 0.50 basis points~~ a positive Fee Adjustment if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is greater than the DART Rate Threshold for such calendar year, (b) no reduction or increase if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is less than or equal to the DART Rate Threshold for such calendar year and greater than or equal to the DART Rate Target for such calendar year, and (c) a ~~reduction of 0.50 basis points~~ negative Fee Adjustment if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is less than the DART Rate Target for such calendar year.

"Applicable DART Rate Margin Adjustment" means, with respect to any calendar year, (a) ~~an increase of 2.50 basis points~~ a positive Margin Adjustment if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is greater than the DART Rate Threshold for such calendar year, (b) no reduction or increase if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is less than or equal to the DART Rate Threshold for such calendar year and greater than or equal to the DART Rate Target for such calendar year, and (c) a ~~reduction of 2.50 basis points~~ negative Margin Adjustment if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is less than the DART Rate Target for such calendar year.

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"Applicable KPI Fee Adjustment" means the number of basis points (whether positive, negative or zero) resulting from the sum of (i) the Applicable Non-Emitting Generation Capacity Fee Adjustment, plus (ii) the Applicable DART Rate Fee Adjustment, in each case for such calendar year.

"Applicable KPI Margin Adjustment" means the number of basis points (whether positive, negative or zero) resulting from the sum of (i) the Applicable Non-Emitting Generation Capacity Margin Adjustment, plus (ii) the Applicable DART Rate Margin Adjustment, in each case for such calendar year.

"Applicable Margin" means, at any time, the rate per annum set forth below next to the Applicable Rating Level in effect at such time (as adjusted, from time to time, in accordance with the terms of this Pricing Schedule):

	Applicable Margin for	Applicable Margin
--	-----------------------	-------------------

Applicable Rating Level	Eurodollar-Rate Advances and LIBOR Market-Index-Rate SOFR Advances	for Base Rate Advances
1	1.000%	0.000%
2	1.125%	0.125%
3	1.250%	0.250%
4	1.500%	0.500%
5	1.750%	0.750%

provided, that the Applicable Margins set forth above shall be increased, for each Applicable Rating Level, upon the occurrence and during the continuance of any Event of Default by 2.00% per annum.

Any change in the Applicable Margin resulting from a change in the Applicable Rating Level shall become effective upon the date of announcement of any change in the Moody's Rating or the S&P Rating that results in such change in the Applicable Rating Level.

"**Applicable Non-Emitting Generation Capacity Fee Adjustment**" means, with respect to any calendar year, (a) a ~~reduction of 0.50 basis points~~ negative Fee Adjustment if the Non-Emitting Generation Capacity Percentage for such calendar year is greater than the Non-Emitting Generation Capacity Target for such calendar year, (b) no reduction or increase if the Non-Emitting Generation Capacity Percentage for such calendar year is less than or equal to the Non-Emitting Generation Capacity Target for such calendar year and greater than or equal to the Non-Emitting Generation Capacity Threshold for such calendar year, and (c) ~~an increase of 0.50 basis points~~ a positive Fee Adjustment if the Non-Emitting Generation Capacity Percentage for such calendar year is less than the Non-Emitting Generation Capacity Threshold for such calendar year.

"**Applicable Non-Emitting Generation Capacity Margin Adjustment**" means, with respect to any calendar year, (a) a ~~reduction of 2.50 basis points~~ negative Margin Adjustment if the Non-Emitting

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Generation Capacity Percentage for such calendar year is greater than the Non-Emitting Generation Capacity Target for such calendar year, (b) no reduction or increase if the Non-Emitting Generation Capacity Percentage for such calendar year is less than or equal to the Non-Emitting Generation Capacity Target for such calendar year and greater than or equal to the Non-Emitting Generation Capacity Threshold for such calendar year, and (c) ~~an increase of 2.50 basis points, a positive Margin Adjustment~~ if the Non-Emitting Generation Capacity Percentage for such calendar year is less than the Non-Emitting Generation Capacity Threshold for such calendar year.

“**Applicable Rating Level**” at any time shall be determined in accordance with the then-applicable S&P Rating and the then-applicable Moody’s Rating as follows:

S&P Rating/Moody’s Rating	Applicable Rating Level
S&P Rating A or higher or Moody’s Rating A2 or higher	1
S&P Rating A- or Moody’s Rating A3	2
S&P Rating BBB+ or Moody’s Rating Baa1	3
S&P Rating BBB or Moody’s Rating Baa2	4
S&P Rating BBB- or below or Moody’s Rating Baa3 or below, or no S&P Rating or Moody’s Rating	5

If the S&P Rating and the Moody’s Rating are not the same (*i.e.*, a “split rating”) the following shall apply: (i) if the S&P Rating and the Moody’s Rating are split by one rating, the higher of such ratings shall control, and (ii) if the S&P Rating and the Moody’s Rating are split by more than one rating, the Applicable Rating Level shall be the rating level immediately below the Applicable Rating Level corresponding to the higher of the two ratings (e.g. if the ratings are split by two ratings and the highest rating is the Moody’s Rating at A2, then the Applicable Rating Level will be 2) unless, in each case, either rating is below BBB- or Baa3 (as applicable), in which case the lower of the two ratings shall control.

“**Baseline DART Rate**” means the 3-year historical average of the DART Rate for the years 2018 – 2020.

“**Commitment Fee Rate**” means, at any time, the rate per annum set forth below next to the Applicable Rating Level in effect at such time (as adjusted, from time to time, in accordance with the terms of this Pricing Schedule):

Applicable Rating Level	Commitment Fee Rate
1	0.100%
2	0.125%

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4	0.225%
5	0.275%

A change in the Commitment Fee Rate resulting from a change in the Applicable Rating Level shall become effective upon the date of public announcement of a change in the Moody’s Rating or the S&P Rating that results in a change in the Applicable Rating Level.

“**DART Incidents**” means an OSHA recordable workplace injury or illness that results in days away from work, restricted job roles, or an employee’s permanent transfer to a new position, excluding any such injury or illness resulting from events outside the employee’s control or solely from the COVID-19 pandemic, as defined in the applicable Pricing Certificate and set forth in the Annual RPT

Covid-19 pandemic, as reported on the applicable Pricing Certificate and reflected in the Annual KPI Report; provided, that in the event that (i) the methodologies or other basis upon which such reporting is made shall change from the methodologies and basis used for the determination of the DART Rate Target and the DART Rate Threshold, or (ii) OSHA shall cease to require the recording of the total number of injuries or illnesses (excluding any injuries or illnesses resulting solely from the Covid-19 pandemic) that are “recordable” by the Borrower, the number of DART Incidents shall be deemed to be equal to an amount that will result in no adjustment to the Applicable Margin or the Commitment Fee Rate for the applicable calendar year; provided, further, that in the event that the combined number of employees of the Borrower or any of its Subsidiaries) of the Borrower and its Subsidiaries for any calendar year increases or decreases by ten percent (10%) or more over the combined number of employees of the Borrower and its Subsidiaries for the immediately preceding calendar year, the number of DART Incidents for such calendar year shall be deemed to be equal to an amount that will result in no adjustment to the Applicable Margin or the Commitment Fee Rate for the applicable calendar year and each calendar year thereafter unless otherwise agreed in writing by the Borrower, the Sustainability Structuring Agent and the Required Lenders.

“**DART Rate**” means, with respect to the Borrower, the rate calculated as (i) the total number of DART Incidents *times* 200,000, divided by (ii) the total number of hours worked by all employees, calculated on the basis of one (1) calendar year.

“**DART Rate (Three-Year Average)**” means, with respect to any calendar year, beginning with the calendar year ending December 31, 2022, an amount equal to (a) the sum of (i) the DART Rate for each of the immediately preceding two (2) calendar years prior to such calendar year plus (ii) the DART Rate for such calendar year, divided by (b) three (3). For purposes of calculating the DART Rate (Three-Year Average) for the calendar year ending on December 31, 2022, the DART Rate for the calendar year ending December 31, 2020 shall be deemed to be 0.310.

“**DART Rate Target**” means, with respect to any calendar year, the DART Rate Target for such calendar year as set forth in the Sustainability Table.

“**DART Rate Threshold**” means, with respect to any calendar year, the DART Rate Threshold for such calendar year as set forth in the Sustainability Table.

“**Demand Side Management**” means utility programs, including tariffs, which encourage reduced energy consumption, either at times of peak consumption or throughout the day/year, including (i) active or controlled programs or tariffs that are designed to reduce consumption primarily at periods of peak consumption (demand response programs) and (ii) passive programs and/or measures intended to increase efficiency (energy efficiency programs).

“**Fee Adjustment**” means positive or negative 0.5 basis points, as applicable.

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“**KPI Adjustment**” means, collectively, the Applicable KPI Fee Adjustment and the Applicable KPI Margin Adjustment.

“**KPI Metrics**” means, collectively, (i) the Non-Emitting Generation Capacity Percentage and (ii) the DART Rate (for the 2021 calendar year) or the DART Rate (Three-Year Average) (for each calendar year after the 2021 calendar year), and each a “KPI Metric”.

“**Margin Adjustment**” means, positive or negative 2.5 basis points, as applicable.

“**Non-Emitting Generation Capacity**” means, with respect to the Borrower, the Megawatts of owned and firm PPA (Purchased Power Agreement) generation capacity based on generation from nuclear, biomass/biogas, geothermal, hydroelectric, solar and wind generation sources, including Demand Side Management and battery storage.

“**Non-Emitting Generation Capacity Percentage**” means, expressed as a percentage, the Non-Emitting Generation Capacity divided by Total Owned and Firm PPA Generation Capacity, as certified by the Borrower.

“**Non-Emitting Generation Capacity Target**” means, with respect to any calendar year, the Non-Emitting Generation Capacity Target for such calendar year as set forth in the Sustainability Table.

“**Non-Emitting Generation Capacity Threshold**” means, with respect to any calendar year, the Non-Emitting Generation Capacity Threshold for such calendar year as set forth in the Sustainability Table.

“**Pricing Certificate**” means a certificate signed by a financial officer of the Borrower substantially in the form of Exhibit G to the Agreement setting forth (with computations in reasonable detail in respect thereof) the KPI Metrics for the immediately preceding calendar year which shall be based on and consistent with the KPI Metrics reported in the Annual KPI Report for such year, together with the resulting KPI Adjustment to apply from the **KPI Sustainability** Pricing Adjustment Date of the then current calendar year.

~~“**Significant KPI Event**” means that (i) the Non-Emitting Generation Capacity Percentage for any calendar year (as set out in the Pricing Certificate and the Annual KPI Report), is (x) less than the Non-Emitting Generation Capacity Threshold for such calendar year by 2.5% or more or (y) greater than the Non-Emitting Generation Capacity Target for such calendar year by 2.5% or more, or (ii) the DART Rate for any calendar year (as set out in the Pricing Certificate and the Annual KPI Report), is (x) less than the DART Rate Target for such calendar year by 10.0% or more or (y) greater than the DART Rate Threshold for such calendar year by 10.0% or more.~~

“**Sustainability Table**” means the table set out on Exhibit A to the Pricing Schedule.

“**Sustainability Targets**” means each of the DART Rate Target and the Non-Emitting Generation Capacity Target.

“**Sustainability Thresholds**” means each of the DART Rate Threshold and the Non-Emitting Generation Capacity Threshold.

“**Total Owned and Firm PPA Generation Capacity**” means, with respect to the Borrower, total megawatts of owned and firm PPA (Purchased Power Agreement) generation capacity.

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Exhibit A to Pricing Schedule

Sustainability Table

KPI Metrics	Annual Sustainability Targets and Thresholds							
	2021	2022	2023	2024	2025	2026		
Non-Emitting Generation Capacity Target	32.8%	36.3%	38.3%	41.6%	45.3%	46.5%		

Generation Capacity								
		27.8%	31.3%	33.3%	36.6%	40.3%	41.5%	Non-Emitting Generation Capacity Threshold
DART Rate	Baseline DART Rate	0.3370.335	0.3370.335	0.3370.335	0.3370.335	0.3370.335	<u>0.335</u>	DART Rate Target
	0.3740.372	0.4120.409	0.4120.409	0.4120.409	0.4120.409	0.4120.409	<u>0.409</u>	DART Rate Threshold

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**EXHIBIT A
(to the Credit Agreement)**

FORM OF NOTICE OF BORROWING

Wells Fargo Bank, National Association, as Administrative Agent
for the Lenders party
to the Credit Agreement
referred to below

Attention: Syndication Agency Services

[Date]

Ladies and Gentlemen:

The undersigned, American Electric Power Company, Inc., refers to the Fifth Amended and Restated Credit Agreement, dated as of March 31, 2021 (as amended or modified from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among the undersigned, the Lenders party thereto, the LC Issuing Banks party thereto, the Swingline Lender and Wells Fargo Bank, National Association, as Administrative Agent for said Lenders, LC Issuing Banks and Swingline Lender, and hereby gives you notice, irrevocably, pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "**Proposed Borrowing**") as required by Section [2.02(a)] [2.03(e)] of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, 20__.

(ii) [The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances][~~Eurodollar Rate~~SOFR Advances][~~LIBOR Market Index Rate Advance~~.]

(iii) The aggregate amount of the Proposed Borrowing is \$ _____.

(iv) The initial Interest Period for each ~~Eurodollar Rate~~SOFR Advance made as part of the Proposed Borrowing is [[one][~~two~~][three][six] month[s]] [OTHER PERIOD OF LESS THAN ONE MONTH AGREED TO BY ALL LENDERS].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement (other than Section 4.01(e) and the last sentence of Section 4.01(f)) are true and correct in all material respects on and as of the date hereof, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on the date hereof; and

(B) no event has occurred and is continuing, or would result from the Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

AmericasActive:~~16624138~~-16624138.12

AMERICAN ELECTRIC POWER COMPANY,
INC.

By _____
Name:
Title:

| AmericasActive:[16624138](tel:16624138),[16624138,12](tel:16624138)

EXHIBIT G

FORM OF PRICING CERTIFICATE

PRICING CERTIFICATE

Wells Fargo Bank, National Association, as Administrative Agent
for the Lenders party
to the Credit Agreement
referred to below

Attention: Syndication Agency Services

This Pricing Certificate (this "*Certificate*") is furnished pursuant to that certain Fifth Amended and Restated Credit Agreement dated as of March 31, 2021 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among American Electric Power Company, Inc. (the "*Borrower*"), the Lenders, the LC Issuing Banks named therein, the Swingline Lender and Wells Fargo Bank, National Association, as the administrative agent (the "*Administrative Agent*"). Unless otherwise defined herein, capitalized terms used in this Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES SOLELY IN [HIS/HER] CAPACITY AS [INSERT TITLE OF FINANCIAL OFFICER DELIVERING THIS CERTIFICATE] OF THE BORROWER AND NOT IN AN INDIVIDUAL CAPACITY (AND WITHOUT PERSONAL LIABILITY) THAT:

1. I am the duly elected [insert title of Financial Officer delivering this Certificate] of the Borrower, and I am authorized to deliver this Certificate on behalf of the Borrower;
2. The ~~Applicable DART Rate Fee Adjustment~~ for the 20[] calendar year is [neutral] [];
3. ~~[+][] [] basis points~~ The DART Rate (Three-Year Average) for the 20[] calendar year is []; ¹
4. ~~3-~~ The Applicable DART Rate Fee Adjustment for the 20[] calendar year is [neutral] [+][] [] basis points;
5. The Applicable DART Rate Margin Adjustment for the 20[] calendar year is [neutral] [+][] [] basis points;
6. The Non-Emitting Generation Capacity Percentage for the 20[] calendar year is [];

¹ Not applicable for the 2021 calendar year.

AmericasActive: ~~16624138.1~~ 16624138.12

7. ~~4-~~ The Applicable Non-Emitting Generation Capacity Fee Adjustment for the 20[] calendar year is [neutral] [+][] [] basis points;
8. ~~5-~~ The Applicable Non-Emitting Generation Capacity Margin Adjustment for the 20[] calendar year is [neutral] [+][] [] basis points;
9. ~~6-~~ The Applicable KPI Fee Adjustment for the 20[] calendar year is [neutral] [+][] [] basis points;
10. ~~7-~~ Following application of the Applicable KPI Fee Adjustment set out in item ~~6~~ 9 above, the Commitment Fee Rate as of the date of this Certificate is []%.
11. ~~8-~~ The Applicable KPI Margin Adjustment for the 20[] calendar year is [neutral]

- | — [+][-][] basis points;
- | 12. ~~9.~~ Following application of the Applicable KPI Margin Adjustment set out in item 811 above, the Applicable Margin as of the date of this Certificate is []%.
- | 13. ~~10.~~ Attached as Annex A hereto are computations with respect to the certifications made in clauses 2 through 912 above.

The foregoing certifications are made and delivered this ____ day of _____, 20[].

AMERICAN ELECTRIC POWER COMPANY, INC.

By _____
Name:
Title:

| AmericasActive:~~16624138.1~~16624138.12

Annex A to Pricing Certificate

Computations

[attached]

| AmericasActive:~~16624138.1~~[16624138.12](#)

Exhibit B

FORM OF OPINION OF COUNSEL FOR THE BORROWER

To each of the Lenders and LC Issuing Banks party to the First Amendment to Fifth Amended and Restated Credit Agreement referred to below and to Wells Fargo Bank, National Association, as Administrative Agent thereunder

April 7, 2022

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 2(a)(iii) of the First Amendment to Fifth Amended and Restated Credit Agreement, dated as of April 7, 2022 (the "First Amendment") among American Electric Power Company, Inc. (the "Borrower"), the Lenders party thereto, the LC Issuing Banks party thereto and Wells Fargo Bank, National Association, as Administrative Agent. Terms defined in the First Amendment and Credit Agreement are used herein as therein defined.

I am Senior Counsel for American Electric Power Service Corporation, an affiliate of the Borrower, and have acted as counsel to the Borrower in connection with the preparation, execution and delivery of the First Amendment. I am generally familiar with the Borrower's corporate history, properties, operations and charter (including amendments, restatements and supplements thereto).

In connection with this opinion, I, or attorneys over whom I exercise supervision, have examined:

- (1) The Credit Agreement and the promissory notes issued by the Borrower on the date hereof pursuant to Section 2.10(d) of the Credit Agreement (collectively, the "Loan Documents").
- (2) The First Amendment.
- (3) The documents furnished by the Borrower pursuant to Section 2 of the First Amendment.
- (4) The certificate of incorporation of the Borrower and all amendments thereto.
- (5) The by-laws of the Borrower and all amendments thereto.
- (6) A certificate of the Secretary of State of New York, dated [], 2022, attesting to the continued existence and good standing of the Borrower in that State.

In addition, I have examined the originals, or copies certified to my satisfaction, of such other corporate records of the Borrower, certificates of public officials and of officers of the Borrower,

and agreements, instruments and other documents, as I have deemed necessary as a basis for the opinions expressed below.

In my examination, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies. In making our examination of documents and instruments executed or to be executed by persons other than the Borrower, I have assumed that each such other person had the requisite power and authority to enter into and perform fully its obligations thereunder, the due authorization by each such other person for the execution, delivery and performance thereof and the due execution and delivery thereof by or on behalf of such person of each such document and instrument. In the case of any such person that is not a natural person, I have also assumed, insofar as it is relevant to the opinions set forth below, that each such other person is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was created and is duly qualified and in good standing in each other jurisdiction where the failure to be so qualified could reasonably be expected to have a material effect upon its ability to execute, deliver and/or perform its obligations under any such document or instrument. I have further assumed that each document, instrument, agreement, record and certificate reviewed by us for purposes of rendering the opinions expressed below has not been amended by any oral agreement, conduct or course of dealing between the parties thereto.

As to questions of fact material to the opinions expressed herein, I have relied upon certificates and representations of officers of the Borrower (including but not limited to those contained in the First Amendment and certificates delivered upon the execution and delivery of the First Amendment) and of appropriate public officials, without independent verification of such matters except as otherwise described herein.

Whenever my opinions herein with respect to the existence or absence of facts are stated to be to my knowledge or awareness, it is intended to signify that no information has come to my attention that would give me actual knowledge of the existence or absence of such facts. However, except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to my or their knowledge of the existence or absence of such facts should be assumed.

I am a member of the Bar of the States of New York and Ohio and do not purport to be expert on the laws of any jurisdiction other than the laws of the States of New York and Ohio and the Federal laws of the United States. My opinions expressed below are limited to the law of the States of New York and Ohio and the Federal law of the United States.

Based upon the foregoing and upon such investigation as I have deemed necessary, and subject to the limitations, qualifications and assumptions set forth herein, I am of the following opinion:

1. The Borrower (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of New York; (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property which it operates as lessee and to conduct the business in which it is currently engaged and in which it proposes to be engaged after the date hereof; (c) is duly qualified as a foreign corporation and is in good standing under the laws of

each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except any such jurisdiction where the failure to so qualify could not, in the aggregate, reasonably be expected to result in a Material Adverse Change; (d) owns or possesses all material licenses and permits necessary for the operation by it of its business as currently conducted; and (e) is in compliance with all Requirements of Law, except as disclosed in the Amendment Disclosure Documents referenced in Section 2(b) of the First Amendment or to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. The term "Requirements of Law" means the laws of the State of New York and the laws, rules and regulations of the United States of America (including, without limitation, ERISA and Environmental Laws) and orders of any governmental

minimum, state and environmental laws, and orders of any governmental authority applicable to the Borrower.

2. The Borrower has the corporate power and authority, and the legal right, to execute and deliver the First Amendment and to perform its obligations under each First Amendment and each Loan Document, and to borrow under the Credit Agreement. The Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of the First Amendment and each Loan Document and the incurrence of Advances on the terms and conditions of the Credit Agreement, and the First Amendment and each Loan Document has been duly executed and delivered by the Borrower. The First Amendment and each Loan Document constitutes the valid and legally binding obligation of the Borrower enforceable against the Borrower in accordance with its terms
 3. The execution, delivery and performance of the First Amendment and each Loan Document and the Advances made under the Credit Agreement will not violate any Requirements of Law, the Borrower's certificate of incorporation or by-laws, or any material contractual restriction binding on or affecting the Borrower or any of its properties.
 4. No approval or authorization or other action by, and no notice to or filing with, any governmental agency or regulatory body or other third person is required in connection with the due execution and delivery of the First Amendment or any Loan Document and the performance, validity and enforceability of the First Amendment and any Loan Document.
 5. Except as described in Section 4.01(e) of the Credit Agreement, no action, suit, investigation, litigation, or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any court, government agency or arbitrator is pending or, to my knowledge, threatened, that is reasonably likely to have a Material Adverse Effect.
 6. Neither the Borrower nor any of its Significant Subsidiaries is an "investment company", or an "affiliated person" of, or "promoter" or "principal underwriter"
-

for, an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended (the “1940 Act”). Neither the making of any Advances, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated by the Credit Agreement will violate any provision of the 1940 Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

The opinion set forth above in the last sentence of paragraph 2 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor’s rights generally and to general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law.)

I express no opinion as to (i) Section 8.05 of the Credit Agreement; (ii) the effect of the law of any jurisdiction (other than the State of New York) wherein any Lender may be located which limits the rates of interest which may be charged or collected by such Lender; and (iii) whether a Federal or state court outside of the State of New York would give effect to the choice of New York law provided for in the First Amendment and Credit Agreement.

This opinion letter has been rendered solely for your benefit in connection with the First Amendment and the transactions contemplated thereby and may not be used, circulated, quoted, relied upon or otherwise referred to by any other person (other than your respective counsel, auditors and any regulatory agency having jurisdiction over you or as otherwise required pursuant to legal process or other requirements of law) for any other purpose without my prior written consent; provided that, (i) Winston & Strawn LLP, special counsel for the Administrative Agent, may rely on the opinions expressed in this opinion letter in connection with the opinion to be furnished by them in connection with the transactions contemplated by the First Amendment and (ii) any person that becomes a Lender or an LC Issuing Bank after the date hereof may rely on the opinions expressed in this opinion letter as though addressed to such person. I undertake no responsibility to update or supplement this opinion in response to changes in law or future events or circumstances.

Very truly yours,

David C. House

Counsel for American Electric Power Company, Inc.

FIRST AMENDMENT TO CREDIT AGREEMENT

This FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of April 7, 2022 (this "**Amendment**") is made by and among AMERICAN ELECTRIC POWER COMPANY, INC., a New York corporation (the "**Borrower**"), each of the Lenders reflected on the signature pages hereto, and WELLS FARGO BANK, NATIONAL ASSOCIATION ("**Wells Fargo**"), as administrative agent (together with its permitted successors in such capacity, the "**Administrative Agent**"). Capitalized terms used but not defined herein shall have the meanings assigned such terms in the Credit Agreement (as defined below).

WHEREAS, the Borrower, the Lenders party thereto, and Wells Fargo, as administrative agent and sustainability structuring agent, are parties to that certain Credit Agreement, dated as of March 31, 2021 (as amended, supplemented or modified prior to the date hereof, the "**Existing Credit Agreement**"; the Existing Credit Agreement as amended by this Amendment, the "**Credit Agreement**"), pursuant to which, among other things, the Borrower requested the Lenders provide the extensions of credit in the amounts and on the terms and conditions set forth in the Existing Credit Agreement.

WHEREAS, the Borrower has requested that the Lenders (i) amend the Existing Credit Agreement as provided below and (ii) confirm the continued effectiveness of the Existing Credit Agreement as amended hereby.

WHEREAS, the Administrative Agent and the Lenders signatory hereto, on the terms and conditions hereinafter set forth, are willing to grant the aforesaid requests of the Borrower.

NOW, THEREFORE, in consideration of the premises and in order to induce the Administrative Agent and the Lenders to amend the Existing Credit Agreement, the parties hereto agree as follows:

SECTION 1. Amendment to Credit Agreement. Subject to the satisfaction of the conditions precedent specified in Section 2 below, the Existing Credit Agreement is hereby amended to (a) delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~), and (b) to add the bold double-underlined text (indicated textually in the same manner as the following example: **bold double-underlined text**) as set forth in the pages of the Existing Credit Agreement attached as Exhibit A hereto. Except as expressly stated above, each other provision of the Existing Credit Agreement (including all schedules and exhibits thereto, except those amended pursuant to Exhibit A hereto) shall remain as it was in effect immediately prior to the date hereof.

SECTION 2. Conditions to Effectiveness. This Amendment shall become effective on the date (the "**First Amendment Effective Date**") that each of the following conditions precedent is satisfied:

- (a) The Administrative Agent shall have received on or before the First Amendment Effective Date the following, each dated the First Amendment Effective Date, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:
 - (i) certified copies of the Borrower's certificate of incorporation and bylaws, and resolutions of the board of directors of the Borrower approving this Amendment, a certificate of good standing for the Borrower from its jurisdiction of incorporation and all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Amendment;
 - (ii) a certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized

certifying the names and the signatures of the officers of the Borrower authorized to sign this Amendment and the other documents to be delivered by the Borrower hereunder; and

- (iii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit B hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.
- (b) On the First Amendment Effective Date, the following statements shall be true and the Administrative Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the First Amendment Effective Date, stating that:
 - (i) The representations and warranties of the Borrower contained in Section 4.01 of the Credit Agreement are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the First Amendment Effective Date, as though made on and as of such date; and
 - (ii) No event has occurred and is continuing that constitutes a Default.
- (c) The Borrower shall have paid all fees and expenses of the Administrative Agent and the Lenders then due and payable in accordance with the terms of the Fee Letter, dated as of March 21, 2022, among the Borrower, Wells Fargo Bank, and Wells Fargo Securities.
- (d) The Administrative Agent shall have received counterparts of this Amendment, executed and delivered by the Borrower and the Lenders.
- (e) The Administrative Agent shall have received copies of the Borrower's Report on Form 10-K, as filed with the SEC, for the fiscal year ended December 31, 2021 and the Borrower's Current Reports on Form 8-K, as filed with the SEC after the date of filing the Borrower's Report on Form 10-K for the fiscal year ended December 31, 2021 but prior to the First Amendment Effective Date (collectively, the "***Amendment Disclosure Documents***").

- (f) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.

SECTION 3. Representations and Warranties of Borrower. The Borrower represents and warrants as follows:

(a) The execution, delivery and performance by each Borrower of this Amendment and the consummation by the Borrower of the transactions contemplated by this Amendment, are within the Borrower's corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(b) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Borrower of this Amendment.

(c) This Amendment has been duly executed and delivered by the Borrower. Each of this Amendment and the Credit Agreement, as amended by this Amendment, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

SECTION 4. Fees, Expenses, Etc. Administrative Agent shall have received all reasonable out-of-pocket fees, costs and expenses incurred by the Administrative Agent in connection with the negotiation, preparation and execution of this Amendment.

SECTION 5. Existing Eurodollar Rate Advances. Until the expiration of the Interest Period (as defined in the Existing Credit Agreement) applicable thereto, each Eurodollar Rate Advance (as defined in the Existing Credit Agreement) outstanding on the date hereof (i) shall continue to be subject to all of the terms of the Existing Credit Agreement applicable to such Eurodollar Rate Advance (without giving effect to the amendments contemplated hereby), and (ii) if still outstanding on the date of the expiration of such Interest Period, shall be converted on such date to a Base Rate Advance or SOFR Advance in accordance with the terms of the Credit Agreement.

SECTION 6. Reference to and Effect on the Credit Agreement. (a) Upon the effectiveness of Section 1 hereof: (i) each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby, and (ii) each reference in the Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of

like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby. This Amendment shall constitute a Loan Document.

(b) Except as specifically amended above, the Credit Agreement shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

(c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, under the Credit Agreement or any of the other Loan Documents.

(d) Nothing contained in this Amendment shall prejudice any right or remedy that the

Administrative Agent or any Lender may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document, or any other instrument or agreement referred to therein.

SECTION 7. Reaffirmation. The Borrower hereby reaffirms its obligations under the Credit Agreement (as amended by this Amendment) and each Loan Document to which it is a party.

SECTION 8. Entire Agreement. This Agreement and the Loan Documents (including the Credit Agreement as amended by this Amendment) constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal among the parties hereto or any of them with respect to the subject matter hereof.

SECTION 9. Amendments; Modifications. Neither this Amendment nor any provision hereof may be waived, amended or modified, except in accordance with Section 8.01 of the Credit Agreement.

SECTION 10. Incorporated Provisions. The provisions of Section 8.12 (“**Jurisdiction, Etc.**”) and Section 8.13 (“**Waiver of Jury Trial**”) of the Credit Agreement are hereby incorporated by reference into this Agreement, mutatis mutandis.

SECTION 11. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, emailed pdf, or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 12. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

SECTION 13. Successors and Assigns. This Amendment shall be binding upon the Borrower, the Administrative Agent, the Lenders and their respective permitted successors and

assigns, and shall inure to the benefit of the Borrower, the Lenders, the Administrative Agent and the Lenders and their respective permitted successors and assigns.

SECTION 14. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signature page follows.]

-5-

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IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

AMERICAN ELECTRIC POWER
COMPANY, INC.

By: 

Name: Renee V. Hawkins

[First Amendment to Credit Agreement]

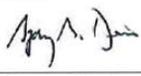
WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Administrative Agent and a Lender

By: 

Name: Keith Luettel
Title: Managing Director

[First Amendment to Credit Agreement]

BARCLAYS BANK PLC,
as a Lender

By: 

Name: Sydney G. Dennis
Title: Director

[First Amendment to Credit Agreement]

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: Nancy R. Barwig

Name: Nancy R. Barwig
Title: Executive Director

[First Amendment to Credit Agreement]

BANK OF AMERICA, N.A.,
as a Lender

By: Dylan Honza

Name: Dylan Honza
Title: Vice President

[First Amendment to Credit Agreement]

CITIBANK, N.A.,
as a Lender

By:  _____

Name: Richard Rivera
Title: Vice President

[First Amendment to Credit Agreement]

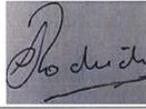
MIZUHO BANK, LTD.,
as a Lender

By: Edward Sacks _____

Name: Edward Sacks
Title: Authorized Signatory

[First Amendment to Credit Agreement]

MUFG BANK, LTD.,
as a Lender



By: _____

Name: Nietzsche Rodricks
Title: Managing Director

[First Amendment to Credit Agreement]

THE BANK OF NOVA SCOTIA,
as a Lender



By: _____

Name: David Dewar
Title: Director

[First Amendment to Credit Agreement]

CANADIAN IMPERIAL BANK OF
COMMERCE, NEW YORK BRANCH,
as a Lender

By: Anju Abraham

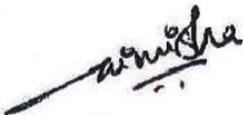
Name: Anju Abraham
Title: Executive Director

[First Amendment to Credit Agreement]

CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK,
as a Lender

By: Dale G. [Signature]

Name: Darrell Stanley ✓
Title: Managing Director

By: 
Name: Nimisha Srivastav
Title: Director

[First Amendment to Credit Agreement]

CREDIT SUISSE AG, NEW YORK BRANCH,
as a Lender

By: 

Name: Komal Shah
Title: Authorized Signatory

By: 

Name: Michael Dieffenbacher
Title: Authorized Signatory

[First Amendment to Credit Agreement]

GOLDMAN SACHS BANK USA,
as a Lender

By: Andrew B. Vernon

Name: Andrew B. Vernon
Title: Authorized Signatory

[First Amendment to Credit Agreement]

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: *Renee M. Bonnell*

Name: Renee M. Bonnell
Title: Senior Vice President

[First Amendment to Credit Agreement]

MORGAN STANLEY BANK, N.A.,
as a Lender

By: *Michael King*

Name: Michael King
Title: Authorized Signatory

[First Amendment to Credit Agreement]

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: Ryan Rockwood

Name: Ryan Rockwood
Title: Vice President

[First Amendment to Credit Agreement]

ROYAL BANK OF CANADA,
as a Lender

By: Martina Wellik

Name: Martina Wellik
Title: Authorized Signatory

[First Amendment to Credit Agreement]

SUMITOMO MITSUI BANKING
CORPORATION,
as a Lender

By: Alkesh Nanavaty

Name: Alkesh Nanavaty
Title: Executive Director

[First Amendment to Credit Agreement]

THE BANK OF NEW YORK MELLON,
as a Lender

By: Molly H. Ross

Name: Molly H. Ross
Title: Vice President

[First Amendment to Credit Agreement]

THE TORONTO-DOMINION BANK, NEW
YORK BRANCH,
as a Lender

By:  _____

Name: Maria Macchiaroli
Title: Authorized Signatory

[First Amendment to Credit Agreement]

TRUIST BANK,
as a Lender

By:  _____

Name: Justin Lien
Title: Director

[First Amendment to Credit Agreement]

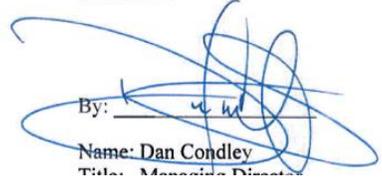
U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: 

Name: John M. Eyerman
Title: Senior Vice President

[First Amendment to Credit Agreement]

FIFTH THIRD BANK, NATIONAL
ASSOCIATION,
as a Lender

By: 

Name: Dan Condley
Title: Managing Director

[First Amendment to Credit Agreement]

THE HUNTINGTON NATIONAL BANK,
as a Lender

By: Nolan Woodbury

Name: Nolan Woodbury
Title: Assistant Vice President

[First Amendment to Credit Agreement]

Exhibit A
Amended Credit Agreement

[See attached]

AmericasActive:16779589.4

U.S. \$1,000,000,000

CREDIT AGREEMENT

Dated as of March 31, 2021
among

AMERICAN ELECTRIC POWER COMPANY, INC.
as the Borrower

THE LENDERS NAMED HEREIN
as Initial Lenders

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Administrative Agent

WELLS FARGO SECURITIES, LLC
JPMORGAN CHASE BANK, N.A.
BARCLAYS BANK PLC
THE BANK OF NOVA SCOTIA
MUFG BANK, LTD.
CITIBANK, N.A.
BOFA SECURITIES, INC.
MIZUHO BANK, LTD.
Joint Lead Arrangers and Joint Bookrunners

JPMORGAN CHASE BANK, N.A.
BARCLAYS BANK PLC
Syndication Agents

THE BANK OF NOVA SCOTIA
MUFG BANK, LTD.
CITIBANK, N.A.
BANK OF AMERICA, N.A.
MIZUHO BANK, LTD.
Documentation Agents

WELLS FARGO SECURITIES, LLC
Sustainability Structuring Agent

AmericasActive:[16797229-116797229.4](#)

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CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of March 31, 2021 (this “*Agreement*”), among AMERICAN ELECTRIC POWER COMPANY, INC., a New York corporation (the “*Borrower*”), the banks, financial institutions and other institutional lenders listed on the signatures pages hereof (the “*Initial Lenders*”), and WELLS FARGO BANK, NATIONAL ASSOCIATION (“*Wells Fargo Bank*”), as administrative agent (in such capacity, and its successors in such capacity as provided in Article VII, the “*Administrative Agent*”) for the Lenders (as hereinafter defined).

PRELIMINARY STATEMENT:

The Borrower has requested that the Lenders agree, on the terms and conditions set forth herein, to provide to the Borrower Commitments in the aggregate amount of \$1,000,000,000 and the Lenders have indicated their willingness to provide such credit facility on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01 Certain Defined Terms.

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“*Adjusted Term SOFR*” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“*Administrative Agent*” has the meaning specified in the recital of parties to this Agreement.

“*Administrative Questionnaire*” means an administrative questionnaire in a form supplied by the Administrative Agent.

“*Advance*” means an advance by a Lender to the Borrower as part of a Borrowing and refers to a Base Rate Advance or a Eurodollar Rate SOFR Advance.

“*Affected Financial Institution*” means (i) any EEA Financial Institution or (ii) any UK Financial Institution.

“*Affiliate*” means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term “control” (including the terms “controlling”, “controlled by” and “under common control with”) of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

“*Agent Parties*” has the meaning specified in Section 8.02(c).

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“*Agent’s Account*” means an account of the Administrative Agent maintained by the Administrative Agent from time to time designated in a written notice to the Lenders and the Borrower.

“*Announcements Anniversary Date*” has the meaning specified in Section ~~4.05~~2.06(a).

“*Annual KPI Report*” has the meaning specified in the Pricing Schedule.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption.

“*Applicable Law*” means (i) all applicable common law and principles of equity and (ii)

all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

~~“Applicable Lending Office” means, with respect to each Lender, such Lender’s Domestic Lending Office in the case of a Base Rate Advance and such Lender’s Eurodollar Lending Office in the case of a Eurodollar Rate Advance.~~

“Applicable Margin” has the meaning specified in the Pricing Schedule.

“Approved Fund” means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 8.07), and accepted by the Administrative Agent, in substantially the form of Exhibit B hereto or any other form approved by the Administrative Agent.

“Available Commitment” means, for each Lender at any time on any day, the unused portion of such Lender’s Commitment, computed after giving effect to all Extensions of Credit made or to be made on such day, the application of proceeds therefrom and all prepayments and repayments of Advances made on such day.

“Available Commitments” means the aggregate of the Lenders’ Available Commitments hereunder.

~~“Available Tenor” has the meaning specified in Section 8.21(g)~~means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 8.21(c).

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“**Bail-In Legislation**” means (i) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (ii) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“**Bank of America**” means Bank of America, N.A.

“**Bankruptcy Event**” means, with respect to any Person, such Person becomes the subject of a proceeding under any Debtor Relief Law, or has had a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets (including the Federal Deposit Insurance Corporation or any other Governmental Authority acting in a similar capacity) appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; *provided* that, a Bankruptcy Event shall not result solely by virtue of any ownership interest, or acquisition of any equity interest, in such Person by a Governmental Authority so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm obligations under any agreement in which it commits to extend credit.

“**Bank of America**” means Bank of America, N.A.

“**Barclays**” means Barclays Bank PLC.

“**Base Rate**” means ~~a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of the following rates then in effect, at any time, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1.00%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate or Adjusted Term SOFR, as applicable (provided that clause (c) shall not be applicable during any period in which Adjusted Term SOFR is unavailable or unascertainable).~~ Notwithstanding the foregoing, in no event shall the Base Rate be less than 0.00%.

(i) ~~the rate of interest announced publicly by Wells Fargo Bank, from time to time, as Wells Fargo Bank's prime rate (it being acknowledged by the Borrower that such rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks);~~

(ii) ~~1/2 of 1% per annum above the Federal Funds Rate; and~~

(iii) ~~the rate of interest per annum equal to the Eurodollar Rate as determined on such day (or if such day is not a Business Day, on the next preceding Business Day) that would be applicable to a Eurodollar Rate Advance having an Interest Period of one month, plus 1%.~~

“**Base Rate Advance**” means an Advance that bears interest as provided in Section 2.11(a).

“**Benchmark**” has the meaning specified in Section 8.21(g).

“**Benchmark Replacement**” has the meaning specified in Section 8.21(g).

“Benchmark Replacement Adjustment” has the meaning specified in Section 8.21(g).

“Benchmark Replacement Conforming Changes” has the meaning specified in Section 8.21(g).

“Benchmark Replacement Date” has the meaning specified in Section 8.21(g).

“Benchmark Transition Event” has the meaning specified in Section 8.21(g); means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 8.21.

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Start Date**” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21.

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**BHC Act Affiliate**” has the meaning specified in Section 8.22.

“**BOFAS**” means BofA Securities, Inc., together with any of its Affiliates it deems appropriate to provide the services contemplated herein.

“**Borrower**” has the meaning specified in the recital of parties to this Agreement.

“**Borrowing**” means a borrowing by the Borrower consisting of simultaneous Advances of the same Type, having the same Interest Period and ratably made or Converted on the same day by each of the Lenders pursuant to Section 2.02 or 2.13, as the case may be. All Advances to the Borrower of the same Type, having the same Interest Period and made or Converted on the same day shall be deemed a single Borrowing hereunder until repaid or next Converted.

“**Borrowing Date**” means the date of any Borrowing.

“**Business Day**” means ~~any day of the year on which banks are not required or authorized by law to close in~~ that (a) is not a Saturday, Sunday or other day on which the Federal Reserve Bank of New York City is closed and, ~~if the applicable Business Day relates to any Eurodollar Rate Advances, Business Day also includes a day on which dealings are carried out in the London interbank market~~ (b) is not a day on which commercial banks in Charlotte, North Carolina are closed.

“**CGMI**” means Citigroup Global Markets Inc.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank

Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, implemented, adopted or issued.

"**Citibank**" means Citibank, N.A.

"**Closing Date**" has the meaning specified in Section 3.01.

"**Commitment**" means, for each Lender, the obligation of such Lender to make Advances to the Borrower hereunder in an aggregate amount no greater than the amount set forth on Schedule II hereto or, if such Lender has entered into any Assignment and Assumption, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), in each such case as such amount may be reduced from time to time pursuant to Section 2.08.

"**Commitment Fee Rate**" has the meaning specified in the Pricing Schedule.

"**Commitment Percentage**" means, as to any Lender as of any date of determination, the percentage describing such Lender's pro rata share of the Commitments set forth in the Register from time to time; provided that in the case of Section 8.16 when a Defaulting Lender shall exist, "**Commitment Percentage**" means the percentage of the total Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Commitment Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"**Commitments**" means the aggregate of the Lenders' Commitments hereunder.

"**Communications**" has the meaning specified in Section 8.02(b).

"**Confidential Information**" means information that the Borrower furnishes to the Administrative Agent, the Joint Lead Arrangers or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent, the Joint Lead Arrangers or such Lender from a source other than the Borrower.

"**Conforming Changes**" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 8.04 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such

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market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by overall gross receipts or income, or net income (however denominated) or that are franchise Taxes, privilege Taxes, license Taxes or branch profits Taxes.

"**Consolidated Capital**" means the sum of (i) Consolidated Debt of the Borrower and (ii) the consolidated equity of all classes of stock (whether common, preferred, mandatorily convertible preferred or preference) of the Borrower, in each case determined in accordance with GAAP, but including Equity-Preferred Securities issued by the Borrower and its Consolidated

Subsidiaries and excluding the funded pension and other postretirement benefit plans, net of tax, components of accumulated other comprehensive income (loss).

“**Consolidated Debt**” of the Borrower means the total principal amount of all Debt described in clauses (i) through (v) of the definition of Debt and Guaranties of such Debt of the Borrower and its Consolidated Subsidiaries, excluding, however, (i) Debt of AEP Credit, Inc. that is non-recourse to the Borrower, (ii) Stranded Cost Recovery Bonds, and (iii) Equity-Preferred Securities not to exceed 10% of Consolidated Capital (calculated for purposes of this clause without reference to any Equity-Preferred Securities); provided that Guaranties of Debt included in the total principal amount of Consolidated Debt shall not be added to such total principal amount.

“**Consolidated Subsidiary**” means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with GAAP.

“**Consolidated Tangible Net Assets**” means, on any date of determination and with respect to any Person at any time, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of such Person and its Consolidated Subsidiaries most recently delivered to the Lenders pursuant to Section 5.01(i) as of such date of determination, net of applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the consolidated current liabilities of such Person and its Consolidated Subsidiaries appearing on such balance sheet.

“**Convert**”, “**Conversion**” and “**Converted**” each refers to a conversion of Advances of one Type into Advances of the other Type, or the selection of a new, or the renewal of the same, Interest Period for ~~Eurodollar Rate~~SOFR Advances, pursuant to Section 2.12 or 2.13.

“**Covered Entity**” has the meaning specified in Section 8.22.

“**Covered Party**” has the meaning specified in Section 8.22.

“**Credit Party**” means the Administrative Agent and each Lender.

~~“**Daily Simple SOFR**” has the meaning specified in Section 8.21(g).~~

“**Debt**” of any Person means, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person’s business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, including, without limitation, the leases described in clause (iv) of Section 5.02(c), (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, (vi) all Guaranties and (vii) all reasonably quantifiable obligations under indemnities or under support or capital contribution agreements, and other reasonably quantifiable obligations (contingent or otherwise) to purchase or otherwise to assure a creditor against loss in respect of, or to assure an obligee against loss in respect of, all Debt of others referred to in clauses (i) through (vi) above guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss.

“**Debtor Relief Laws**” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“**Declining Lender**” has the meaning specified in Section 2.06(b).

“**Default**” means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

“**Default Right**” has the meaning specified in Section 8.22.

“**Defaulting Lender**” means, subject to Section 8.16(b), any Lender that (i) has failed to (A) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, or (B) pay to any Credit Party any other amount required to be paid by it hereunder within two Business Days of the date when due, (ii) has notified the Borrower or any Credit Party in writing that it does not intend to comply with its funding obligations hereunder or generally under other agreements in which it commits to extend credit, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund an Advance hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (iii) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder

(provided that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (iii) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (iv) has become the subject of (A) a Bankruptcy Event or (B) a Bail-in Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (i) through (iv) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 8.16(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“**Designated Lender**” has the meaning specified in Section 2.07(a).

“**Disclosure Documents**” means the Borrower’s Report on Form 10-K, as filed with the SEC, for the fiscal year ended December 31, 2020 and the Borrower’s Current Reports on Form 8-K, as filed with the SEC after the date of filing the Borrower’s Report on Form 10-K for

the period ended December 31, ~~2020~~2021 but prior to the ~~Closing~~First Amendment Effective Date.

“*Dollars*” and the symbol “\$” mean lawful currency of the United States of America.

~~“*Domestic Lending Office*” means, with respect to any Lender, the office of such Lender specified as its “Domestic Lending Office” on such Lender’s Administrative Questionnaire or in the Assignment and Assumption pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.~~

~~“*Early Opt-in Election*” has the meaning specified in Section 8.21(g).~~

“*EEA Financial Institution*” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“*EEA Member Country*” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“*EEA Resolution Authority*” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“*Electronic Record*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

“*Electronic Signature*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

“*Eligible Assignee*” means any Person that meets the requirements to be an assignee under Section 8.07(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 8.07(b)(iii)).

“*Environmental Action*” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding,

consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (i) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (ii) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“**Environmental Law**” means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

“**Environmental Permit**” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“**Equity-Preferred Securities**” means (i) debt or preferred securities that are mandatorily convertible or mandatorily exchangeable into common shares of the Borrower and (ii) any other securities, however denominated, including but not limited to hybrid capital and trust originated preferred securities, (A) issued by the Borrower or any Consolidated Subsidiary of the Borrower, (B) that are not subject to mandatory redemption or the underlying securities, if any, of which are not subject to mandatory redemption, (C) that are perpetual or mature no less than 30 years from the date of issuance, (D) the indebtedness issued in connection with which, including any guaranty, is subordinate in right of payment to the unsecured and unsubordinated indebtedness of the issuer of such indebtedness or guaranty, and (E) the terms of which permit the deferral of the payment of interest or distributions thereon to a date occurring after the Termination Date.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“**ERISA Affiliate**” means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) the Internal Revenue Code.

“**ERISA Event**” means (i) the termination of or withdrawal from any Plan by the Borrower or any of its ERISA Affiliates, (ii) the failure by the Borrower or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Plan or (iii) the failure by the Borrower or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

“**Erroneous Payment**” has the meaning ~~specified~~assigned thereto in Section 7.06(a).

“**Erroneous Payment Deficiency Assignment**” has the meaning assigned thereto in Section 7.06(d).

“**Erroneous Payment Impacted Class**” has the meaning assigned thereto in Section 7.06(d).

“**Erroneous Payment Return Deficiency**” has the meaning assigned thereto in Section 7.06(d).

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“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“**Eurocurrency Liabilities**” has the meaning ~~assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.~~

“**Eurodollar Lending Office**” means, ~~with respect to any Lender, the office of such Lender specified as its “Eurodollar Lending Office” on such Lender’s Administrative Questionnaire or in the Assignment and Assumption pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.~~

~~“Eurodollar Rate” means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing, the London interbank offered rate (rounded upward to the nearest 1/16th of 1%) as administered by ICE Benchmark Administration Limited (or any other Person that takes over the administration of such rate) for deposits in immediately available funds in Dollars for a period equal in length to such Interest Period as displayed on page LIBOR01 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute Reuters page or screen that displays such rate, or on the appropriate page or screen of such other comparable information service that publishes such rate from time to time as selected by the Administrative Agent in its discretion) (in each case, the “Screen Rate”) at approximately 11:00 A.M. (London time) two Business Days before the first day of such Interest Period, provided, that if the Screen Rate (including, without limitation, any Benchmark Replacement with respect thereto) shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement, and provided, further, if the Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”), the Eurodollar Rate for such Borrowing shall be a rate determined by the Administrative Agent to be the arithmetic average of the rate per annum (rounded upward to the nearest 1/16th of 1%) at which deposits in Dollars in minimum amounts of at least \$5,000,000 would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 A.M. (London time) two Business Days before the first day of such Interest Period for a period equal to such Interest Period; provided, that if such rate (including, without limitation, any Benchmark Replacement with respect thereto) shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.~~

~~“Eurodollar Rate Advance” means an Advance that bears interest as provided in Section 2.11(e).~~

~~“Eurodollar Rate Reserve Percentage” of any Lender for any Interest Period for each Eurodollar Rate Advance means the reserve percentage applicable to such Lender during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) then applicable to such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.~~

“*Events of Default*” has the meaning specified in Section 6.01.

“*Exchange Act*” has the meaning specified in Section 6.01(f).

“*Excluded Taxes*” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by overall gross receipts or income, or net income (however denominated), franchise Taxes, privilege Taxes, license Taxes or branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its ~~Applicable~~applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.20(b)) or (ii) such Lender changes its ~~Applicable~~applicable Lending Office, except in each case to the extent that, pursuant to Section 2.18, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its ~~Applicable~~applicable Lending Office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.18(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

“*Extension Effective Date*” has the meaning specified in Section 2.06(c).

“*Extension of Credit*” means the making of a Borrowing. For purposes of this Agreement, a Conversion shall not constitute an Extension of Credit.

“*FATCA*” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, and any intergovernmental agreement entered into in connection with such sections of the Internal Revenue Code and any legislation, law, regulation or practice enacted or promulgated pursuant to such intergovernmental agreement.

~~“*FCA*” has the meaning specified in Section 1.05.~~

“*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 Administrative Agent from three Federal funds brokers of recognized standing selected by it; *provided* that if the Federal Funds Rate as determined in accordance with this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“*Fifth Amended and Restated Credit Agreement*” means the Fifth Amended and Restated Credit Agreement, dated as of the Closing Date, among the Borrower, Wells Fargo Bank, as administrative agent, and the banks, financial institutions and other institutional lenders

party thereto pursuant to which the lenders party thereto provide to the Borrower a \$4,000,000,000 revolving credit facility.

“*Floor First Amendment*” means that certain First Amendment to Credit Agreement, entered into by the Borrower, the Administrative Agent and the Lenders party thereto, dated as of April 7, 2022.

“*First Amendment Effective Date*” has the meaning specified in ~~Section 8.21(g)~~the First Amendment.

“*Floor*” means a rate of interest equal to 0.00%.

“**Foreign Lender**” means a Lender that is not a U.S. Person.

“**Foreign Plan**” has the meaning specified in Section 4.01(i).

“**FRB**” means [the Board of Governors of the Federal Reserve System of the United States.](#)

“**Fund**” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

“**GAAP**” has the meaning specified in Section 1.03.

“**GenCo**” means AEP Generation Resources Inc.

“**Governmental Approval**” means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

“**Governmental Authority**” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Guaranty**” of any Person means any obligation, contingent or otherwise, of such Person (i) to pay any Debt of any other Person or (ii) incurred in connection with the issuance by a third person of a Guaranty of Debt of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise).

“**Hazardous Materials**” means (i) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (ii) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

“**IBA**” has the meaning specified in Section 1.05.

~~“Impacted Interest Period” has the meaning specified for such term in the definition herein of “Eurodollar Rate.”~~

“Indemnified Party” has the meaning specified in Section 8.04(b).

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Initial Lenders” has the meaning specified in the recital of parties to this Agreement.

~~“Interest Period” means, for each Eurodollar Rate as to any SOFR Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate SOFR Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, with respect to Eurodollar Rate Advances, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be as disbursed or converted to or continued as a SOFR Advance and ending on the date one, two (1), three (3) or six (6) months (or, for any Borrowing, any period specified thereafter, in each case as selected by the Borrower that is shorter than one month, if all Lenders agree), as the Borrower may, upon notice received by the Administrative Agent not later than 11:00 A.M. on the third Business Day prior to the first day of such Interest Period, select in its Notice of Borrowing or a notice of conversion and subject to availability; provided, however, that:~~

- ~~(i) the Borrower may not select any Interest Period that ends after the Termination Date of any Lender;~~
- ~~(ii) shall commence on the date of advance of or conversion to any SOFR Advance and, in the case of immediately successive Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Borrowing, each successive Interest Period shall be of commence on the same duration date on which the immediately preceding Interest Period expires;~~
- ~~(iii) whenever the last day of any Interest Period would otherwise occur expire on a day other than that is not a Business Day, the last day of such Interest Period shall be extended to occur expire on the next succeeding Business Day; provided, however, that, if such extension would cause the last day of such any Interest Period to occur in the next following calendar would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, the last day of such Interest Period shall occur expire on the next immediately preceding Business Day; and~~
- ~~(iv) whenever the first day of any Interest Period occurs that begins on a day the last Business Day of an initial a calendar month (or on a day for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by at the number end of months equal to the number of months in such Interest Period, such Interest Period) shall end on the last Business Day of such succeeding the relevant calendar month at the end of such Interest Period;~~
- ~~(v) no Interest Period shall extend beyond the Termination Date;~~

~~(v) there shall be no more than ten (10) Interest Periods in effect at any time; and~~

~~(vi) no tenor that has been removed from this definition pursuant to Section 8.21 shall be available for specification in any Notice of Borrowing or notice of conversion.~~

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“IRS” means the United States Internal Revenue Service.

~~“ISDA Definitions” has the meaning specified in Section 8.21(g).~~

“**Joint Lead Arrangers**” means Wells Fargo Securities, JPMorgan, Barclays, Scotiabank, MUFG, Citibank, BOFAS and Mizuho, in their capacities as joint lead arrangers and joint bookrunners for the credit facilities provided for herein.

“**JPMorgan**” means JPMorgan Chase Bank, N.A.

“**KPI Metrics**” has the meaning specified in the Pricing Schedule.

“**Lenders**” means, at any time, collectively, (i) the Initial Lenders (other than any such Initial Lenders that have previously assigned all of their respective Advances and Commitments to other Persons in accordance with Section 8.07(b) at such time), and (ii) any other Persons that have become Lenders holding Advances and/or Commitments at such time in accordance with Section 8.07(b).

“**Lending Office**” means, with respect to any Lender, the office of such Lender maintaining such Lender’s Extensions of Credit, which office may, to the extent the applicable Lender notifies the Administrative Agent in writing, include an office of any Affiliate of such Lender or any domestic or foreign branch of such Lender or Affiliate.

“**Lien**” means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“**Loan Documents**” means, collectively, (i) the Commitment Letter, dated as of March 8, 2021, among the Borrower, Wells Fargo Bank, Wells Fargo Securities, JPMorgan, Barclays, Scotiabank, MUFG, CGMI, Bank of America, BOFAS and Mizuho, (ii) the Fee Letter, dated as of March 8, 2021, among the Borrower, Wells Fargo Bank, Wells Fargo Securities, JPMorgan and Barclays, (iii) the Fee Letter, dated as of March 8, 2021, among the Borrower, Scotiabank, MUFG, CGMI, Bank of America, BOFAS and Mizuho, (iv) the Fee Letter, dated as of March 8, 2021, between the Borrower and the Administrative Agent, (v) [the Fee Letter, dated as of March 21, 2022, between the Borrower, Wells Fargo Bank and Wells Fargo Securities](#), (vi) this Agreement, and (vii) each promissory note issued pursuant to Section 2.10(d), in each case, as any of the foregoing may be amended, supplemented or modified from time to time.

“**Margin Regulations**” means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“**Margin Stock**” has the meaning specified in the Margin Regulations.

“**Material Adverse Change**” means any material adverse change (i) in the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement against the Borrower or the ability of the Borrower to perform its obligations under this Agreement.

“**Material Adverse Effect**” means a material adverse effect (i) on the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement against the Borrower or the ability of the Borrower to perform its obligations under this Agreement.

“**Mizuho**” means Mizuho Bank, Ltd.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Moody’s Rating**” means, on any date of determination, the debt rating most recently announced by Moody’s with respect to the long-term senior unsecured debt issued by the Borrower.

“**MUFG**” means MUFG Bank, Ltd.

“**Multiemployer Plan**” has the meaning specified in Section 4.01(i).

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders in accordance with the terms of Section 8.01 and (ii) has been approved by the Required Lenders.

“**Non-Defaulting Lender**” means, at any time, each Lender that is not a Defaulting Lender at such time.

“**Notice of Borrowing**” has the meaning specified in Section 2.02(a).

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Advance, Commitment or Loan Document).

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.20(b)).

“**Outstanding Credits**” means, on any date of determination and as to any Lender, the aggregate principal amount of such Lender’s Advances outstanding on such date.

“**Overnight Rate**” means, for any day, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

“**Parent**” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“**Participant**” has the meaning specified in Section 8.07(d).

“**Participant Register**” has the meaning specified in Section 8.07(d).

“**Patriot Act**” has the meaning specified in Section 8.14.

“**Permitted Liens**” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(g) hereof; (ii) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens, and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings; (iii) Liens incurred or deposits made to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; (iv) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (v) any judgment Lien, unless an Event of Default under Section 6.01(g) shall have occurred and be continuing; (vi) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower or any Significant Subsidiary and not created in contemplation of such event; (vii) deposits made in the ordinary course of business to secure the performance of bids, trade contracts (other than for Debt), operating leases and surety bonds; (viii) Liens upon or in any real property or equipment acquired, constructed, improved or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property); (ix) extensions, renewals or replacements of any Lien described in clause (iii), (vi), (vii) or (viii) for the same or a lesser amount, *provided, however*, that no such Lien shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced; and (x) any other Lien not covered by the foregoing exceptions as long as immediately after the creation of such Lien the aggregate principal amount of Debt secured by all Liens created or assumed under this clause (x) does not exceed 10% of Consolidated Tangible Net Assets of the Borrower.

“**Person**” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

“**Plan**” has the meaning specified in Section 4.01(i).

“**Platform**” has the meaning specified in Section 8.02(b).

“**Pricing Certificate**” has the meaning specified in the Pricing Schedule.

“**Pricing Certificate Inaccuracy**” has the meaning specified in the Pricing Schedule.

“**Pricing Schedule**” means Schedule I to this Agreement.

“**Prime Rate**” means, at any time, the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The parties hereto acknowledge that the rate announced publicly by the Administrative Agent as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

“**Proposed Increased Commitment**” has the meaning specified in Section 2.07(a).

“**QFC**” has the meaning specified in Section 8.22.

“**QFC Credit Support**” has the meaning specified in Section 8.22.

“**Recipient**” means (a) the Administrative Agent and (b) any Lender, as applicable.

~~“**Reference Time**” has the meaning specified in Section 8.21(g).~~

“**Register**” has the meaning specified in Section 8.07(c).

“**Related Parties**” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

~~“**Relevant Governmental Body**” has the meaning specified in Section 8.21(g) means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.~~

“**Required Lenders**” means at any time Lenders owed in excess of 50% of the Outstanding Credits at such time, or, if there are no Outstanding Credits, Lenders having in excess of 50% in interest of the Commitments in effect at such time having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. Subject to Section 8.01, the Outstanding Credits and Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“**Resolution Authority**” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“**Restructuring Law**” means Texas Senate Bill 7, as enacted by the Legislature of the State of Texas and signed into law on June 18, 1999, Ohio Senate Bill No. 3, as enacted by the General Assembly of the State of Ohio and signed into law on July 6, 1999, or any similar law applicable to the Borrower or any Subsidiary of the Borrower governing the deregulation or restructuring of the electric power industry.

“**RTO Transaction**” means the transfer of transmission facilities to a regional transmission organization or equivalent organization as approved or ordered by the Federal Energy Regulatory Commission.

“**S&P**” means S&P Global Ratings, a business unit of S&P Global, Inc.

“**S&P Rating**” means, on any date of determination, the rating most recently announced by S&P with respect to the long-term senior unsecured debt issued by the Borrower.

~~“**Sanctions**” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any EU member state, or Her Majesty’s Treasury of the United Kingdom.~~

“**Sanctioned Country**” means, at any time of determination, a region, a country, region or territory that which is itself (or whose government is) the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, ~~any target of determination, Sanctions, including:~~ (a) any Person ~~listed in any Sanctions-related~~ on any list of targets identified or designated ~~Persons maintained~~ pursuant to any Sanctions, ~~(b) any Person operating, organized or resident in a Sanctioned Country,~~ (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by the Office of Foreign Assets Control of the U.S. Department of the Treasury to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s) or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

“Sanctions” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those ~~imposed, administered or enforced from time to time by the U.S. government (including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future statute or executive order), the United Nations Security Council, the European Union, any EU European member state or, Her Majesty’s Treasury of the United Kingdom,~~ ~~(b) any Person operating, organized or resident in a Sanctioned Country,~~ (c) any Person owned or controlled by or acting on behalf of any such Person described in the preceding clause (a) or (b), ~~or (d) any Person with, or other relevant sanctions authority in any jurisdiction in which, to (a) the Borrower’s actual knowledge, or any Lender is prohibited under Sanctions relevant to it from dealing or engaging in transactions. For purposes of the foregoing, control of a Person shall be deemed to include where a Sanctioned Person (i) owns or has power to vote 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of the Person or other individuals performing similar functions for the Person, or (ii) has the power to direct or cause the direction of its Subsidiaries or Affiliates is located or conducts business, (b) in which any of the management and policies proceeds of the Person, whether by ownership of equity interests, contracts or otherwise~~ Outstanding Credits will be used, or (c) from which repayment of the Outstanding Credits will be derived.

“Scotiabank” means The Bank of Nova Scotia.

“SEC” means the United States Securities and Exchange Commission.

“Significant Subsidiary” means, at any time, any Subsidiary of the Borrower that constitutes at such time a “significant subsidiary” of the Borrower, as such term is defined in Regulation S-X of the SEC as in effect on the date hereof (17 C.F.R. Part 210) (other than AEP

Energy Supply LLC or GenCo); *provided, however*, that if AEP Energy Supply LLC or GenCo own, on an aggregate basis, assets exceeding 20% of the Borrower's "total assets" as used in Regulation S-X, AEP Energy Supply LLC or GenCo will be considered Significant Subsidiaries, and *provided, further*, that "total assets" as used in Regulation S-X shall not include securitization transition assets, phase-in cost assets or similar assets on the balance sheet of any Subsidiary resulting from the issuance of Stranded Cost Recovery Bonds or other asset backed securities of a similar nature.

~~"SOFR" has the meaning specified in Section 8.21(g).~~

~~"means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator" has the meaning specified in Section 8.21(g).~~

~~"SOFR Administrator's Website" has the meaning specified in Section 8.21(g)~~

~~"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).~~

~~"SOFR Advance" means an Advance that bears interest at a rate based on Adjusted Term SOFR as provided in Section 2.11(c).~~

"Stranded Cost Recovery Bonds" means securities, however denominated, that are issued by the Borrower or any Consolidated Subsidiary of the Borrower that are (i) non-recourse to the Borrower and its Significant Subsidiaries (other than for failure to collect and pay over the charges referred to in clause (ii) below) and (ii) payable solely from transition or similar charges authorized by law (including, without limitation, any "financing order", as such term is defined in the Texas Utilities Code) to be invoiced to customers of any Subsidiary of the Borrower or to retail electric providers.

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership or joint venture or (iii) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Supported QFC" has the meaning specified in Section 8.22.

"Sustainability Structuring Agent" means Wells Fargo Securities or such other entity appointed to such role in accordance with clause 1(hg) of the Pricing Schedule.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

~~"Term SOFR" has the meaning specified in Section 8.21(g) means,~~

(a) for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "**Periodic Term SOFR Determination Day**") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Advance on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “Base Rate Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

“Term SOFR Notice” has the meaning specified in Section 8.21(g) Adjustment” means, for any calculation with respect to a Base Rate Advance, 0.10% per annum, or a SOFR Advance, 0.10% per annum for each applicable Interest Period therefor.

“Term SOFR Transition Event” has the meaning specified in Section 8.21(g) Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“Termination Date” means, with respect to any Lender, the earlier to occur of (i) March 31, ~~2023~~2024 or such later date that may be established for such Lender from time to time pursuant to Section 2.06 hereof, and (ii) the date of termination in whole of the Commitments available to the Borrower pursuant to Section 2.08 or 6.01.

“Total Credit Exposure” means, as to any Lender at any time, the unused Commitment and Outstanding Credits of such Lender at such time.

“Type” refers to the distinction between Advances bearing interest at the Base Rate and Advances bearing interest at ~~the Eurodollar Rate~~SOFR.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**Unadjusted Benchmark Replacement**” ~~has the meaning specified in Section 8.21(g)~~ means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**U.S. Government Securities Business Day**” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in Sections 2.02(a), 2.13 and 2.14, in each case, such day is also a Business Day.

“**U.S. Person**” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“**U.S. Special Resolution Regimes**” has the meaning specified in Section 8.22.

“**U.S. Tax Compliance Certificate**” has the meaning specified in Section 2.18(g)(ii)(B)(iii).

~~“**USD LIBOR**” has the meaning specified in Section 8.21(g).~~

“**Voting Stock**” means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or Persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

“**Wells Fargo Bank**” has the meaning specified in the recital of parties to this Agreement.

“**Wells Fargo Securities**” means Wells Fargo Securities, LLC.

“**Withholding Agent**” means the Borrower and the Administrative Agent.

“**Write-Down and Conversion Powers**” means, (i) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (ii) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to

provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02 Computation of Time Periods.

In this Agreement in the computation of periods 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 mean “to but excluding”.

SECTION 1.03 Accounting Terms.

All accounting terms not specifically defined herein shall be construed in accordance with

generally accepted accounting principles applied in accordance with the consistency requirements thereof as in effect from time to time ("**GAAP**"); *provided* that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change to GAAP occurring after the Closing Date as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)*, issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case to the extent that such change would require treating any operating lease entered into on or prior to December 31, 2018 that would not otherwise constitute Debt as a capital lease where such operating lease would not constitute Debt and was not required to be so treated under GAAP as in effect on the Closing Date.

SECTION 1.04 Other Interpretive Provisions.

As used herein, except as otherwise specified herein, (i) references to any Person include its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities; (ii) references to any Applicable Law include amendments, supplements and successors thereto; (iii) references to specific sections, articles, annexes, schedules and exhibits are to this Agreement; (iv) words importing any gender include the other gender; (v) the singular includes the plural and the plural includes the singular; (vi) the words "including", "include" and "includes" shall be deemed to be followed by the words "without limitation"; (vii) captions and headings are for ease of reference only and shall not affect the construction hereof; and (viii) references to any time of day shall be to New York City time unless otherwise specified. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person.

SECTION 1.05 Rates.

The interest rate on Advances may be determined by reference to a benchmark rate that is, or may in the future become, the subject to regulatory reform or cessation. Regulators have signaled the need to use alternative reference rates for some of these benchmark rates and, as a result, such benchmark rates may cease to comply with applicable laws and regulations, may be permanently discontinued or the basis on which they are calculated may change. The London interbank offered rate, which may be one of the benchmark rates with reference to which the interest on Advances may be determined, is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On March 5, 2021, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (“*IBA*”), the administrator of the London interbank offered rate, and the Financial Conduct Authority (the “*FCA*”), the regulatory supervisor of IBA, announced in public statements (the “*Announcements*”) that the final publication or representativeness date for the London interbank offered rate for: (a) Dollars for 1-week and 2-month tenor settings will be December 31, 2021 and (b) Dollars for overnight, 1-month, 3-month, 6-month and 12-month tenor settings will be June 30, 2023. No successor administrator for IBA was identified in the Announcements. As a result, it is possible that commencing immediately after such dates, the London interbank offered rate for such tenors may no longer be available or may no longer be deemed a representative reference rate upon which to determine the interest rate on applicable Advances. There is no assurance that the dates set forth in the Announcements will not change or that IBA or the FCA will not take further action that could impact the availability, composition or characteristics of any London interbank offered rate. Public and private sector industry initiatives have been and continue, as of the date hereof, to be underway to implement new or alternative reference rates to be used in place of London interbank offered rates. In the event that the London interbank offered rate or any other then current Benchmark is no longer available or in certain other circumstances set forth in Section 8.21, such Section 8.21 provides a mechanism for determining an alternative rate of interest. The Administrative Agent will notify the Borrower, pursuant to Section 8.21, of any change to the reference rate upon which the interest rate on Advances is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (ia) the continuation of, administration of, submission of, calculation of or any other matter related to the London interbank offered rate or other Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition of “Eurodollar Rate” thereof, or with respect to any alternative, comparable or successor rate thereto, or replacement rate thereof thereto (including any then current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement reference rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 8.21, will be similar to, or produce the same value or economic equivalence of, the Eurodollar Rate or any other Benchmark, or have the same volume or liquidity as did, the London interbank offered rate Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (ib) the effect, implementation or composition of any Benchmark Replacement Conforming Changes Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.06 Divisions.

For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity-Interests equity interests at such time.

SECTION 2.01 The Advances.

(a) Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances in Dollars to the Borrower from time to time on any Business Day during the period from the date hereof until the Termination Date in an aggregate outstanding amount not to exceed at any time such Lender's Available Commitment at such time. Within the limits of each Lender's Commitment and as hereinabove and hereinafter provided, the Borrower may request Borrowings hereunder, and repay or prepay Advances pursuant to Section 2.14 and utilize the resulting increase in the Available Commitments for further Borrowings in accordance with the terms hereof.

(b) In no event shall the Borrower be entitled to request or receive any Borrowing that would cause the aggregate Outstanding Credits (including such requested Borrowing) to exceed the aggregate Commitments.

SECTION 2.02 Making Advances.

(a) Each Borrowing of Advances shall be in an amount not less than \$10,000,000 (or, if less, the Available Commitments at such time) or an integral multiple of \$1,000,000 in excess thereof and shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitment Percentages. Each such Borrowing shall be made on notice, given not later than 11:00 A.M. on the third U.S. Government Securities Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of ~~Eurodollar Rate~~SOFR Advances, or not later than 1:00 P.M. on the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by the Borrower to the Administrative Agent, which shall give to each Lender prompt written notice. Each such notice of a Borrowing under this Section 2.02 (a "**Notice of Borrowing**") shall be by telephone, confirmed immediately in writing, or fax in substantially the form of Exhibit A hereto, specifying therein the requested (i) Borrowing Date for such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of ~~Eurodollar Rate~~SOFR Advances, the initial Interest Period for each such Advance. Each Lender shall, before 3:00 P.M. on the applicable Borrowing Date, make available for the account of its ~~Applicable~~applicable Lending Office to the Administrative Agent at the Agent's Account, in same day funds, such Lender's ratable portion of the Borrowing to be made on such Borrowing Date. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Section 3.02, the Administrative Agent will promptly make such funds available to the Borrower in such manner as the Borrower shall have specified in the applicable Notice of Borrowing and as shall be reasonably acceptable to the Administrative Agent.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select Eurodollar Rate SOFR Advances for any Borrowing if the aggregate amount of such Borrowing is less than \$10,000,000 or if the obligation of the Lenders to make Eurodollar Rate SOFR Advances shall then be suspended pursuant to Section 2.12(b), 2.12(e) or 2.16, and (ii) there shall be not more than 20 Borrowings at any one time outstanding.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to comprise Eurodollar Rate SOFR Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Section 3.02, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

~~(d) Unless the Administrative Agent shall have received notice by courier or fax from a Lender prior to any Borrowing Date or, in the case of a Base Rate Advance, prior to the time of Borrowing, that such Lender will not make available to the Administrative Agent such Lender's Advance as part of the Borrowing to be made on such Borrowing Date. In connection with any borrowing hereunder, the Administrative Agent may assume that such each Lender has made its respective share of such portion borrowing available to the Administrative Agent on such Borrowing Date date in accordance with subsection (a) of this Section 2.02, and the Administrative Agent may (but it shall not be required to) the terms hereof and may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that in such event, if a Lender shall has not have so in fact made such Advance its share of the applicable borrowing available to the Administrative Agent, such then the applicable Lender and the Borrower severally agree to repay pay to the Administrative Agent forthwith on demand such corresponding amount, together with interest thereon, for each day from and including the date such amount is made available to the Borrower until to but excluding the date such amount is repaid of payment to the Administrative Agent, at (i) A in the case of a payment to be made by such Lender, the Overnight Rate and (B) in the case of a payment to be made by the Borrower, the interest rate applicable at the time to Base Rate Advances comprising such Borrowing. If the Borrower and (ii) in the case of such Lender, the Federal Funds Rate shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender shall repay pays its share of the applicable borrowing to the Administrative Agent such corresponding amount, such, then the amount so repaid paid shall constitute such Lender's Advance as part of included in such Borrowing for purposes of this Agreement borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.~~

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03 [Reserved].

SECTION 2.04 [Reserved].

SECTION 2.05 Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee equal to the Commitment Fee Rate in effect for each day, multiplied by the amount of such Lender's Available Commitment (i) from the date hereof, in the case of each Initial Lender, and (ii) from the effective date specified in the Assignment and Assumption pursuant to which it became a Lender, in the case of each other Lender, in each case until the Termination Date of such Lender, payable quarterly in arrears on the last day of each March, June, September and December, commencing June 30, 2021, and ending on the Termination Date of such Lender.

(b) The Borrower shall pay to the Administrative Agent such fees as may from time to time be agreed between the Borrower and the Administrative Agent.

SECTION 2.06 Extension of the Termination Date.

(a) Not earlier than 60 days prior to, nor later than 30 days prior to each anniversary of the ~~Closing Date~~ First Amendment Effective Date (each, an "Anniversary Date"), the Borrower may request by notice made to the Administrative Agent (which shall promptly notify the Lenders thereof) a one-year extension of the Termination Date. Each Lender shall notify the Administrative Agent by the date specified by the Administrative Agent (which date shall be a Business Day and shall not be less than 15 days prior to, nor more than 30 days prior to, the ~~Extension Effective~~ Anniversary Date) that either (A) such Lender declines to consent to extending the Termination Date or (B) such Lender consents to extending the Termination Date. Any Lender not responding within the above time period shall be deemed not to have consented to extending the Termination Date. The Administrative Agent shall, after receiving the notifications from all of the Lenders or the expiration of such period, whichever is earlier, notify the Borrower and the Lenders of the results thereof. The Borrower may request no more than two (2) extensions of the Termination Date pursuant to this Section following the First Amendment Effective Date. For the avoidance of doubt, at no time may the term of this Agreement exceed two (2) years.

(b) If any Lender declines, or is deemed to have declined, to consent to such request for extension (each a "**Declining Lender**"), the Borrower shall have the right to replace such Declining Lender in accordance with Section 2.20(b). Any Lender replacing a Declining Lender shall be deemed to have consented to such request for extension (regardless of when such replacement is effective) and shall not be deemed to be a Declining Lender.

(c) If the Required Lenders have consented to the extension of the Termination Date, the Termination Date shall be extended (solely with respect to each Lender that consented to the extension) to the date that is one year after the then-effective Termination Date, effective as of the ~~date to be determined by the Administrative Agent and the Borrower~~ (the "~~Extension Effective~~ Anniversary Date"). On or prior to the ~~Extension Effective~~ Anniversary Date, the Borrower shall deliver to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, (i) the resolutions of the Borrower authorizing such extension, certified as being in effect as of the ~~Extension Effective~~ Anniversary Date and the related incumbency certificate of the Borrower, (ii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), as to such matters as any Lender through the Administrative Agent may reasonably request and (iii) a certificate of the Borrower stating that on and as of such ~~Extension Effective~~ Anniversary Date, and after giving effect to the extension to be effective on such date, all conditions precedent to an Extension of Credit are satisfied. On ~~each Extension Effective Date~~ or prior to the Termination Date applicable to any Declining Lender,

the such Declining Lender shall have received payment in full of the principal amount of all Advances outstanding owing to such Declining Lender and all interest thereon and all fees and other amounts (including, without limitation, any amounts payable pursuant to Section 8.04(c)) payable to such Declining Lender accrued through such ~~Extension Effective~~ Termination Date. Promptly following such ~~Extension Effective Anniversary~~ Date, the Administrative Agent shall distribute an amended Schedule II to this Agreement (which shall thereafter be incorporated into this Agreement) to reflect any changes, ~~if any,~~ in the Lenders, the Commitments and each Lender's Commitment Percentage as of such ~~Extension Effective Anniversary~~ Date.

SECTION 2.07 Increase of the Commitments.

(a) The Borrower may, from time to time, provided that no Default or Event of Default has occurred and is continuing, request by notice to the Administrative Agent, to increase the Commitments in minimum increments of \$10,000,000, up to a maximum increase aggregate amount for all such increases to occur after the Closing Date of \$250,000,000, by designating one or more Eligible Assignees (each a "Designated Lender") that agree to accept all or a portion of such additional Commitments (the "~~Proposed Increased Commitment~~"), provided, that (x) if a Designated Lender is not a Lender, such Designated Lender shall be reasonably acceptable to the Administrative Agent, and such Designated Lender's Proposed Increased Commitment shall be at least \$5,000,000; and (y) if a Designated Lender is a Lender, ~~and the~~ allocations of the Proposed Increased Commitment among Designated Lenders that are Lenders shall be based on the ratio of each existing Lender's Proposed Increased Commitment, if any, to the aggregate of all Proposed Increased Commitments. The Borrower may elect to remove or replace any such designated Eligible Assignee at any time prior to the effective date of such increase, *provided* that any newly designated Eligible Assignee is reasonably acceptable to the Administrative Agent.

(b) The Administrative Agent shall promptly notify the Designated Lenders of the Proposed Increased Commitment. Each Designated Lender shall notify the Administrative Agent by the date specified by the Administrative Agent (which date shall be a Business Day) that either (A) such Designated Lender declines to accept its additional Commitments or (B) such Designated Lender consents to accept its additional Commitments. Any Designated Lender not responding on or prior to the date specified by the Administrative Agent shall be deemed not to have consented to accept its additional Commitments. The Administrative Agent shall, after receiving the notifications from all of the Designated Lenders or following the date specified in the notice to such Designated Lenders, whichever is earlier, notify the Borrower and the Lenders of the results thereof and the effective date of any additional Commitments. The Borrower shall deliver (i) a certificate signed by a duly authorized officer of the Borrower to the Administrative Agent, dated as of the effective date of such additional Commitments, stating that all conditions precedent to an Extension of Credit set forth in Section 3.02 are true and correct on and as of such effective date and (ii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), as to such matters as any Lender through the Administrative Agent may reasonably request.

(c) Promptly following the effective date of any Commitment increase pursuant to this Section 2.07, (i) the Administrative Agent shall distribute an amended Schedule II to this Agreement (which shall thereafter be incorporated into this Agreement) to reflect any changes in Lenders, the Commitments and each Lender's Commitment Percentage as of such effective date and (ii) the Borrower shall prepay the outstanding Borrowings (if any) in full, and shall simultaneously make new Borrowings hereunder in an amount equal to such prepayment, so that, after giving effect thereto, the Borrowings are held ratably by the Lenders in accordance with their respective Commitments (after giving effect to such Commitment increase). Prepayments made under this clause (c) shall not be subject to the notice requirements of Section 2.14.

(d) Notwithstanding any provision contained herein to the contrary, from and after the date of any Commitment increase and the making of any Advances on such date pursuant to clause (c)(ii) above, all calculations and payments of fees and of interest on the Advances shall take into account the actual Commitment of each Lender and the principal amount outstanding of each Advance made by such Lender during the relevant period of time.

SECTION 2.08 Termination or Reduction of the Commitments.

(a) The Borrower shall have the right, upon at least three Business Days' notice to the Administrative Agent, to terminate in whole or reduce ratably in part the Available Commitments, *provided* that (i) each partial reduction shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (ii) no such termination or reduction shall be made that would reduce the aggregate Commitments to an amount less than the aggregate Outstanding Credits on

the date of such termination or reduction.

(b) The Borrower may terminate the Available Commitment of any Lender that is a Defaulting Lender in accordance with Section 8.16(a)(iv).

(c) The Commitment of each Lender shall automatically terminate on the Termination Date applicable to such Lender as provided in Section 2.06.

(d) Once terminated, neither a Commitment nor any portion thereof may be reinstated.

SECTION 2.09 Repayment of Advances.

(a) The Borrower shall repay to the Administrative Agent for the account of each Lender on the Termination Date with respect to such Lender the aggregate principal amount of all Advances made by such Lender to the Borrower then outstanding.

(b) If at any time the aggregate principal amount of Outstanding Credits exceed the aggregate Commitments, the Borrower shall pay or prepay so much of the Borrowings as shall be necessary in order that the principal amount of Advances outstanding will not exceed the Commitments.

SECTION 2.10 Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Advance made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(b) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Advance made hereunder, the Type of each Advance made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to subsections (a) and (b) of this Section 2.10 shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations therein recorded; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Advances and interest thereon in accordance with their terms.

(d) Any Lender may request that any Advances made by it be evidenced by one or more promissory notes. In such event, the Borrower shall prepare, execute and deliver to such Lender one or more promissory notes payable to such Lender (or, if requested by such Lender, to such Lender and its assignees) and in a form approved by the Administrative Agent. Thereafter, the Advances evidenced by such promissory notes and interest thereon shall at all times (including after assignment pursuant to Section 8.07) be represented by one or more promissory notes in such form payable to the payee named therein.

SECTION 2.11 Interest on Advances.

The Borrower shall pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) **Base Rate Advances.** During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate plus (y) the Applicable Margin for Base Rate Advances in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(b) ~~[Reserved].~~

(c) **Eurodollar Rate SOFR Advances.** During such periods as such Advance is a Eurodollar Rate SOFR Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) ~~the Eurodollar Rate Adjusted Term SOFR~~ for such Interest Period for such Advance plus (y) the Applicable Margin for Eurodollar Rate SOFR Advances in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate SOFR Advance shall be Converted or paid in full.

~~(d) **Additional Interest on Eurodollar Rate Advances.** The Borrower shall pay to each Lender, so long as such Lender shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender, from the date of such Advance until such principal amount is paid in full, at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the Eurodollar Rate for the Interest Period for such Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which interest is payable on such Advance. Such additional interest shall be determined by such Lender and notified to the Borrower through the Administrative Agent.~~

SECTION 2.12 Interest Rate Determination.

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.11(a), (b) or (c), ~~and, if applicable, the rate for the purpose of determining the applicable interest rate under Section 2.11(d).~~

(b) ~~If Subject to Section 8.21 below, in connection with respect to any Eurodollar Rate Advances request for a SOFR Advance or a conversion to or continuation thereof or otherwise, if for any reason (i) the Required Lenders notify the Administrative Agent that the Eurodollar Rates shall determine~~

~~(which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining Adjusted Term SOFR for any the applicable Interest Period for such Advances will with respect to a proposed SOFR Advance on or prior to the first day of such Interest Period or (ii) the Required Lenders shall determine (which determination shall be conclusive and binding absent manifest error) that Adjusted Term SOFR does not adequately and fairly reflect the cost to such Required Lenders of making, funding or maintaining their respective Eurodollar Rates such Advances for during such Interest Period and, or in the case of clause (ii) the Administrative Agent determines that adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Eurodollar Rate, the Required Lenders have provided notice of such determination to the Administrative Agent, then, in each case, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon (A) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (B) the promptly give notice thereof to the Borrower. Upon notice thereof by the Administrative Agent to the Borrower,~~

~~any obligation of the Lenders to make Eurodollar Rate SOFR Advances, or to Convert outstanding Advances into Eurodollar Rate Advances and any right of the Borrower to convert any Advance to or continue any Advance as a SOFR Advance, shall be suspended (to the extent of the affected SOFR Advances or the affected Interest Periods) until the Administrative Agent shall notify the Borrower and (with respect to clause (ii), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Advances (to the extent of the affected SOFR Advances or the affected Interest Periods) or, failing that, the circumstances causing such suspension no longer exist~~ Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Advances in the amount specified therein and (B) any outstanding affected SOFR Advance will be deemed to have been converted into Base Rate Advances at the end of the applicable Interest Period. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 8.04.

(c) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate SOFR Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of Eurodollar Rate SOFR Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each Eurodollar Rate SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make Eurodollar Rate SOFR Advances, or to Convert outstanding Advances into Eurodollar Rate SOFR Advances shall be suspended.

SECTION 2.13 Optional Conversion of Advances.

The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 12:00 noon on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.12 and 2.16, Convert all or any part of Advances of one Type comprising the same Borrowing into Advances of the other Type or of the same Type but having a new Interest Period; *provided, however*, that any Conversion of Eurodollar Rate SOFR Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate SOFR Advances, any

Conversion of Base Rate Advances into ~~Eurodollar Rate~~SOFR Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Advances shall result in more separate Borrowings than permitted under Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into ~~Eurodollar Rate~~SOFR Advances, the duration of the initial Interest Period for each such Advance. Each such notice of Conversion shall be irrevocable and binding on the Borrower.

SECTION 2.14 Optional Prepayments of Advances.

The Borrower may, upon at least two Business Days' notice, in the case of ~~Eurodollar Rate~~SOFR Advances, and upon notice not later than 11:00 A.M. (New York City time) on the date of prepayment, in the case of Base Rate Advances, to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and, if such notice is given, the Borrower shall prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; *provided, however*, that (x) each partial prepayment shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (y) in the event of any such prepayment of a ~~Eurodollar Rate~~SOFR Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

SECTION 2.15 Increased Costs.

(a) **Increased Costs Generally.** If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of the FRB, as amended and in effect from time to time)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender ~~(except any reserve requirement reflected in the Eurodollar Rate Reserve Percentage, in the case of Eurodollar Rate Advances)~~;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender ~~or the London interbank market~~ any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Advance or of maintaining its obligation to make any such Advance, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of such Lender or other Recipient, the Borrower ~~will~~shall promptly pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements.** If any Lender determines that any Change in Law affecting such Lender or any ~~Applicable~~applicable Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time upon written request of such Lender, the Borrower ~~will~~shall promptly pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement.** A certificate of a Lender setting forth the amount or

amounts necessary to compensate such Lender or ~~its~~ holding ~~company~~ companies, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate ~~a~~ any Lender pursuant to this Section for any increased costs incurred or reductions suffered more than ~~six~~ nine (9) months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the ~~six~~ nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) **Survival.** All of the obligations of the Borrower under this Section 2.15 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.16 ~~Illegality~~ Laws Affecting SOFR Availability.

~~If due to, after the date hereof, the introduction of, or any Change~~ change in, any Applicable Law ~~for any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall become~~ make it unlawful or impossible for any ~~Credit Party (or its Eurodollar)~~ of the Lenders (or any of their respective Lending Office Offices) to honor its obligations hereunder to make, or maintain ~~or fund its Eurodollar Rate Advances~~ any SOFR Advance, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, and such Credit Party Lender shall promptly give notice thereof to the Administrative Agent, and the Administrative Agent shall forthwith give notice thereof to the other Credit Parties and the Borrower, whereupon promptly give notice to the Borrower and the other Lenders (an "Illegality Notice"). Thereafter, until ~~such Credit Party~~ each affected Lender notifies the Borrower Administrative Agent and the Administrative Agent notifies the Borrower that the circumstances giving rise to such ~~suspension~~ determination no longer exist, ~~the~~ (i) any obligation of ~~such Credit Party~~ the Lenders to make ~~Eurodollar Rate~~ SOFR Advances, or to Convert outstanding Advances into Eurodollar Rate Advances and any right of the Borrower to convert any Advance to a SOFR Advance or continue any Advance as a

SOFR Advance, shall be suspended. ~~Before giving any notice to and (ii) if necessary to avoid such illegality,~~ the Administrative Agent pursuant to this Section 2.16, such Credit Party shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions applicable to such Credit Party) to designate a different Eurodollar Lending Office if such designation would avoid the need for giving such notice and would not, in the judgment of such Credit Party, be otherwise disadvantageous to such Credit Party. ~~If such notice is given, each Eurodollar Rate Advance of such Credit Party then outstanding shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate".~~ Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all SOFR Advances to Base Rate Advances (in each case, if necessary to avoid such illegality, the Administrative Agent shall ~~be converted to~~ compute the Base Rate Advance either (i) without reference to clause (c) of the definition of "Base Rate"), on the last day of the ~~then current~~ Interest Period ~~applicable to such Eurodollar Rate Advance if such Credit Party therefor, if all affected Lenders may lawfully continue to maintain and fund such Advance~~ SOFR Advances to such day, or (ii) immediately, if such Credit Party shall determine that ~~it any~~ Lender may not lawfully continue to maintain ~~and fund~~ such Advance SOFR Advances to such day. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 8.04.

SECTION 2.17 Payments and Computations.

(a) The Borrower shall make each payment to be made by it hereunder not later than 1:00 P.M. on the day when due in Dollars to the Administrative Agent at the Agent's Account in same day funds without condition or deduction for any counterclaim, defense, recoupment or setoff. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or commitment fees ratably (other than amounts payable pursuant to Section ~~2.11(d)~~, 2.15, 2.18, 8.04(c) or 8.16) to the Lenders for the account of their respective ~~Applicable~~ Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its ~~Applicable~~ applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Assumption, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder, after any applicable grace period, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the rate referred to in clause (i) of the definition of the "Base Rate" contained in Section 1.01 shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on ~~the Eurodollar Rate~~ SOFR or the Federal Funds Rate and of commitment fees shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, commitment fees are payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of

time shall in such case be included in the computation of payment of interest or commitment fees, as the case may be; *provided, however*, that, if such extension would cause payment of interest on or principal of ~~Eurodollar Rate~~ SOFR Advances to be made in the next following calendar month or on a date after the Termination Date, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to a Lender hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date, and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount

is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.18 Taxes.

(a) **Defined Terms.** For purposes of this Section 2.18, the term “Applicable Law” includes FATCA.

(b) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Borrower.** The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Borrower.** The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders.** Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any

Taxes attributable to such Lender's failure to comply with the provisions of Section 8.07(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f) **Evidence of Payments.** As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.18, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) **Status of Lenders.** (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.18(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(iii) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W 8BEN E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax

treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W 8BEN E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(iv) executed copies of IRS Form W-8ECI;

(v) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "**U.S. Tax Compliance Certificate**") and (y) executed copies of IRS

(vi) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, W 8BEN E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

(A) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(B) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.18 (including by the payment of additional amounts pursuant to this Section 2.18), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **FATCA Withholding.** For purposes of determining withholding Taxes imposed under FATCA, from and after the Closing Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the obligations of the Borrower set forth in this Agreement as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Sections 1.1471-2(b)(2)(i) and 1.1471-2T(b)(2)(i).

(j) **Survival.** Each party’s obligations under this Section 2.18 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.19 Sharing of Payments, Etc.

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it (other than pursuant to Section ~~2.11(d)~~; 2.15, 2.18, 8.04(c) or 8.16 or in respect of Eurodollar Rate SOFR Advances converted into Base Rate Advances pursuant to Section 2.16) by the Borrower in excess of its ratable share of payments on account of the Advances to the Borrower obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in such Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender’s ratable share (according to the proportion of (i) the amount of such Lender’s required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.19 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(b) If any Lender shall fail to make any payment required to be made by it pursuant to Sections 2.02(d) or 7.05, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent to satisfy such Lender’s obligations to it or them under such Section until all such unsatisfied obligations are fully paid, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.20 Mitigation Obligations; Replacement of Lenders.

(a) **Designation of a Different Lending Office.** If any Lender delivers a notice pursuant to Section 2.16, requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18, then such Lender shall (at the request of the Borrower) use reasonable efforts to

designate a different ~~Applicable~~ Lending Office or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.18, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender delivers a notice pursuant to Section 2.16, requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18 and, in each case, such Lender has declined or is unable to designate a different ~~Applicable~~ Lending Office in accordance with Section 2.20(a), or if any Lender is a Declining Lender, a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 8.07), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or 2.18) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); *provided that*:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 8.07(b)(iv);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Advances, together with all applicable accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.04(c)) from the assignee (to the extent of such outstanding principal amounts and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.18, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) no Default shall have occurred and be continuing;

(v) such assignment does not conflict with Applicable Law; and

(vi) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III CONDITIONS PRECEDENT

SECTION 3.01 Conditions Precedent to Effectiveness of this Agreement and Initial Extensions of Credit.

This Agreement and the obligation of each Lender to make the initial Extension of Credit to be made by it hereunder shall take effect on the date (the "**Closing Date**") on which each of the following conditions precedent has been satisfied:

(a) The Administrative Agent shall have received on or before the Closing Date the following, each dated the Closing Date, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:

(i) Certified copies of the Borrower's certificate of incorporation and bylaws, and resolutions of the board of directors of the Borrower approving this Agreement, a certificate of good standing for the Borrower from its jurisdiction of incorporation and all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Agreement.

(ii) A certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered by the Borrower hereunder.

(iii) A favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit C hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.

(iv) A favorable opinion of Winston & Strawn LLP, counsel for the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent.

(b) On the Closing Date, the following statements shall be true and the Administrative Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Closing Date, stating that:

(i) The representations and warranties of the Borrower contained in Section 4.01 are true and correct in all material respects on and as of the Closing Date, as though made on and as of such date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(c) The Borrower shall have paid all fees and expenses of the Administrative Agent, the Joint Lead Arrangers and the Lenders then due and payable in accordance with the terms of the Loan

Documents (including the fees and expenses of counsel to the Administrative Agent to the extent then due and payable).

(d) The Administrative Agent shall have received counterparts of this Agreement, executed and delivered by the Borrower and the Lenders.

(e) The Administrative Agent shall have received all promissory notes (if any) requested by the Lenders pursuant to Section 2.10(d), duly completed and executed by the Borrower and payable to such Lenders.

(f) The Administrative Agent shall have received a Pricing Certificate setting forth the Non-Emitting Generation Capacity Percentage for the 2020 calendar year and the Baseline DART Rate (in each case, together with computations in reasonable detail in respect thereof).

(g) The Administrative Agent shall have received copies of the Disclosure Documents.

(h) The Administrative Agent shall have received all documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, to the extent such documentation or information is requested by the Administrative Agent on behalf of the Lenders prior to the Closing Date.

(i) The Fifth Amended and Restated Credit Agreement shall have been executed and delivered by the Borrower and the other parties thereto, the aggregate amount of revolving commitments thereunder shall be not more than \$4,000,000,000 and such revolving commitments shall have become effective in accordance with its terms.

(j) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.

SECTION 3.02 Conditions Precedent to each Extension of Credit.

The obligation of each Lender to make each Extension of Credit to be made by it hereunder (other than in connection with any Borrowing that would not increase the aggregate principal amount of Advances outstanding immediately prior to the making of such Borrowing) shall be subject to the satisfaction of the conditions precedent set forth in Section 3.01 and on the date of such Borrowing:

(a) The following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Extension of Credit shall constitute a representation and warranty by the Borrower that on the date of such Extension of Credit such statements are true):

(i) The representations and warranties of the Borrower contained in Section 4.01 (other than the representation and warranty in Section 4.01(e) and the representation and warranty set forth in the penultimate sentence of Section 4.01(f)) are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the date of such Extension of Credit, before and after giving effect to such Extension of Credit and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) No event has occurred and is continuing or would result from such Extension of Credit or from the application of the proceeds therefrom, that constitutes a Default.

(b) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

SECTION 4.01 Representations and Warranties of the Borrower.

The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, and each Significant Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized.

(b) The execution, delivery and performance by the Borrower of each Loan Document, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(c) Each Loan Document has been duly executed and delivered by the Borrower. Each Loan Document is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

(d) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Borrower of any Loan Document.

(e) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any Governmental Authority or arbitrator that is reasonably likely to have a Material Adverse Effect, except as disclosed in the Disclosure Documents.

(f) The consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at December 31, ~~2020~~2021, and the related consolidated statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal periods then ended (accompanied by an opinion of Deloitte & Touche LLP, an independent registered public accounting firm), copies of each of which have been furnished to each Lender, fairly present the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such dates and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such dates, all in accordance with generally accepted accounting principles consistently applied. Since December 31, ~~2020~~2021, there has been no Material Adverse Change. As of the Closing First Amendment Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

(g) No written statement, information, report, financial statement, exhibit or schedule furnished by or on behalf of the Borrower to the Administrative Agent, any Lender in connection with the syndication or negotiation of this Agreement or included herein or delivered pursuant hereto (other than, for the avoidance of doubt, any Pricing Certificate) contained, contains, or will contain any material misstatement of fact or intentionally omitted, omits, or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are, or will be made, not misleading.

(h) Except as disclosed in the Disclosure Documents, the Borrower and each Significant Subsidiary is in material compliance with all laws (including ERISA and Environmental Laws) rules, regulations and orders of any Governmental Authority applicable to it.

(i) No failure to satisfy the minimum funding standard applicable to a Plan for a plan year

(as described in Section 302 of ERISA and Section 412 of the Internal Revenue Code) that could reasonably be expected to have a Material Adverse Effect, whether or not waived, has occurred with respect to any Plan. The Borrower has not incurred, and does not presently expect to incur, any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its ERISA Affiliates have complied in all material respects with ERISA and the Internal Revenue Code. The Borrower and each of its Subsidiaries have complied in all material respects with foreign law applicable to its Foreign Plans, if any. As used herein, the term "**Plan**" means an "employee pension benefit plan" (as defined in Section 3 of ERISA) which is and has been established or maintained, or to which contributions are or have been made or should be made according to the terms of the plan, by the Borrower or any of its ERISA Affiliates. The term "**Multiemployer Plan**" means any Plan which is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA). The term "**Foreign Plan**" means any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement maintained by any Subsidiary which, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

(j) The Borrower and its Subsidiaries have filed or caused to be filed all material Federal, state and local tax returns that are required to be filed by them, and have paid or caused to be paid all material taxes shown to be due and payable on such returns or on any assessments received by them (to the extent that such taxes and assessments have become due and payable) other than those taxes contested in good faith and for which adequate reserves have been established in accordance with GAAP.

(k) The Borrower is not engaged in the business of extending credit for the purpose of buying or carrying Margin Stock, and no proceeds of any Advance will be used to buy or carry any Margin Stock or to extend credit to others for the purpose of buying or carrying any Margin Stock. Not more than 25% of the assets of the Borrower and the Significant Subsidiaries that are subject to the restrictions of Section 5.02(a), (c) or (d) constitute Margin Stock.

(l) Neither the Borrower nor any Significant Subsidiary is an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended. Neither the making of any Extension of Credit, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated hereby will violate any provision of such Act or any rule, regulation or order of the SEC thereunder.

(m) All Significant Subsidiaries as of the ~~Closing~~First Amendment Effective Date are listed on Schedule 4.01(m) hereto.

(n) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective directors and officers and, to the knowledge of the Borrower, its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or any of their respective directors or officers, or (b) to the knowledge of the Borrower, any employee or agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or use of proceeds thereof or other transaction contemplated by this Agreement violates, or will violate, Anti-Corruption Laws or applicable Sanctions.

ARTICLE V COVENANTS OF THE BORROWER

SECTION 5.01 Covenants.

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(a) **Preservation of Existence, Etc.** Preserve and maintain, and cause each Significant Subsidiary to preserve and maintain, its corporate, partnership or limited liability company (as the case may be) existence and all material rights (charter and statutory) and franchises; *provided, however*, that the Borrower and any Significant Subsidiary may consummate any merger or consolidation permitted under Section 5.02(a); and *provided further* that neither the Borrower nor any Significant Subsidiary shall be required to preserve any right or franchise if (i) the board of directors of the Borrower or such Significant Subsidiary, as the case may be, shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Significant Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower or such Significant Subsidiary, as the case may be, or to the Lenders; (ii) required in connection with or pursuant to any Restructuring Law; or (iii) required in connection with the RTO Transaction; and *provided further*, that no Significant Subsidiary shall be required to preserve and maintain its corporate existence if (x) the loss thereof is not disadvantageous in any material respect to the Borrower or to the Lenders or (y) required in connection with or pursuant to any Restructuring Law or (z) required in connection with the RTO Transaction.

(b) **Compliance with Laws, Etc.** Comply, and cause each Significant Subsidiary to comply, in all material respects, with Applicable Law, with such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(c) **Performance and Compliance with Other Agreements.** Perform and comply, and cause each Significant Subsidiary to perform and comply, with the provisions of each indenture, credit agreement, contract or other agreement by which it is bound, the non-performance or non-compliance with which would result in a Material Adverse Change.

(d) **Inspection Rights.** At any reasonable time and from time to time, permit the Administrative Agent or any Lender or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Significant Subsidiary and to discuss the affairs, finances and accounts of the Borrower and any Significant Subsidiary with any of their officers or directors and with their independent certified public accountants.

(e) **Maintenance of Properties, Etc.** Maintain and preserve, and cause each Significant Subsidiary to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted and except as required in connection with or pursuant to any Restructuring Law or in connection with RTO Transaction.

(f) **Maintenance of Insurance.** Maintain, and cause each Significant Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties; *provided, however*, that the Borrower and each Significant Subsidiary may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties and to the extent consistent with prudent business practice.

(g) **Payment of Taxes, Etc.** Pay and discharge, and cause each of its Subsidiaries to pay and

discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; *provided, however*, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which adequate reserves are being maintained in accordance with GAAP, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(h) **Keeping of Books.** Keep, and cause each Significant Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Significant Subsidiary in accordance with GAAP.

(i) **Reporting Requirements.** Furnish to the Lenders:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a copy of the Borrower's Quarterly Report on Form 10-Q for such quarter, as filed with the SEC, which shall contain a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as having been prepared in accordance with generally accepted accounting principles and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as to compliance with the terms of this Agreement and (A) certifying that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (B) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the Borrower's Annual Report on Form 10-K for such year, as filed with the SEC, which shall contain a copy of the annual audit report for such year for the Borrower and its Subsidiaries, containing a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and consolidated statements of income and cash

flows of the Borrower and its Subsidiaries for such fiscal year, in each case accompanied by an opinion by [Deloitte & Touche LLP](#) [Pricewaterhouse Coopers](#) or another independent registered public accounting firm acceptable to the Required Lenders, and consolidating statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as to compliance with the terms of this Agreement and (A) certifying that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (B) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(iii) as soon as possible and in any event within five days after the chief financial officer or treasurer of the Borrower obtains knowledge of the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all Reports on Form 8-K that the Borrower or any Significant Subsidiary files with the SEC or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Significant Subsidiary of the type described in Section 4.01(e);

(vi) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification;

(vii) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request; and

(viii) with respect to each calendar year (with the first such delivery to occur in calendar year 2022, in respect of the KPI Metrics for the calendar year 2021), no later than five (5) Business Days following the publication of the Annual KPI Report (it being understood, for the avoidance of doubt, that the publication of the Annual KPI Report shall be deemed to have occurred upon the earlier to occur of the publication of either the Sustainability Report or the CAR (as each such term is defined in the definition of "Annual KPI Report")) for such calendar year (but no earlier than April 1 and no later than June 30 of such year), a Pricing Certificate for such calendar year; provided, however, that for any calendar year the Borrower may elect not to deliver a Pricing Certificate, and such election shall not constitute a Default or Event of Default under this Agreement.

Notwithstanding the foregoing, the information required to be delivered pursuant to clauses (i), (ii) and (iv) shall be deemed to have been delivered if such information shall be available on the website of the SEC at <http://www.sec.gov> or any successor website; *provided* that the compliance certificates required under clauses (i) and (ii) shall be delivered in the manner specified in Section 8.02(b).

(j) **Compliance with Anti-Corruption Laws and Sanctions.** Maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(k) **Use of Proceeds.** Use the proceeds of the Borrowings for working capital and general corporate purposes of the Borrower; provided that no part of the proceeds of any of the Advances shall be used for purchasing or carrying margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System) or for any purpose which violates the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System. If requested by the Administrative Agent or any Lender (through the Administrative Agent), the Borrower shall promptly furnish to the Administrative Agent and each requesting Lender a statement in conformity with the requirements of Form G-3 or Form U-1, as applicable, under Regulation U of the Board of Governors of the Federal Reserve System.

SECTION 5.02 Negative Covenants.

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower agrees that it will not:

(a) **Mergers, Etc.** Merge or consolidate with or into any Person, or permit any Significant Subsidiary to do so, except that (i) any Subsidiary may merge or consolidate with or into any other Subsidiary of the Borrower, (ii) any Subsidiary may merge into the Borrower, (iii) any Significant Subsidiary may merge with or into any other Person so long as such Significant Subsidiary continues to be a Significant Subsidiary of the Borrower and (iv) the Borrower may merge with any other Person so long as the successor entity (if other than the Borrower) assumes, in form reasonably satisfactory to the Administrative Agent, all of the obligations of the Borrower under this Agreement and the other Loan Documents, is incorporated or otherwise organized under the laws of a state of the United States of America or the District of Columbia and has long-term senior unsecured debt ratings issued (and confirmed after giving effect to such merger) by S&P or Moody's of at least BBB- and Baa3, respectively (or if no such ratings have been issued, commercial paper ratings issued (and confirmed after giving effect to such merger) by S&P and Moody's of at least A-3 and P-3, respectively), *provided*, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(b) **Stock of Significant Subsidiaries.** Sell, lease, transfer or otherwise dispose of, other than (i) in connection with an RTO Transaction, but only if no Default or Event of Default has occurred and is continuing or would result from such RTO Transaction, or (ii) pursuant to the requirements of any Restructuring Law, equity interests in any Significant Subsidiary of the Borrower (other than AEP Energy Services, Inc. or CSW Energy, Inc.) if such Significant Subsidiary would cease to be a Subsidiary as a result of such sale, lease, transfer or disposition.

(c) **Sales, Etc. of Assets.** Sell, lease, transfer or otherwise dispose of, or permit any Significant Subsidiary (other than AEP Energy Services, Inc. or CSW Energy, Inc.) to sell, lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any assets, except (i) sales in the ordinary course of its business, (ii) sales, leases, transfers or dispositions of assets to any Person that is not a wholly-owned Subsidiary of the Borrower that in the aggregate do not exceed 20% of the Consolidated Tangible Net Assets of the Borrower and its Subsidiaries, whether in one transaction or a series of transactions, (iii) other sales, leases, transfers and dispositions made in connection with an RTO Transaction or pursuant to the requirements of any Restructuring Law or to a wholly owned Subsidiary of the Borrower, or (iv) sales of pollution control assets to a state or local government or any political subdivision or agency thereof in connection with any

transaction with such Person pursuant to which such Person sells or otherwise transfers such pollution control assets back to the Borrower or a Subsidiary under an installment sale, loan or similar agreement, in each case in connection with the issuance of pollution control or similar bonds.

(d) **Liens, Etc.** Create or suffer to exist, or permit any Significant Subsidiary to create or suffer to exist, any Lien on or with respect to any of its properties, including, without limitation, on or with respect to equity interests in any Subsidiary of the Borrower, whether now owned or hereafter acquired, or assign, or permit any Significant Subsidiary to assign, any right to receive income (other than in connection with Stranded Cost Recovery Bonds and the sale of accounts receivable by the Borrower), other than (i) Permitted Liens, (ii) the Liens existing on the date hereof, (iii) Liens securing first mortgage bonds issued by any Subsidiary of the Borrower the rates or charges of which are regulated by the Federal Energy Regulatory Commission or any state governmental authority, *provided* that the aggregate principal amount of such first mortgage bonds of any such Subsidiary do not exceed 66 2/3% of the net value of plant, property and equipment of such Subsidiary and (iv) the replacement, extension or renewal of any Lien permitted by clauses (ii) and (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(e) **Restrictive Agreements.** Enter into, or permit any Significant Subsidiary to enter into (except in connection with or pursuant to any Restructuring Law), any agreement after the date hereof, or amend, supplement or otherwise modify any agreement existing on the date hereof, that imposes any restriction on the ability of any Significant Subsidiary to make payments, directly or indirectly, to its shareholders by way of dividends, advances, repayment of loans or intercompany charges, expenses and accruals or other returns on investments that is more restrictive than any such restriction applicable to such Significant Subsidiary on the date hereof; *provided, however*, that any Significant Subsidiary may agree to a financial covenant limiting its ratio of Consolidated Debt to Consolidated Capital to no more than 0.675 to 1.000.

(f) **ERISA.** (i) Terminate or withdraw from, or permit any of its ERISA Affiliates to terminate or withdraw from, any Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such termination or withdrawal, if such termination or withdrawal could have a Material Adverse Effect, (ii) incur a full or partial withdrawal, or permit any ERISA Affiliate to incur a full or partial withdrawal, from any Multiemployer Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such withdrawal, if such withdrawal could have a Material Adverse Effect, (iii) otherwise fail, or permit any of its ERISA Affiliates to fail, to comply in all material respects with ERISA or the related provisions of the Internal Revenue Code if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect, or (iv) fail, or permit any of its Subsidiaries to fail, to comply with Applicable Law with respect to any Foreign Plan if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect.

(g) **Margin Stock.** Use the proceeds of any Extension of Credit to buy or carry Margin Stock.

(h) **No Violation of Anti-Corruption Laws or Sanctions.** Request any Borrowing, or use or permit any of its Subsidiaries or its or their respective directors, officers, employees and agents to use, directly or, to the actual knowledge of the Borrower or any of its Subsidiaries, indirectly, the proceeds of any Borrowing (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.03 Financial Covenant.

So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will maintain a ratio of Consolidated Debt to Consolidated Capital, as of the last day of each March, June, September and December, of not greater than 0.675 to 1.000.

ARTICLE VI EVENTS OF DEFAULT

SECTION 6.01 Events of Default.

If any of the following events ("*Events of Default*") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable, or shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made (other than, for the avoidance of doubt, any Pricing Certificate Inaccuracy; provided that the Borrower complies with Section 1(e) of the Pricing Schedule with respect to such Pricing Certificate Inaccuracy); or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(a), 5.01(i)(iii) or 5.02 (other than Section 5.02(f)), or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) Any event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower (but excluding Debt outstanding hereunder) or any Significant Subsidiary outstanding in a principal or notional amount of at least \$50,000,000 in the aggregate if the effect of such event or condition is to accelerate or require early termination of the maturity or tenor of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), terminated, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity or the original tenor thereof; or

(e) The Borrower or any Significant Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any Significant Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any Significant Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) (i) Any entity, person (within the meaning of Section 14(d) of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*")) or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) that as of the date hereof was beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of less than 30% of the Borrower's Voting Stock shall acquire a beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act), directly or indirectly, of Voting Stock of the Borrower (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of the Borrower; or (ii) during any period of up to 24 consecutive months, commencing after the date hereof, individuals who at the beginning of such 24-month period were directors of the Borrower shall cease for any reason to constitute a majority of the board of directors of the Borrower, *provided* that any person becoming a director subsequent to the date hereof, whose election, or nomination for election by the Borrower's shareholders, was approved by a vote of at least a majority of the directors of the board of directors of the Borrower as comprised as of the date hereof shall be, for purposes of this provision, considered as though such person were a member of the board as of the date hereof; or

(g) Any judgment or order for the payment of money in excess of \$50,000,000 in the case of the Borrower or any Significant Subsidiary to the extent not paid or insured shall be rendered against the Borrower or any Significant Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) (i) The termination of or withdrawal from the United Mine Workers' of America 1974 Pension Trust by the Borrower or any of its ERISA Affiliates shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such termination or withdrawal exceeds \$75,000,000 in the aggregate; or (ii) any other ERISA Event shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such ERISA Event exceeds \$50,000,000;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Extensions of Credit to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the outstanding Borrowings, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the outstanding Borrowings, all such interest and all such amounts shall become and be forthwith due and payable by the Borrower, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however*, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Extensions of Credit shall automatically be terminated and (B) the outstanding Borrowings, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII THE ADMINISTRATIVE AGENT

SECTION 7.01 Authorization and Action.

Each Lender hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters expressly provided for in this Agreement as being subject to the

discretion of the Administrative Agent, such matters shall be subject to the sole discretion of the Administrative Agent, its directors, officers, agents and employees. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the outstanding Borrowings), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders; *provided, however*, that the Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or Applicable Law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02 Agent's Reliance, Etc.

Neither the Administrative Agent nor any of its 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 or willful misconduct as determined in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat each Lender recorded in the Register as the owner of the Commitment recorded for such Lender in the Register until the Administrative Agent receives and accepts an Assignment and Assumption entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07 and except as provided otherwise in Section 8.16; (ii) may consult with legal counsel (including counsel for the Borrower), 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; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) 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 on the part of any Lender or to inspect the property (including the books and records) of any Lender; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, this Agreement or any other instrument or document furnished pursuant thereto; (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by fax) believed by it to be genuine and signed or sent by the proper party or parties; and (vii) shall not have any fiduciary duty to any other Lender.

SECTION 7.03 Administrative Agent and its Affiliates.

With respect to its Commitments and the Advances made by it, the Person serving as Administrative Agent shall have the same rights and powers in its capacity as a Lender under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, own securities of, act as the financial advisor for, accept investment banking engagements from and generally engage in any kind of business with, the Borrower, any Lender and any of their respective Subsidiaries or Affiliates thereof as if such Person were not the Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 7.04 Lender Credit Decision.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05 Indemnification.

Each Lender severally agrees to indemnify the Administrative Agent and its Related Parties (to the extent not promptly reimbursed by the Borrower and without limiting its obligation to do so) from and against such Lender's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Administrative Agent or such Related Party in any way relating to or arising out of this Agreement or any action taken or omitted by such Person under this Agreement; *provided, however*, that no Lender shall be liable, as to the Administrative Agent or any Related Party of any of the foregoing, for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of such Person as determined in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent and each Related Party of any of the foregoing promptly upon demand for its ratable share of any costs and expenses (including, without limitation, fees and reasonable expenses of counsel) payable by the Borrower under Section 8.04, to the extent that the Administrative Agent or such Related Party is not promptly reimbursed for such costs and expenses by the Borrower after request therefor and without limiting the Borrower's obligation to do so. For purposes of this Section 7.05, the Lenders' respective ratable shares of any amount shall be determined, at any time, according to the sum of (i) the aggregate principal amount of the Advances outstanding at such time and owing to the respective Lenders and (ii) the aggregate unused portions of their respective Commitments at such time. In the event that any Lender shall have failed to make any Advance as required hereunder, such Lender's Commitment shall be considered to be unused for purposes of this Section 7.05 to the extent of the amount of such Advance. The failure of any Lender to reimburse the Administrative Agent or any Related Party of any of the foregoing promptly upon demand for its ratable share of any amount required to be paid by the Lender to the Administrative Agent or such Related Party as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse the Administrative Agent or such Related Party for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Administrative Agent or such Related Party for such other Lender's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 7.05 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

SECTION 7.06 Erroneous Payments.

(a) Each Lender and any other party hereto hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or any other Person that has received funds from the Administrative Agent or any of its Affiliates, either for its own account or on behalf of a Lender (each such recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion that any funds received by such ~~Lender from~~

~~the Administrative Agent or any of its Affiliates~~ Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such ~~Lender~~ Payment Recipient (whether or not known to such ~~Lender~~ Payment Recipient) or (ii) ~~any~~ Payment Recipient receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, or (z) that such ~~Lender~~ Payment Recipient otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) then, in each case, an error in payment ~~has~~ shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 7.06(a), whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise: individually and collectively, an "Erroneous Payment") ~~and the Lender, then, in each case,~~

such Payment Recipient is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment ~~and; provided that nothing in this Section shall require the Administrative Agent to provide any of the extent permitted by applicable law, such Lender~~ notices specified in clauses (i) or (ii) above. Each Payment Recipient agrees that it shall not assert any right or claim to ~~the~~ any Erroneous Payment, and hereby waives; any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments ~~received~~, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each ~~Lender~~ Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly ~~(and, in all events, within one Business Day of its knowledge (or deemed knowledge) of such error)~~ notify the Administrative Agent in writing of such occurrence ~~and, in,~~

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and upon demand from the Administrative Agent, it such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds (and in the currency so received), together with interest thereon at the Federal Funds Rate in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an “Erroneous Payment Return Deficiency”), then at the sole discretion of the Administrative Agent and upon the Administrative Agent’s written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the “Erroneous Payment Impacted Class”) to the Administrative Agent or, at the option of the Administrative Agent, the Administrative Agent’s applicable lending affiliate in an amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the

Loans (but not Commitments) of the Erroneous Payment Impacted Class, the “*Erroneous Payment Deficiency Assignment*”) plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by the Administrative Agent or its applicable lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment. The parties hereto acknowledge and agree that (1) any assignment contemplated in this clause (d) shall be made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor, (2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of Section 8.07 and (3) the Administrative Agent may reflect such assignments in the Register without further consent or action by any other Person.

(e) ~~(e) The Borrower~~ Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any ~~Lender~~ Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent (1) shall be subrogated to all the rights of such ~~Lender~~ Payment Recipient with respect to such amount and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under this Section 7.06 or under the indemnification provisions of this Agreement, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not pay, prepay, repay for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or otherwise satisfy other satisfaction of any obligations hereunder owed by the Borrower if the Borrower has not made a payment to, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent in respect of such from the Borrower for the purpose of making a payment on the obligations in accordance with the terms hereof hereunder and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the obligations hereunder, the obligations hereunder or any part thereof that were so credited, and all rights of the ~~applicable Lender or Administrative Agent~~ Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

(f) ~~(d)~~ Each party’s obligations under this Section 7.06 shall survive the resignation or replacement of the Administrative Agent or any transfer of ~~rights~~ right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all obligations hereunder (or any portion thereof) ~~or~~ under any Loan Document.

(g) Nothing in this Section 7.06 will constitute a waiver or release of any claim of the Administrative Agent hereunder arising from any Payment Recipient’s receipt of an Erroneous Payment.

ARTICLE VIII MISCELLANEOUS

SECTION 8.01 Amendments, Etc.

Subject to Section 8.16(a)(i), no amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however,* that no amendment, waiver or consent shall:

(a) unless in writing and signed by all the Lenders (other than, in the case of the following clauses (i) through (iv), any Defaulting Lender), do any of the following:

- (i) amend Section 3.01 or 3.02 or waive any of the conditions specified therein,
- (ii) ~~(ii)~~ increase the aggregate amount of the Commitments (except pursuant to Section 2.07),
- (iii) change the definition of Required Lenders or the percentage of the Commitments or of the aggregate unpaid principal amount of the outstanding Borrowings, or the number or percentage of the Lenders, that shall be required for the Lenders or any of them to take any action hereunder, or
- (iv) amend or waive this Section 8.01 or any provision of this Agreement that requires pro rata treatment of the Lenders; or

(b) unless in writing and signed by each Lender that is directly affected thereby, do any of the following:

(i) increase the amount or extend the termination date of such Lender's Commitment, or subject such Lender to any additional obligations,

(ii) reduce the principal of, or interest on, or rate of interest applicable to, the outstanding Advances of such Lender or any fees or other amounts payable to such Lender hereunder, or

(iii) postpone any date fixed for any payment of principal of, or interest on, the outstanding Advances or any fees or other amounts payable to such Lender hereunder; and

provided further that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent and the Required Lenders, amend or waive Section 8.16; provided, no provision hereof impacting any obligation or liability of the Sustainability Structuring Agent may be amended, waived or consented to without the prior written consent of the Sustainability Structuring Agent. Notwithstanding the foregoing, (A) any amendment, modification or other supplement to ~~the Sustainability Table~~(i) the defined terms "Fee Adjustment", or "Margin Adjustment", or (ii) the Pricing Schedule or any other provision of this Agreement relating to the KPI Metrics, in each case, in such a way that would result in the Applicable Margin being reduced by more than 5.0 basis points and/or the Commitment Fee Rate being reduced by more than 1.0 basis point may, in each case, be entered into ~~or amended in a writing executed only by~~with the Borrower and the Sustainability Structuring Agent, each acting reasonably, and acknowledged by the Administrative Agent (acting reasonably), and shall not require the ~~written~~ consent of any other each Lender and the Sustainability Structuring Agent and with the acknowledgement of the Administrative Agent (provided that, ~~if any such amendment, modification or other supplement is not in connection with the occurrence of an event as contemplated by Section 1(i) of the Pricing Schedule and is reasonably determined by the Administrative Agent and/or~~notwithstanding anything herein to the contrary, any other provision of this Agreement related to the KPI Metrics, including the Pricing Schedule, may be amended or modified with the consent, in writing, of the Sustainability Structuring Agent ~~to be material to and the interests of the~~Required Lenders, and with the acknowledgement of the Administrative Agent ~~and the Sustainability Structuring Agent may grant or withhold consent in their respective sole discretion~~), and (B) any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate (but such Lender shall continue to be entitled to the benefits of Sections 2.15, 2.18 and 8.04) upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment

in full of the principal outstanding amount of and interest accrued on each Advance made by it and outstanding, and all other amounts owing to it or accrued for its account under this Agreement and is released from its obligations hereunder.

SECTION 8.02 Notices, Etc.

(a) The Borrower hereby agrees that any notice that is required to be delivered to it hereunder shall be delivered to the Borrower as set forth in this Section 8.02. All notices and other communications provided for hereunder shall be in writing (including fax) and mailed, faxed or delivered, if to the Borrower at its address at 1 Riverside Plaza, Columbus, Ohio 43215, Attention: Treasurer (fax: (614) 716-2807; telephone: (614) 716-2208; email: lldieck@aep.com), with a copy to the General Counsel (fax: (614) 716-3440; telephone: (614) 716-3300); if to any Initial Lender, at its Domestic Lending Office specified in its Administrative Questionnaire; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Assumption pursuant to which it became a Lender; if to the Administrative Agent, at its address at Wells Fargo Bank, National Association, 1525 W WT Harris Blvd, Charlotte, NC 28262, Mail Code: D1109-019, Attention: Syndication Agency Services (fax: 704-715-0017; telephone: 704-590-2706; email: agencyrequests@wellsfargo.com); or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall be effective when delivered or received at the appropriate address or number to the attention of the appropriate individual or department, except that notices and communications to the Administrative Agent pursuant to Article II, III or VII shall not be effective until received by the Administrative Agent. Delivery by fax or electronic transmission of an executed counterpart of any amendment or waiver of any provision of this Agreement or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) The Borrower and the Lenders hereby agree that the Administrative Agent may make any information required to be delivered under Section 5.01(i)(i), (ii), (iv) and (v) (the "**Communications**") available to the Lenders by posting the Communications on Intralinks, SyndTrak or a substantially similar electronic transmission systems (the "**Platform**"). The Borrower and the Lenders hereby acknowledge that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES (COLLECTIVELY, "**AGENT PARTIES**") HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN

A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.03 No Waiver; Remedies.

No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04 Costs and Expenses.

(a) The Borrower agrees to pay promptly upon demand all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, (i) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (ii) the reasonable fees and expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay promptly upon demand all costs and expenses of the Administrative Agent and the Lenders, if any (including, without limitation, counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Administrative Agent and the Lenders in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower agrees to indemnify and hold harmless each Lender, [the Sustainability Structuring Agent](#) and the Administrative Agent and each of their Related Parties (each, an “***Indemnified Party***”) from and against any and all claims, damages, losses and liabilities, joint or several, to which any such Indemnified Party may become subject, in each case arising out of or in connection with or relating to (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Extensions of Credit (ii) any error or omission in connection with posting of the data required to be delivered pursuant to Section 5.01(i)(i), (ii) or (iv) on the website of the SEC or any successor website or (iii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, and to reimburse

any Indemnified Party for any and all reasonable expenses (including, without limitation, reasonable fees and expenses of counsel) as they are incurred in connection with the investigation of or preparation for or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Borrower or any of its Affiliates and whether or not any of the transactions contemplated hereby are consummated or this Agreement is terminated, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower agrees not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Extensions of Credit.

(c) If any payment of principal of, or Conversion of, any ~~Eurodollar Rate~~SOFR Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.09, 2.12(d), 2.15 or 2.17, acceleration of the maturity of the outstanding Borrowings pursuant to Section 6.01, the assignment of any such Advance pursuant to Section 2.20(b) or for any other reason (in the case of any such payment or Conversion), or if any prepayment of a SOFR Advance is made on a date other than the date specified in any notice therefor delivered pursuant hereto, the Borrower shall, promptly upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (other than loss of Applicable Margin), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.15 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

(e) The Borrower agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or its security holders or creditors related to or arising out of or in connection with this Agreement, the Extensions of Credit or the use or proposed use of the proceeds thereof, any of the transactions contemplated by any of the foregoing or in the loan documentation or the performance by an Indemnified Party of any of the foregoing (including the use by unintended recipients of any information or other materials distributed through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents) except to the extent that any loss, claim, damage, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(f) In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against the Borrower or any of its Affiliates in which such Indemnified Party is not named as a defendant, the Borrower agrees to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the fees and disbursements of its legal counsel.

SECTION 8.05 Right of Set-off.

Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the outstanding Borrowings due and payable pursuant to the provisions of Section 6.01, each Credit Party and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Credit Party or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement held by such Credit Party, whether or not such Credit Party shall have made any demand under this Agreement and although such obligations may be unmaturing; provided that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent

for further application in accordance with the provisions of Section 8.16 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations of the Borrower owing to such Defaulting Lender as to which it exercised such right of setoff. Each Credit Party agrees promptly to notify the Borrower after any such set-off and application, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Credit Party and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Credit Party and its Affiliates may have.

SECTION 8.06 Binding Effect.

This Agreement shall become effective upon satisfaction of the conditions precedent specified in Section 3.01 and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent, each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of all of the Lenders. None of the Joint Lead Arrangers nor any Person designated as a "Documentation Agent", a "Syndication Agent" or "Sustainability Structuring Agent" with respect to this Agreement shall have any duties or liabilities under this Agreement other than in its capacity as a Lender.

SECTION 8.07 Assignments and Participations.

(a) **Successors and Assigns of Lenders Generally.** No Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts.**

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if the "**Trade Date**" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$10,000,000, or an integral multiple of \$1,000,000 in excess thereof, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment assigned.

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) **Assignment and Assumption.** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (to be paid by the assigning Lender, or, in the case of an assignment pursuant to Section 2.20(b), the Borrower); *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) **No Assignment to Certain Persons.** No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) **No Assignment to Natural Persons.** No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) **Certain Additional Payments.** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and Commitments in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and

obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this subsection, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.15, 2.18 and 8.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed in writing by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) **Register.** The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Assumption delivered to it and a register in which it shall record the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.**

(i) Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement

(including all or a portion of its Commitment and/or the Advances owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 7.05 with respect to any payments made by such Lender to its Participant(s).

(ii) Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (ii), (iii) or (iv) of the first sentence of Section 8.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.18, 8.04(b) and 8.04(c) (subject to the requirements and limitations therein, including the requirements under Section 2.18(g) (it being understood that the documentation required under Section 2.18(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of Section 2.20(b) as if it were an assignee under subsection (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.18, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.20(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.05 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.18 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Commitments, Advances or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Advances or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitments, Advances or other obligations are in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central banking authority; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.08 Confidentiality.

Each of the Administrative Agent and the Lenders agree to maintain the confidentiality of the Confidential Information, except that Confidential Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any state, federal or foreign authority or examiner regulating banks, banking or other financial institutions and any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Law or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights

hereunder or thereunder; (t) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder or (iii) any credit insurance provider relating to the Borrower and its obligations; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or this Agreement or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement; (h) with the consent of the Borrower; or (i) to the extent such Confidential Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent and any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and each Lender may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or any Lender in connection with the administration or servicing of this Agreement, the other Loan Documents and the Commitments. Any Person required to maintain the confidentiality of Confidential Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Confidential Information as such Person would accord to its own confidential information.

SECTION 8.09 Governing Law.

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

SECTION 8.10 Severability; Survival.

(a) In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby.

(b) All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Advances, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any

accrued interest on any Advance or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated.

SECTION 8.11 Execution in Counterparts; Electronic Execution.

(a) This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to this Agreement, any other Loan Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Agreement or any other Loan Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature from any party hereto, the Administrative Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (b) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and ~~any of the Credit Parties~~ Borrower, electronic images of this Agreement or any other Loan Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of the Loan Documents based solely on the lack of paper original copies of any Loan Documents, including with respect to any signature pages thereto.

SECTION 8.12 Jurisdiction, Etc.

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, THE COUNTY OF NEW YORK, AND

ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT IN THE COURTS OF ANY JURISDICTION.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 8.13 Waiver of Jury Trial.

EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE ADMINISTRATIVE AGENT, THE BORROWER OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

SECTION 8.14 USA Patriot Act.

Each of the Lenders hereby notifies the Borrower that (a) pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law as of October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the "*Patriot Act*"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act and (b) pursuant to the Beneficial Ownership Regulation, it is required to obtain a Beneficial Ownership ~~Certificate~~Certification.

SECTION 8.15 No Fiduciary Duty.

Each of the Administrative Agent, the Sustainability Structuring Agent, each Lender and each of their respective Affiliates and their officers, directors, controlling persons, employees, agents and advisors (collectively, solely for purposes of this Section 8.15, the "Lenders") may have economic interests that conflict with those of the Borrower. The Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and the Borrower, its stockholders or its Affiliates. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower, on

the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its Affiliates has advised or is currently advising the Borrower on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (iv) the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate. The Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

SECTION 8.16 Defaulting Lenders.

(a) **Defaulting Lender Adjustments.** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) **Waivers and Amendments.** Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 8.01.

(ii) **Defaulting Lender Waterfall.** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 8.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that, if (x) such payment is a payment of the principal amount of any Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made at a time when the conditions set forth in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Advances of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of such Defaulting Lender until such time as all Advances are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Certain Fees.** No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.05(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(iv) **Reduction of Available Commitments.** The Borrower may terminate the Available Commitment of any Lender that is a Defaulting Lender upon not less than three Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 8.16(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); *provided* that (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent or any

Lender may have against such Defaulting Lender.

(b) **Defaulting Lender Cure.** If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed in writing by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

SECTION 8.17 [Reserved].

SECTION 8.18 [Reserved].

SECTION 8.19 [Reserved].

SECTION 8.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to

any such liability under this Agreement or any other Loan Document or (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any applicable Resolution Authority.

SECTION 8.21 Benchmark Replacement Setting.

(a) ~~(i) Benchmark Replacement.~~ Notwithstanding anything to the contrary herein or in any other Loan Document ~~if, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of, the Administrative Agent and the Borrower may amend this Agreement to replace~~ the then-current Benchmark, ~~then (x) if a Benchmark Replacement is determined in accordance with clause (a)(1) or (a)(2) of the definition of “with a Benchmark Replacement” for. Any such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (a)(3) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in~~ amendment with respect of any to a Benchmark setting Transition Event will become effective at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided Administrative Agent has posted such proposed amendment to the all affected Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 8.21(a) will occur prior to the applicable Benchmark Transition Start Date.

~~(ii) — Notwithstanding anything to the contrary herein or in any other Loan Document, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then current Benchmark, then the applicable Benchmark Replacement will replace the then current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that this clause (ii) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may elect or not elect to do so in its sole discretion.~~

(b) ~~Benchmark Replacement—Conforming Changes.~~ In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make ~~Benchmark Replacement~~ Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such ~~Benchmark Replacement~~ Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, and (B) ~~the implementation of any Benchmark~~

~~Replacement, (C) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement—Conforming Changes, (D), The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 8.21(d) below and (E) the commencement or conclusion of any Benchmark Unavailability Period.~~ Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 8.21(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 8.21(c).

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein

or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including ~~the~~ Term SOFR ~~or USD LIBOR Reference Rate~~) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be ~~no longer~~ representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will ~~no longer~~not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, ~~(A)~~ the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of ~~Eurodollar Rate~~SOFR Advances to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Advances and (B) any outstanding affected SOFR Advances will be deemed to have been converted to Base Rate Advances at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

~~(f) — London Interbank Offered Rate Benchmark Transition Event. On March 5, 2021, the IBA, the administrator of the London interbank offered rate, and the FCA, the regulatory supervisor of the IBA, made the Announcements that the final publication or representativeness date for the London interbank offered rate for: (I) Dollars for 1-week and 2-month tenor settings will be December 31, 2021 and (II) Dollars for overnight, 1-month, 3-month, 6-month and 12-month tenor settings will be June 30, 2023. No successor administrator for the IBA was identified in such Announcements. The parties hereto agree and acknowledge that the Announcements resulted in the occurrence of a Benchmark Transition Event with respect to the London interbank offered rate for Dollars and that any obligation of the Administrative Agent to notify any parties of any such Benchmark Transition Event pursuant to Section 8.21(e) shall be deemed satisfied.~~

~~(g) — Certain Defined Terms. As used in this Section titled "Benchmark Replacement Setting":~~

~~“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then removed from the definition of “Interest Period” pursuant to Section 8.21(d).~~

~~“Benchmark” means, initially, USD LIBOR; provided that if a Benchmark Transition Event, a Term SOFR Transition Event, or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to USD LIBOR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 8.21(a).~~

~~“Benchmark Replacement” means, for any Available Tenor,~~

~~(a) — with respect to any Benchmark Transition Event or Early Opt-in Election, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:~~

~~(1) — the sum of: (A) Term SOFR and (B) the related Benchmark Replacement Adjustment provided, that, if the Borrower has provided a notification to the Administrative Agent in writing on or prior to such Benchmark Replacement Date that the Borrower has a Hedge Agreement in place with respect to any of the Advances as of the date of such notice (which such notification the Administrative Agent shall be entitled to rely upon and shall have no duty or obligation to ascertain the correctness or completeness of), then the Administrative Agent, in its sole discretion, may decide not to determine the Benchmark Replacement pursuant to this clause (a)(1) for such Benchmark Transition Event or Early Opt-in Election, as applicable;~~

~~(2) — the sum of: (A) Daily Simple SOFR and (B) the related Benchmark Replacement Adjustment;~~

~~(3) — the sum of: (A) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment; or~~

~~(b) — with respect to any Term SOFR Transition Event, the sum of (i) Term SOFR and (ii) the related Benchmark Replacement Adjustment;~~

~~provided that, (i) in the case of clause (a)(1), if the Administrative Agent decides that Term SOFR is not administratively feasible for the Administrative Agent, then Term SOFR will be deemed unable to be determined for purposes of this definition and (ii) in the case of clause (a)(1) or clause (b) of this definition, the applicable Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (a)(1), (a)(2) or (a)(3) or clause (b) of this definition would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.~~

~~“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:~~

~~(1) — for purposes of clauses (a)(1) and (a)(2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent:~~

~~(a) — the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement;~~

~~(b) — the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Available Tenor of such Benchmark;~~

~~(2) — for purposes of clause (a)(3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities; and~~

~~(3) — for purposes of clause (b) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of USD LIBOR with a SOFR-based rate;~~

~~provided that, (x) in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion and (y) if the then-current Benchmark is a term rate, more than one tenor of such Benchmark is available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement that will replace such Benchmark in accordance with Section 8.21(a) will not be a term rate, the Available Tenor of such Benchmark for purposes of this definition of “Benchmark Replacement Adjustment” shall be deemed to be, with respect to each Unadjusted Benchmark Replacement having a payment period for interest calculated with reference thereto, the Available Tenor that has approximately the same length (disregarding business day adjustments) as such payment period.~~

~~“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).~~

~~“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:~~

- ~~(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);~~
- ~~(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein;~~
- ~~(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the Administrative Agent has provided the Term SOFR Notice to the Lenders and the Borrower pursuant to Section 8.21(a)(ii); or~~
- ~~(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.~~

~~For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).~~

~~“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:~~

- ~~(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available~~

~~Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);~~

- ~~(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to~~

~~provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or~~

- ~~(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are **no longer representative**.~~

~~For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).~~

~~“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21.~~

~~“**Corresponding Tenor**” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.~~

~~“**Daily Simple SOFR**” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.~~

~~“**Early Opt-in Election**” means, if the then-current Benchmark is USD LIBOR, the occurrence of:~~

- ~~(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently~~

~~outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review); and~~

- ~~(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from USD LIBOR and the provision by the Administrative Agent of written notice of such election to the Lenders.~~

~~“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Eurodollar Rate or USD LIBOR, as applicable.~~

~~“Hedge Agreement” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.~~

~~“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.~~

~~“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two (2) London Banking Days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by the Administrative Agent in its reasonable discretion.~~

~~“Relevant Governmental Body” means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.~~

~~“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.~~

~~“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).~~

~~“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.~~

~~“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.~~

~~“Term SOFR Notice” means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.~~

~~“Term SOFR Transition Event” means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in the replacement of the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21 with a Benchmark Replacement the Unadjusted Benchmark Replacement component~~

of which is not Term SOFR.

~~“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.~~

~~“USD LIBOR” means the London interbank offered rate for Dollars.~~

SECTION 8.22 Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, “**QFC Credit Support**” and each such QFC a “**Supported QFC**”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**U.S. Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) If a Covered Entity that is party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. If a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section, the following terms have the following meanings:

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following:

- (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*QFC*” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

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Schedule I

Pricing Schedule

1. Sustainability Adjustments

(a) Following the delivery of a Pricing Certificate in respect of the most recently ended calendar year, (i) the Applicable Margin shall be increased or decreased (or neither increased nor decreased), as applicable, pursuant to the Applicable KPI Margin Adjustment as set forth in such Pricing Certificate in the manner and at the times described in this Pricing Schedule, and (ii) the Commitment Fee Rate shall be increased or decreased (or neither increased nor decreased), as applicable, pursuant to the Applicable KPI Fee Adjustment as set forth in such Pricing Certificate in the manner and at the times

the Applicable KPI Fee Adjustment as set forth in such Pricing Certificate in the manner and at the times described in this Pricing Schedule. For purposes of the foregoing, (A) each of the Applicable KPI Margin Adjustment and the Applicable KPI Fee Adjustment shall be effective as of the fifth Business Day following receipt by the Administrative Agent of a Pricing Certificate delivered pursuant to Section 5.01(i)(viii) based upon the KPI Metrics set forth in such Pricing Certificate and the calculations of the Applicable KPI Margin Adjustment and the Applicable KPI Fee Adjustment calculations, as applicable, therein (such day, the “**Sustainability Pricing Adjustment Date**”) and (B) each change in the Applicable Margin and the Commitment Fee Rate resulting from a Pricing Certificate and the Applicable KPI Margin Adjustment and the Applicable KPI Fee Adjustment related thereto shall be effective during the period commencing on and including the applicable Sustainability Pricing Adjustment Date and ending on the date immediately preceding the next such Sustainability Pricing Adjustment Date (or, in the case of non-delivery of a Pricing Certificate for the immediately following period, the last day such Pricing Certificate for such following period could have been delivered pursuant to the terms of Section 5.01(i)(viii)).

(b) For the avoidance of doubt, only one Pricing Certificate may be delivered in respect of any calendar year. It is further understood and agreed that the Applicable Margin will never be reduced or increased by more than 5.0 basis points and the Commitment Fee Rate will never be reduced or increased by more than 1.0 basis points, in each case pursuant to the Applicable KPI Margin Adjustment or the Applicable KPI Fee Adjustment, as applicable, during any calendar year. For the avoidance of doubt, any adjustment to the Applicable Margin or Commitment Fee Rate by reason of application of one or several KPI Metrics in any year shall not be cumulative year-over-year. Each applicable adjustment shall only apply until the earlier of (i) June 30 of the next calendar year and (ii) the next Sustainability Pricing Adjustment Date.

(c) It is hereby understood and agreed that if no Pricing Certificate has been delivered by the Borrower and/or the Annual KPI Report has not been published by June 30 of any calendar year, the Applicable KPI Margin Adjustment will be positive 5.0 basis points and the Applicable KPI Fee Adjustment will be positive 1.0 basis points commencing on such June 30 and continuing until a Pricing Certificate is delivered and the Annual KPI Report is published.

(d) If (i)(A) the Borrower or any Lender becomes aware of any material inaccuracy in any KPI Adjustment or the KPI Metrics as reported in a Pricing Certificate (any such material inaccuracy, a “**Pricing Certificate Inaccuracy**”) and, in the case of any Lender, such Lender delivers, not later than 10 Business Days after obtaining knowledge thereof, a written notice to the Administrative Agent describing such Pricing Certificate Inaccuracy in reasonable detail (which description shall be shared with each other Lender and the Borrower), or (B) the Borrower and the Lenders agree that there was a Pricing Certificate Inaccuracy at the time of delivery of a Pricing Certificate, and (ii) a proper calculation of any KPI Adjustment or the KPI Metrics would have resulted in an increase in the Applicable Margin and the Commitment Fee Rate for any period, the Borrower shall be obligated to pay to the Administrative Agent

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for the account of the applicable Lenders, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code, automatically and without further action by the Administrative Agent or any Lender), but in any event within 10 Business Days after the Borrower has received written notice of, or has agreed in writing that there was, a Pricing Certificate Inaccuracy, an amount equal to the excess of (1) the amount of interest and fees that should have been paid for such period over (2) the amount of interest and fees actually paid for such period. If the Borrower becomes aware of any Pricing Certificate Inaccuracy and, in connection therewith, if a proper calculation of the KPI Adjustment or the KPI Metrics would have resulted in a decrease in the Applicable Margin and the Commitment Fee Rate for any period, then, upon receipt by the Administrative Agent of notice from the Borrower of such Pricing Certificate Inaccuracy (which notice shall include corrections to the calculations of such KPI Adjustment or the KPI Metrics, as applicable), commencing on the Business Day following receipt by the Administrative Agent of such notice, the Applicable Margin and the Commitment Fee Rate shall be adjusted to reflect the corrected calculations of such KPI Adjustment or the KPI Metrics, as applicable. Notwithstanding the foregoing or anything to the contrary herein, any information in a Pricing Certificate shall be deemed to be not materially inaccurate (and no Pricing Certificate Inaccuracy shall be deemed to have occurred in respect thereof), and any calculation of any KPI Adjustment or the KPI Metrics shall be deemed proper, if such information or calculation was made by the Borrower in good faith based on information reasonably available to the Borrower at the time that such calculation was made.

(e) It is understood and agreed that any Pricing Certificate Inaccuracy (and any consequences thereof) shall not constitute a Default or Event of Default; provided, that, the Borrower complies with the terms of this clause (e) with respect to such Pricing Certificate Inaccuracy. Notwithstanding anything to the contrary herein, unless such amounts shall be due upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code, (i) any additional amounts required to be paid pursuant the immediately preceding clause shall not be due and payable until the date that is ten (10) Business Days after a written demand is made for such payment by the Administrative Agent in accordance with such paragraph, (ii) any nonpayment of such additional amounts prior to or upon the date that is ten (10) Business Days after such written demand for payment by the Administrative Agent shall not constitute a Default (whether retroactively or otherwise) and (iii) none of such additional amounts shall be deemed overdue prior to such date that is ten (10) Business Days after such written demand or shall accrue interest at the then applicable rate plus 2% prior to such date that is ten (10) Business Days after such written demand.

(f) Each party hereto hereby agrees that neither the Administrative Agent nor any Sustainability Structuring Agent shall have any responsibility for (or liability in respect of) reviewing, auditing or otherwise evaluating any calculation by the Borrower of any KPI Adjustment (or any of the data or computations that are part of or related to any such calculation) set forth in any Pricing Certificate (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry).

~~(g) Upon the occurrence of a Significant KPI Event, the Administrative Agent shall determine, in consultation with the Borrower, if the KPI Adjustment shall be applied with respect to the applicable calendar year and such determination shall be posted to the Lenders and shall become effective within five (5) Business Days after such posting, unless Lenders constituting Required Lenders object to such determination within such five (5) Business Day period.~~

~~(g)~~ (h) To the extent the Sustainability Structuring Agent ceases to be a Lender, the Borrower will use commercially reasonable efforts to seek to appoint another Person that is a Lender to fulfill the role of Sustainability Structuring Agent.

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~~(i) To Neither the extent any event occurs (which would include, without limitation, a material disposition or material acquisition) which, in the opinion of the Borrower and the Administrative Agent nor Sustainability Structuring Agent, acting reasonably, means that one or more of the Sustainability Targets or Sustainability Thresholds set forth in the Sustainability Table is no longer applicable given changes in the Borrower's structure, then the Borrower and the Sustainability Structuring Agent will report to the Lenders that such Sustainability Targets and Sustainability Thresholds will no longer apply. In such a scenario, the Borrower will then cease to refer to the applicable KPI Metrics, Sustainability Targets and Sustainability Thresholds in the Pricing Certificate for such period; (i) makes any assurances whether the Agreement meets any criteria or expectations of the Borrower or any Lender with regard to environmental or social impact and sustainability performance, or whether the facility, including the characteristics of the relevant KPI Metrics (including any environmental, social and sustainability criteria or any computation methodology), meet any industry standards for sustainability-linked credit facilities, or (ii) has any responsibility for or liability in respect~~

of reviewing, auditing or otherwise evaluating any calculation by the Borrower of the KPI Metrics or any margin or fee adjustment (or any of the data or computations that are part of or related to any such calculation) set out in any Pricing Certificate (and the Administrative Agent and the Sustainability Structuring Agent may rely conclusively on any such certificate, without further inquiry, when implementing any pricing adjustment).

2. **Defined Terms**

As used in this Pricing Schedule and the Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Annual KPI Report” means the Annual EEI ESG/Sustainability Report For Investors (the “Sustainability Report”) and/or the Corporate Accountability Report (the **“CAR”**) in respect of the Non-Emitting Generation Capacity Percentage and the DART Rate, in each case, publicly reported by the Borrower and published on an Internet or an intranet website to which each Lender, the Administrative Agent and the Sustainability Structuring Agent have been provided access.

“Applicable DART Rate Fee Adjustment” means, with respect to any calendar year, (a) ~~an increase of 0.50 basis points~~ a positive Fee Adjustment if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is greater than the DART Rate Threshold for such calendar year, (b) no reduction or increase if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is less than or equal to the DART Rate Threshold for such calendar year and greater than or equal to the DART Rate Target for such calendar year, and (c) a ~~reduction of 0.50 basis points~~ negative Fee Adjustment if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is less than the DART Rate Target for such calendar year.

“Applicable DART Rate Margin Adjustment” means, with respect to any calendar year, (a) ~~an increase of 2.50 basis points~~ a positive Margin Adjustment if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is greater than the DART Rate Threshold for such calendar year, (b) no reduction or increase if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is less than or equal to the DART Rate Threshold for such calendar year and greater than or equal to the DART Rate Target for such calendar year, and (c) a ~~reduction of 2.50 basis points~~ negative Margin Adjustment if the DART Rate (Three-Year Average) (or, in the case of the 2021 calendar year, the DART Rate) for such calendar year is less than the DART Rate Target for such calendar year.

“**Applicable KPI Fee Adjustment**” means the number of basis points (whether positive, negative or zero) resulting from the sum of (i) the Applicable Non-Emitting Generation Capacity Fee Adjustment, plus (ii) the Applicable DART Rate Fee Adjustment, in each case for such calendar year.

“**Applicable KPI Margin Adjustment**” means the number of basis points (whether positive, negative or zero) resulting from the sum of (i) the Applicable Non-Emitting Generation Capacity Margin Adjustment, plus (ii) the Applicable DART Rate Margin Adjustment, in each case for such calendar year.

“**Applicable Margin**” means, at any time, the rate per annum set forth below next to the Applicable Rating Level in effect at such time (as adjusted, from time to time, in accordance with the terms of this Pricing Schedule):

Applicable Rating Level	Applicable Margin for Eurodollar Rate SOFR Advances	Applicable Margin for Base Rate Advances
1	1.000%	0.000%
2	1.125%	0.125%
3	1.250%	0.250%
4	1.500%	0.500%
5	1.750%	0.750%

provided, that the Applicable Margins set forth above shall be increased, for each Applicable Rating Level, upon the occurrence and during the continuance of any Event of Default by 2.00% per annum.

Any change in the Applicable Margin resulting from a change in the Applicable Rating Level shall become effective upon the date of announcement of any change in the Moody’s Rating or the S&P Rating that results in such change in the Applicable Rating Level.

“**Applicable Non-Emitting Generation Capacity Fee Adjustment**” means, with respect to any calendar year, (a) a ~~reduction of 0.50 basis points~~ **negative Fee Adjustment** if the Non-Emitting Generation Capacity Percentage for such calendar year is greater than the Non-Emitting Generation Capacity Target for such calendar year, (b) no reduction or increase if the Non-Emitting Generation Capacity Percentage for such calendar year is less than or equal to the Non-Emitting Generation Capacity Target for such calendar year and greater than or equal to the Non-Emitting Generation Capacity Threshold for such calendar year, and (c) ~~an increase of 0.50 basis points~~ **a positive Fee Adjustment** if the Non-Emitting Generation Capacity Percentage for such calendar year is less than the Non-Emitting Generation Capacity Threshold for such calendar year.

“**Applicable Non-Emitting Generation Capacity Margin Adjustment**” means, with respect to any calendar year, (a) a ~~reduction of 2.50 basis points~~ **negative Margin Adjustment** if the Non-Emitting Generation Capacity Percentage for such calendar year is greater than the Non-Emitting Generation Capacity Target for such calendar year, (b) no reduction or increase if the Non-Emitting Generation

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Capacity Percentage for such calendar year is less than or equal to the Non-Emitting Generation Capacity Target for such calendar year and greater than or equal to the Non-Emitting Generation Capacity Threshold for such calendar year, and (c) ~~an increase of 2.50 basis points~~ **a positive Margin Adjustment** if the Non-Emitting Generation Capacity Percentage for such calendar year is less than the Non-Emitting Generation Capacity Threshold for such calendar year.

“**Applicable Rating Level**” at any time shall be determined in accordance with the then-applicable S&P Rating and the then-applicable Moody’s Rating as follows:

S&P Rating/Moody’s Rating	Applicable Rating Level
S&P Rating A or higher or Moody’s Rating A2 or higher	1

S&P Rating A or higher or Moody's Rating A2 or higher	1
S&P Rating A- or Moody's Rating A3	2
S&P Rating BBB+ or Moody's Rating Baa1	3
S&P Rating BBB or Moody's Rating Baa2	4
S&P Rating BBB- or below or Moody's Rating Baa3 or below, or no S&P Rating or Moody's Rating	5

If the S&P Rating and the Moody's Rating are not the same (*i.e.*, a "split rating") the following shall apply: (i) if the S&P Rating and the Moody's Rating are split by one rating, the higher of such ratings shall control, and (ii) if the S&P Rating and the Moody's Rating are split by more than one rating, the Applicable Rating Level shall be the rating level immediately below the Applicable Rating Level corresponding to the higher of the two ratings (e.g. if the ratings are split by two ratings and the highest rating is the Moody's Rating at A2, then the Applicable Rating Level will be 2) unless, in each case, either rating is below BBB- or Baa3 (as applicable), in which case the lower of the two ratings shall control.

"**Baseline DART Rate**" means the 3-year historical average of the DART Rate for the years 2018 – 2020.

"**Commitment Fee Rate**" means, at any time, the rate per annum set forth below next to the Applicable Rating Level in effect at such time (as adjusted, from time to time, in accordance with the terms of this Pricing Schedule):

Applicable Rating Level	Commitment Fee Rate
1	0.075%
2	0.100%
3	0.150%

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5	0.250%
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A change in the Commitment Fee Rate resulting from a change in the Applicable Rating Level shall become effective upon the date of public announcement of a change in the Moody's Rating or the S&P Rating that results in a change in the Applicable Rating Level.

"DART Incidents" means an OSHA recordable workplace injury or illness that results in days away from work, restricted job roles, or an employee's permanent transfer to a new position, excluding any such injury or illness resulting from events outside the employee's control or solely from the Covid-19 pandemic, as reported on the applicable Pricing Certificate and reflected in the Annual KPI Report; provided, that in the event that (i) the methodologies or other basis upon which such reporting is made shall change from the methodologies and basis used for the determination of the DART Rate Target and the DART Rate Threshold, or (ii) OSHA shall cease to require the recording of the total number of injuries or illnesses (excluding any injuries or illnesses resulting solely from the Covid-19 pandemic) that are "recordable" by the Borrower, the number of DART Incidents shall be deemed to be equal to an amount that will result in no adjustment to the Applicable Margin or the Commitment Fee Rate for the applicable calendar year; provided, further, that in the event that the combined number of employees of the Borrower or any of its Subsidiaries) of the Borrower and its Subsidiaries for any calendar year increases or decreases by ten percent (10%) or more over the combined number of employees of the Borrower and its Subsidiaries for the immediately preceding calendar year, the number of DART Incidents for such calendar year shall be deemed to be equal to an amount that will result in no adjustment to the Applicable Margin or the Commitment Fee Rate for the applicable calendar year and each calendar year thereafter unless otherwise agreed in writing by the Borrower, the Sustainability Structuring Agent and the Required Lenders.

"DART Rate" means, with respect to the Borrower, the rate calculated as (i) the total number of DART Incidents *times* 200,000, divided by (ii) the total number of hours worked by all employees, calculated on the basis of one (1) calendar year.

"DART Rate (Three-Year Average)" means, with respect to any calendar year, beginning with the calendar year ending December 31, 2022, an amount equal to (a) the sum of (i) the DART Rate for each of the immediately preceding two (2) calendar years prior to such calendar year plus (ii) the DART Rate for such calendar year, divided by (b) three (3). For purposes of calculating the DART Rate (Three-Year Average) for the calendar year ending on December 31, 2022, the DART Rate for the calendar year ending December 31, 2020 shall be deemed to be 0.310.

"DART Rate Target" means, with respect to any calendar year, the DART Rate Target for such calendar year as set forth in the Sustainability Table.

"DART Rate Threshold" means, with respect to any calendar year, the DART Rate Threshold for such calendar year as set forth in the Sustainability Table.

"Demand Side Management" means utility programs, including tariffs, which encourage reduced energy consumption, either at times of peak consumption or throughout the day/year, including (i) active or controlled programs or tariffs that are designed to reduce consumption primarily at periods of peak consumption (demand response programs) and (ii) passive programs and/or measures intended to increase efficiency (energy efficiency programs).

"Fee Adjustment" means, positive or negative 0.5 basis points, as applicable.

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"KPI Adjustment" means, collectively, the Applicable KPI Fee Adjustment and the Applicable KPI Margin Adjustment.

"KPI Metrics" means, collectively, (i) the Non-Emitting Generation Capacity Percentage and (ii) the DART Rate (for the 2021 calendar year) or the DART Rate (Three-Year Average) (for each calendar year after the 2021 calendar year), and each a "KPI Metric".

"Margin Adjustment" means, positive or negative 2.5 basis points, as applicable.

"Non-Emitting Generation Capacity" means, with respect to the Borrower, the Megawatts of owned and firm PPA (Purchased Power Agreement) generation capacity based on generation from nuclear, biomass/biogas, geothermal, hydroelectric, solar and wind generation sources, including Demand Side Management and battery storage.

“Non-Emitting Generation Capacity Percentage” means, expressed as a percentage, the Non-Emitting Generation Capacity divided by Total Owned and Firm PPA Generation Capacity, as certified by the Borrower.

“Non-Emitting Generation Capacity Target” means, with respect to any calendar year, the Non-Emitting Generation Capacity Target for such calendar year as set forth in the Sustainability Table.

“Non-Emitting Generation Capacity Threshold” means, with respect to any calendar year, the Non-Emitting Generation Capacity Threshold for such calendar year as set forth in the Sustainability Table.

“Pricing Certificate” means a certificate signed by a financial officer of the Borrower substantially in the form of Exhibit E to the Agreement setting forth (with computations in reasonable detail in respect thereof) the KPI Metrics for the immediately preceding calendar year which shall be based on and consistent with the KPI Metrics reported in the Annual KPI Report for such year, together with the resulting KPI Adjustment to apply from the [KPI Sustainability](#) Pricing Adjustment Date of the then current calendar year.

~~**“Significant KPI Event”** means that (i) the Non-Emitting Generation Capacity Percentage for any calendar year (as set out in the Pricing Certificate and the Annual KPI Report), is (x) less than the Non-Emitting Generation Capacity Threshold for such calendar year by 2.5% or more or (y) greater than the Non-Emitting Generation Capacity Target for such calendar year by 2.5% or more, or (ii) the DART Rate for any calendar year (as set out in the Pricing Certificate and the Annual KPI Report), is (x) less than the DART Rate Target for such calendar year by 10.0% or more or (y) greater than the DART Rate Threshold for such calendar year by 10.0% or more.~~

“Sustainability Table” means the table set out on Exhibit A to the Pricing Schedule.

“Sustainability Targets” means each of the DART Rate Target and the Non-Emitting Generation Capacity Target.

“Sustainability Thresholds” means each of the DART Rate Threshold and the Non-Emitting Generation Capacity Threshold.

“Total Owned and Firm PPA Generation Capacity” means, with respect to the Borrower, total megawatts of owned and firm PPA (Purchased Power Agreement) generation capacity.

Exhibit A to Pricing Schedule

Sustainability Table

KPI Metrics		Annual Sustainability Targets and Thresholds						
		2021	2022	2023	2024	2025	2026	
Non-Emitting Generation Capacity		32.8%	36.3%	38.3%	41.6%	45.3%	<u>46.5%</u>	Non-Emitting Generation Capacity Target
		27.8%	31.3%	33.3%	36.6%	40.3%	<u>41.5%</u>	Non-Emitting Generation Capacity Threshold
DART Rate	Baseline DART Rate	0.3370 <u>0.335</u>	0.3370 <u>0.335</u>	0.3370 <u>0.335</u>	0.3370 <u>0.335</u>	0.3370 <u>0.335</u>	<u>0.335</u>	DART Rate Target
	0.3740 <u>0.372</u>	0.412 <u>0.409</u>	0.412 <u>0.409</u>	0.412 <u>0.409</u>	0.412 <u>0.409</u>	0.412 <u>0.409</u>	<u>0.409</u>	DART Rate Threshold

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**EXHIBIT A
(to the Credit Agreement)**

FORM OF NOTICE OF BORROWING

Wells Fargo Bank, National Association, as Administrative Agent
for the Lenders party
to the Credit Agreement
referred to below

Attention: Syndication Agency Services

[Date]

Ladies and Gentlemen:

The undersigned, American Electric Power Company, Inc., refers to the Credit Agreement, dated as of March 31, 2021 (as amended or modified from time to time, the “*Credit Agreement*,” the terms defined therein being used herein as therein defined), among the undersigned, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the “*Proposed Borrowing*”) as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, 20__.

(ii) [The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances][~~Eurodollar Rate~~SOFR Advances].]

(iii) The aggregate amount of the Proposed Borrowing is \$_____.

(iv) The initial Interest Period for each ~~Eurodollar Rate~~SOFR Advance made as part of the Proposed Borrowing is [[one][~~two~~][three][six] month[s]] [OTHER PERIOD OF LESS THAN ONE MONTH AGREED TO BY ALL LENDERS].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement (other than Section 4.01(e) and the last sentence of Section 4.01(f)) are true and correct in all material respects on and as of the date hereof, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on the date hereof; and

(B) no event has occurred and is continuing, or would result from the Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

AmericasActive:~~16797229.1~~16797229.4

AMERICAN ELECTRIC POWER COMPANY,
INC.

By _____
Name:
Title:

| AmericasActive: ~~16797229~~-16797229.4

EXHIBIT E

FORM OF PRICING CERTIFICATE

PRICING CERTIFICATE

Wells Fargo Bank, National Association, as Administrative Agent
for the Lenders party
to the Credit Agreement
referred to below

This Pricing Certificate (this "*Certificate*") is furnished pursuant to that certain Credit Agreement dated as of March 31, 2021 (as amended, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among American Electric Power Company, Inc. (the "*Borrower*"), the Lenders and Wells Fargo Bank, National Association, as the administrative agent (the "*Administrative Agent*"). Unless otherwise defined herein, capitalized terms used in this Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES SOLELY IN [HIS/HER] CAPACITY AS [INSERT TITLE OF FINANCIAL OFFICER DELIVERING THIS CERTIFICATE] OF THE BORROWER AND NOT IN AN INDIVIDUAL CAPACITY (AND WITHOUT PERSONAL LIABILITY) THAT:

1. I am the duly elected [insert title of Financial Officer delivering this Certificate] of the Borrower, and I am authorized to deliver this Certificate on behalf of the Borrower;
2. The DART Rate for the 20[] calendar year is [];
3. [The DART Rate (Three-Year Average) for the 20[] calendar year is []];¹
4. ~~2-~~The Applicable DART Rate Fee Adjustment for the 20[] calendar year is [neutral] [+][-][] basis points];
5. ~~3-~~The Applicable DART Rate Margin Adjustment for the 20[] calendar year is [neutral] [+][-][] basis points];
6. The Non-Emitting Generation Capacity Percentage for the 20[] calendar year is [];
7. ~~4-~~The Applicable Non-Emitting Generation Capacity Fee Adjustment for the 20[] calendar year is [neutral] [+][-][] basis points];

¹ Not applicable for the 2021 calendar year.

8. ~~5.~~ The Applicable Non-Emitting Generation Capacity Margin Adjustment for the 20[] calendar year is [neutral] [+][-][] basis points];
9. ~~6.~~ The Applicable KPI Fee Adjustment for the 20[] calendar year is [neutral] [+][-][] basis points];
10. ~~7.~~ Following application of the Applicable KPI Fee Adjustment set out in item ~~6~~9 above, the Commitment Fee Rate as of the date of this Certificate is []%.
11. ~~8.~~ The Applicable KPI Margin Adjustment for the 20[] calendar year is [neutral] [+][-][] basis points];
12. ~~9.~~ Following application of the Applicable KPI Margin Adjustment set out in item ~~8~~11 above, the Applicable Margin as of the date of this Certificate is []%.
13. ~~10.~~ Attached as Annex A hereto are computations with respect to the certifications made in clauses 2 through ~~9~~12 above.

The foregoing certifications are made and delivered this ____ day of _____, 20[].

AMERICAN ELECTRIC POWER COMPANY, INC.

By _____
Name:
Title:

AmericasActive:~~16797229.1~~[16797229.4](#)

Annex A to Pricing Certificate

Computations

[attached]

| AmericasActive:~~16797229~~.[116797229.4](#)

Exhibit B

FORM OF OPINION OF COUNSEL FOR THE BORROWER

To each of the Lenders party to the First Amendment to the Credit Agreement referred to below and to Wells Fargo Bank, National Association, as Administrative Agent thereunder

April 7, 2022

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 2(a)(iii) of the First Amendment to Credit Agreement, dated as of April 7, 2022 (the "First Amendment") among American Electric Power Company, Inc. (the "Borrower"), the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent. Terms defined in the First Amendment and Credit Agreement are used herein as therein defined.

I am Senior Counsel for American Electric Power Service Corporation, an affiliate of the Borrower, and have acted as counsel to the Borrower in connection with the preparation, execution and delivery of the First Amendment. I am generally familiar with the Borrower's corporate history, properties, operations and charter (including amendments, restatements and supplements thereto).

In connection with this opinion, I, or attorneys over whom I exercise supervision, have examined:

- (1) The Credit Agreement and the promissory notes issued by the Borrower on the date hereof pursuant to Section 2.10(d) of the Credit Agreement (collectively, the "Loan Documents").
- (2) The First Amendment.
- (3) The documents furnished by the Borrower pursuant to Section 2 of the First Amendment.
- (4) The certificate of incorporation of the Borrower and all amendments thereto.
- (5) The by-laws of the Borrower and all amendments thereto.
- (6) A certificate of the Secretary of State of New York, dated [], 2022, attesting to the continued existence and good standing of the Borrower in that State.

In addition, I have examined the originals, or copies certified to my satisfaction, of such other corporate records of the Borrower, certificates of public officials and of officers of the Borrower, and agreements, instruments and other documents, as I have deemed necessary as a basis for the opinions expressed below.

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In my examination, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies. In making our examination of documents and instruments executed or to be executed by persons other than the Borrower, I have assumed that each such other person had the requisite power and authority to enter into and perform fully its obligations thereunder, the due authorization by each such other person for the execution, delivery and performance thereof and the due execution and delivery thereof by or on behalf of such person of each such document and instrument. In the case of any such person that is not a natural person, I have also assumed, insofar as it is relevant to the opinions set forth below, that each such other person is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was created and is duly qualified and in good standing in each other jurisdiction where the failure to be so qualified could reasonably be expected to have

each other jurisdiction where the failure to do so qualified could reasonably be expected to have a material effect upon its ability to execute, deliver and/or perform its obligations under any such document or instrument. I have further assumed that each document, instrument, agreement, record and certificate reviewed by us for purposes of rendering the opinions expressed below has not been amended by any oral agreement, conduct or course of dealing between the parties thereto.

As to questions of fact material to the opinions expressed herein, I have relied upon certificates and representations of officers of the Borrower (including but not limited to those contained in the First Amendment and certificates delivered upon the execution and delivery of the First Amendment) and of appropriate public officials, without independent verification of such matters except as otherwise described herein.

Whenever my opinions herein with respect to the existence or absence of facts are stated to be to my knowledge or awareness, it is intended to signify that no information has come to my attention that would give me actual knowledge of the existence or absence of such facts. However, except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to my or their knowledge of the existence or absence of such facts should be assumed.

I am a member of the Bar of the States of New York and Ohio and do not purport to be expert on the laws of any jurisdiction other than the laws of the States of New York and Ohio and the Federal laws of the United States. My opinions expressed below are limited to the law of the States of New York and Ohio and the Federal law of the United States.

Based upon the foregoing and upon such investigation as I have deemed necessary, and subject to the limitations, qualifications and assumptions set forth herein, I am of the following opinion:

1. The Borrower (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of New York; (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property which it operates as lessee and to conduct the business in which it is currently engaged and in which it proposes to be engaged after the date hereof; (c) is duly qualified as a foreign corporation and is in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except any such jurisdiction

where the failure to so qualify could not, in the aggregate, reasonably be expected to result in a Material Adverse Change; (d) owns or possesses all material licenses and permits necessary for the operation by it of its business as currently conducted; and (e) is in compliance with all Requirements of Law, except as disclosed in the Amendment Disclosure Documents referenced in Section 2(b) of the First Amendment or to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. The term "Requirements of Law" means the laws of the State of New York and the laws, rules and regulations of the United States of America (including, without limitation, ERISA and Environmental Laws) and orders of any governmental authority applicable to the Borrower.

2. The Borrower has the corporate power and authority, and the legal right, to execute and deliver the First Amendment and to perform its obligations under each First Amendment and each Loan Document, and to borrow under the Credit Agreement. The Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of the First Amendment and each Loan Document and the incurrence of Advances on the terms and conditions of the Credit Agreement, and the First Amendment and each Loan Document has been duly executed and delivered by the Borrower. The First Amendment and each Loan Document constitutes the valid and legally binding obligation of the Borrower enforceable against the Borrower in accordance with its terms
3. The execution, delivery and performance of the First Amendment and each Loan Document and the Advances made under the Credit Agreement will not violate any Requirements of Law, the Borrower's certificate of incorporation or by-laws, or any material contractual restriction binding on or affecting the Borrower or any of its properties.
4. No approval or authorization or other action by, and no notice to or filing with, any governmental agency or regulatory body or other third person is required in connection with the due execution and delivery of the First Amendment or any Loan Document and the performance, validity and enforceability of the First Amendment and any Loan Document.
5. Except as described in Section 4.01(e) of the Credit Agreement, no action, suit, investigation, litigation, or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any court, government agency or arbitrator is pending or, to my knowledge, threatened, that is reasonably likely to have a Material Adverse Effect.
6. Neither the Borrower nor any of its Significant Subsidiaries is an "investment company", or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Neither the making of any

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Advances, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated by the Credit Agreement will violate any provision of the 1940 Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

The opinion set forth above in the last sentence of paragraph 2 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally and to general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law.)

I express no opinion as to (i) Section 8.05 of the Credit Agreement; (ii) the effect of the law of

any jurisdiction (other than the State of New York) wherein any Lender may be located which limits the rates of interest which may be charged or collected by such Lender; and (iii) whether a Federal or state court outside of the State of New York would give effect to the choice of New York law provided for in the First Amendment and Credit Agreement.

This opinion letter has been rendered solely for your benefit in connection with the First Amendment and the transactions contemplated thereby and may not be used, circulated, quoted, relied upon or otherwise referred to by any other person (other than your respective counsel, auditors and any regulatory agency having jurisdiction over you or as otherwise required pursuant to legal process or other requirements of law) for any other purpose without my prior written consent; provided that, (i) Winston & Strawn LLP, special counsel for the Administrative Agent, may rely on the opinions expressed in this opinion letter in connection with the opinion to be furnished by them in connection with the transactions contemplated by the First Amendment and (ii) any person that becomes a Lender after the date hereof may rely on the opinions expressed in this opinion letter as though addressed to such person. I undertake no responsibility to update or supplement this opinion in response to changes in law or future events or circumstances.

Very truly yours,

David C. House

Counsel for American Electric Power Company, Inc.

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**FIRST AMENDMENT TO
CREDIT AGREEMENT**

This FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of April 19, 2022 (this "*Amendment*") is made by and among **PUBLIC SERVICE COMPANY OF OKLAHOMA**, an Oklahoma corporation (the "*Borrower*"), each of the Lenders as reflected on the signature pages hereto, and SUMITOMO MITSUI BANKING CORPORATION ("*SMB*C"), as administrative agent (together with its permitted successors in such capacity, the "*Administrative Agent*"). Capitalized terms used but not defined herein shall have the meanings assigned such terms in the Credit Agreement (as defined below).

WHEREAS, the Borrower, the Lenders and the Administrative Agent are parties to that certain Credit Agreement, dated as of January 19, 2021 (as amended, supplemented or modified prior to the date hereof, the "*Credit Agreement*"), pursuant to which, among other things, the Borrower requested the Lenders provide the extensions of credit in the amounts and on the terms and conditions set forth in the Credit Agreement.

WHEREAS, the Borrower has requested that the Lenders (i) amend the Credit Agreement as provided below and (ii) confirm the continued effectiveness of the Credit Agreement as amended hereby.

WHEREAS, the Administrative Agent and the Lenders signatory hereto, on the terms and conditions hereinafter set forth, are willing to grant the aforesaid requests of the Borrower.

NOW, THEREFORE, in consideration of the premises and in order to induce the Administrative Agent and the Lenders to amend the Credit Agreement, the parties hereto agree as follows:

SECTION 1. Amendment to Credit Agreement.

- (a) Subject to the satisfaction of the conditions precedent specified in Section 3 below, the Credit Agreement is hereby amended to (a) delete the stricken text (indicated textually in the same manner as the following example: ~~stricken-text~~), and (b) to add the bold double-underlined text (indicated textually in the same manner as the following example: **bold double-underlined text**) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto. Except as expressly stated above and in Section 2(b) below, each other provision of the Credit Agreement (including all schedules and exhibits thereto other than Exhibit A and Exhibit D as set forth below) shall remain as it was in effect immediately prior to the date hereof.
- (b) Exhibit A to the Credit Agreement is deleted in its entirety and Exhibit B hereto is hereby substituted therefor.
- (c) Exhibit D to the Credit Agreement is deleted in its entirety and Exhibit C hereto is hereby substituted therefor.

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SECTION 2. Conditions to Effectiveness. This Amendment shall become effective on the date (the "**First Amendment Effective Date**") that each of the following conditions precedent is satisfied:

- (a) The Administrative Agent shall have received on or before the First Amendment Effective Date the following, each dated the First Amendment Effective Date, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:
 - (i) certified copies of the Borrower's certificate of incorporation and bylaws, and resolutions of the board of directors of the Borrower approving this Amendment, a certificate of good standing for the Borrower from its jurisdiction of incorporation and all documents evidencing other necessary corporate action and

incorporation and all documents effecting such necessary corporate action and Governmental Approvals, if any, with respect to this Amendment;

(ii) a certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Amendment and the other documents to be delivered by the Borrower hereunder; and

(iii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit D hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.

(b) On the First Amendment Effective Date, the following statements shall be true and the Administrative Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the First Amendment Effective Date, stating that:

(i) The representations and warranties of the Borrower contained in Section 3 hereto and Section 4.01 of the Credit Agreement are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the First Amendment Effective Date, as though made on and as of such date; provided, however, (A) any reference to the Disclosure Documents in Section 4.01 of the Credit Agreement shall be deemed to be a reference to the Amendment Disclosure Documents (as hereafter defined), and (B) any reference to December 31, 2019 in Section 4.01 of the Credit Agreement shall be deemed to be a reference to December 31, 2021; and

(ii) Both immediately prior to and immediately after giving effect to the Amendment, no event has occurred and is continuing that constitutes a Default or an Event of Default.

(c) The Administrative Agent shall have received counterparts of this Amendment, executed and delivered by the Borrower and the Lenders.

- (d) The Administrative Agent shall have received all promissory notes (if any) requested by the Lenders pursuant to Section 2.06(d), duly completed and executed by the Borrower and payable to such Lenders.
- (e) The Administrative Agent shall have received all documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the Patriot Act and, if the Borrower qualified as a “legal entity customer” under 31 C.F.R § 1010.230 (the “*Beneficial Ownership Regulation*”), a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation (“*Beneficial Ownership Certificate*”) in relation to the Borrower.
- (f) The Administrative Agent shall have received copies of the Borrower’s Report on Form 10-K, as filed with the SEC, for the fiscal year ended December 31, 2021, and the Borrower’s Current Reports on Form 8-K, as filed with the SEC after the date of filing the Borrower’s Quarterly Report on Form 10-Q for the period ended December 31, 2021 but prior to the First Amendment Effective Date (collectively, the “*Amendment Disclosure Documents*”).
- (g) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.
- (h) The Borrower shall have paid all fees and expenses of the Administrative Agent and the Lenders then due and payable in accordance with the terms of the Section 4 hereto.

SECTION 3. Representations and Warranties of Borrower. The Borrower represents and warrants as follows:

(a) The execution, delivery and performance by each Borrower of this Amendment and the consummation by the Borrower of the transactions contemplated by this Amendment, are within the Borrower’s corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower’s certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(b) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Borrower of this Amendment.

(c) This Amendment has been duly executed and delivered by the Borrower. Each of this Amendment and the Credit Agreement, as amended by this Amendment, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors’ rights in general, and

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except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

(d) As of the First Amendment Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

SECTION 4. Fees, Expenses, Etc.

(a) Administrative Agent shall have received all reasonable out-of-pocket fees, costs and expenses incurred by the Administrative Agent in connection with the negotiation, preparation and execution of this Amendment.

(b) (i) In addition to (but without duplication of) any fees or other amounts payable to the Administrative Agent and the Lenders under the terms of the Credit Agreement, the Borrower agrees to pay (or cause to be paid) to the Administrative Agent, or to such persons as the Agent directs, for the ratable benefit of each Lender, an upfront fee in an amount equal to 0.025% (2.5 basis points) of the final allocated Commitment amount as of the Closing Date (the "**Amendment Upfront Fee**"), which Amendment Upfront Fee will be earned and due and payable on the First Amendment Effective Date; and

(ii) The Borrower agrees that, once paid, the fees described herein or any part thereof payable hereunder and under the Credit Agreement will not be refundable under any circumstances, except otherwise as agreed in writing by the party to whom such fee is owed. All such fees will be paid in immediately available funds and shall not be subject to reduction by way of setoff or counterclaim. All or any portion of the fees received by the Administrative Agent hereunder or under the Credit Agreement may be allocated to any affiliate of SMBC or any other Lender or be shared among the SMBC, the Lenders and their respective affiliates.

SECTION 5. Reference to and Effect on the Credit Agreement. (a) Upon the effectiveness of Section 1 hereof: (i) each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby, and (ii) each reference in the Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby. This Amendment is a Loan Document.

(b) Except as specifically amended above, the Credit Agreement and each other Loan Document shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

(c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, under the Credit Agreement or any of the other Loan Documents.

(d) Nothing contained in this Amendment shall prejudice any right or remedy that the Administrative Agent or any Lender may now have or may have in the future under or in

connection with the Credit Agreement or any other Loan Document, or any other instrument or agreement referred to therein.

SECTION 6. Reaffirmation. The Borrower hereby reaffirms its obligations under the Credit Agreement (as amended by this Amendment) and each Loan Document to which it is a party.

SECTION 7. Entire Agreement. This Agreement and the Loan Documents (including the Credit Agreement as amended by this Amendment) constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal among the parties hereto or any of them with respect to the subject matter hereof.

SECTION 8. Amendments; Modifications. Neither this Amendment nor any provision hereof may be waived, amended or modified, except in accordance with Section 8.01 of the Credit Agreement.

SECTION 9. Incorporated Provisions. The provisions of Section 8.12 (“**Jurisdiction, Etc.**”) and Section 8.13 (“**Waiver of Jury Trial**”) of the Credit Agreement are hereby incorporated by reference into this Agreement, mutatis mutandis.

SECTION 10. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 11. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

SECTION 12. Successors and Assigns. This Amendment shall be binding upon the Borrower, the Administrative Agent, the Lenders and their respective permitted successors and assigns, and shall inure to the benefit of the Borrower, the Administrative Agent and the Lenders and their respective permitted successors and assigns.

SECTION 13. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signature page follows.]

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IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

**PUBLIC SERVICE COMPANY OF
OKLAHOMA**

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

[Signature Page – First Amendment to Credit Agreement]

SUMITOMO MITSUI BANKING
CORPORATION, as Administrative Agent and a
Lender

By: 
Name: Arkes N. Nanavaty
Title: Executive Director

[Signature Page –First Amendment to Credit Agreement]

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as a Lender

By: 
Name: Keith Luettel
Title: Managing Director

[Signature Page –First Amendment to Credit Agreement]

KEYBANK NATIONAL ASSOCIATION, as a
Lender

By: 
Name: Renee M. Bonnell
Title: Senior Vice President

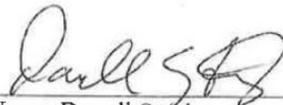
[Signature Page –First Amendment to Credit Agreement]

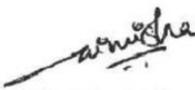
PNC BANK, NATIONAL ASSOCIATION, as a
Lender


By: _____
Name: Gilberto Gonzalez
Title: V.P.

[Signature Page –First Amendment to Credit Agreement]

CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK, as a Lender

By: 
Name: Darrell Stanley
Title: Managing Director

By: 
Name: Nimisha Srivastav
Title: Director

[Signature Page –First Amendment to Credit Agreement]

Exhibit A

Amended Credit Agreement

[See attached]

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U.S. \$500,000,000

CREDIT AGREEMENT

Dated as of January 19, 2021

among

PUBLIC SERVICE COMPANY OF OKLAHOMA

as the Borrower

THE LENDERS NAMED HEREIN

as Initial Lenders

and

SUMITOMO MITSUI BANKING CORPORATION

as Administrative Agent

**SUMITOMO MITSUI BANKING CORPORATION
WELLS FARGO BANK, NATIONAL ASSOCIATION
PNC CAPITAL MARKETS LLC**

**KEYBANC CAPITAL MARKETS INC.
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK**
as Joint Lead Arrangers and Joint Bookrunners

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CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of January 19, 2021 (this “*Agreement*”), between PUBLIC SERVICE COMPANY OF OKLAHOMA, an Oklahoma corporation (the “*Borrower*”), the banks, financial institutions and other institutional lenders listed on the signatures pages hereof (the “*Initial Lenders*”), and SUMITOMO MITSUI BANKING CORPORATION (“*SMBC*”), as administrative agent (in such capacity, and together with its successors appointed pursuant to the terms of this Agreement, the “*Administrative Agent*”) for the Lenders (as hereinafter defined).

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01 *Certain Defined Terms.*

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“*Act*” has the meaning specified in Section 4.01(l).

“*Adjusted Term SOFR*” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“*Administrative Agent*” has the meaning specified in the recital of parties to this Agreement.

“*Administrative Questionnaire*” means an administrative questionnaire in a form supplied by the Administrative Agent.

“*Advance*” means an advance by a Lender to a Borrower as part of a Borrowing and refers to a Base Rate Advance or a Eurodollar Rate SOFR Advance.

“*AEP*” means American Electric Power Company, Inc., a New York corporation.

“*Affected Financial Institution*” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“*Affiliate*” means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term “control” (including the terms “controlling”, “controlled by” and “under common control with”) of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

“*Agent Parties*” has the meaning specified in Section 8.02(c).

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“*Agent’s Account*” means the account of the Administrative Agent designated by the Administrative Agent to the Lenders and the Borrower and maintained by the Administrative Agent at Sumitomo Mitsui Banking Corporation with its office at 277 Park Avenue, New York, New York 10172, or such other account of the Administrative Agent as the Administrative Agent may from time to time designate in a written notice to the Lenders and the Borrower.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption.

“*Applicable Law*” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of

Governmental Authorities, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

“**Applicable Lending Office**” means, with respect to each Lender, such Lender’s Domestic Lending Office in the case of a Base Rate Advance and such Lender’s EurodollarSOFR Lending Office in the case of a Eurodollar RateSOFR Advance.

“**Applicable Margin**” means a percentage, per annum, equal to (i) for Eurodollar RateSOFR Advances, 0.800.70% and (ii) for Base Rate Advances, 0.00%; *provided*, that the Applicable Margin shall be increased, upon the occurrence and during the continuance of any Event Default, by 2.00% per annum.

“**Approved Fund**” means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Arrangers**” means, collectively, SMBC, Wells Fargo Bank, National Association, PNC Capital Markets LLC, KeyBanc Capital Markets Inc. and Credit Agricole Corporate and Investment Bank, in their capacities as joint lead arrangers and joint bookrunners of the Facility.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 8.07), and accepted by the Administrative Agent, in substantially the form of Exhibit B hereto or any other form approved by the Administrative Agent.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 8.21(c).

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“**Bail-In Legislation**” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“**Bankruptcy Event**” means, with respect to any Person, such Person becomes the subject of a proceeding under any Debtor Relief Law, or has had a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets (including the Federal Deposit Insurance Corporation or any other Governmental Authority acting in a similar capacity) appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; *provided* that, a Bankruptcy Event shall not result solely by virtue of any ownership interest, or acquisition of any equity interest, in such Person by a Governmental Authority so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm obligations under any agreement in which it commits to extend credit.

“**Base Rate**” means ~~a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of the following rates then in effect~~, at any time, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1.00%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate or Adjusted Term SOFR, as applicable (provided that clause (c) shall not be applicable during any period in which Adjusted Term SOFR is unavailable or unascertainable). Notwithstanding the foregoing, in no event shall the Base Rate be less than 0.00%.

- (i) ~~the rate of interest established by the Administrative Agent from time to time as the Administrative Agent's prime rate;~~
- (ii) ~~1/2 of 1% per annum above the Federal Funds Rate;~~
- (iii) ~~the rate of interest per annum equal to the Eurodollar Rate as determined on such day (or if such day is not a Business Day, on the next preceding Business Day) that would be applicable to a Eurodollar Rate Advance having an Interest Period of one month, plus 1%; and~~

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- (iv) ~~0%.~~

“**Base Rate Advance**” means an Advance that bears interest as provided in Section 2.07(a).

“**Benchmark**” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 8.21.

“**Benchmark Replacement**” means, with respect to any Benchmark Transition Event, the

sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“**Benchmark Replacement Adjustment**” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

“**Benchmark Replacement Date**” means the earliest to occur of the following events with respect to the then-current Benchmark:

in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness

will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Start Date**” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

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“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21.

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**Benefit Plan**” means any of (i) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (ii) a “plan” as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (iii) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“**Borrower**” has the meaning specified in the recital of parties to this Agreement.

“**Borrowing**” means a borrowing by the Borrower consisting of simultaneous Advances of the same Type, having the same Interest Period and ratably made or Converted on the same day by each of the Lenders pursuant to Section 2.02 or 2.09, as the case may be. All Advances to the Borrower of the same Type, having the same Interest Period and made or Converted on the same day shall be deemed a single Borrowing hereunder until repaid or next Converted.

“**Borrowing Date**” means the date of any Borrowing.

“**Business Day**” means ~~any day of the year on which banks are not required or authorized by law to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances, “Business Day” also includes a~~ any day on which dealings are carried out in the London interbank market ~~that is not a Saturday, Sunday or other day on which~~ the Federal Reserve Bank of New York is closed.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, ~~implemented,~~ adopted or issued.

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“**Charges**” has the meaning specified in Section 8.18.

“**Closing Date**” means January 19, 2021.

“**Commitment**” means, for each Lender at any time on any day, the obligation of such Lender to make Advances to the Borrower in an aggregate amount no greater than the amount set forth on Schedule I hereto or, if such Lender has entered into any Assignment and Assumption, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), in each such case as such amount may be reduced from time to time pursuant to Section 2.04. The initial amount of each Lender’s Commitment as of the Closing Date is set forth on Schedule I hereto, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable.

“**Commitment Fee Rate**” means 0.10%.

“**Commitment Percentage**” means, as to any Lender as of any date of determination, the percentage describing such Lender’s pro rata share of the Commitments set forth in the Register from time to time; provided that in the case of Section 8.16 when a Defaulting Lender shall exist, “**Commitment Percentage**” means the percentage of the total Commitments (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Commitment Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“**Commitment Period**” has the meaning specified in Section 2.01.

“**Commitments**” means, at any time on any day, the aggregate amount for all Lenders of each Lender’s Commitment then in effect hereunder. The initial amount of the Commitments hereunder on the Closing Date is \$500,000,000.

“**Communications**” has the meaning specified in Section 8.02(b).

“**Confidential Information**” means information that the Borrower furnishes to the Administrative Agent, the Arrangers or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent, the Arrangers or such Lender from a source other than the Borrower.

“**Conforming Changes**” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 8.04 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use

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and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“**Connection Income Taxes**” means Other Connection Taxes that are imposed on or measured by overall gross receipts or income, or net income (however denominated) or that are franchise Taxes, privilege Taxes, license Taxes or branch profits Taxes.

“**Consolidated Capital**” means the sum of (i) Consolidated Debt of the Borrower and (ii)

the consolidated equity of all classes of stock (whether common, preferred, mandatorily convertible preferred or preference) of the Borrower, in each case determined in accordance with GAAP, but including Equity-Preferred Securities issued by the Borrower and its Consolidated Subsidiaries and excluding the funded pension and other postretirement benefit plans, net of tax, components of accumulated other comprehensive income (loss).

“**Consolidated Debt**” of the Borrower means the total principal amount of all Debt described in clauses (i) through (v) of the definition of Debt and Guaranties of such Debt of the Borrower and its Consolidated Subsidiaries, excluding, however, (i) Debt of AEP Credit, Inc. that is non-recourse to the Borrower and its Consolidated Subsidiaries in respect of the sale of accounts receivable by the Borrower or its Consolidated Subsidiaries, (ii) Stranded Cost Recovery Bonds, and (iii) Equity-Preferred Securities not to exceed 10% of Consolidated Capital (calculated for purposes of this clause without reference to any Equity-Preferred Securities); *provided* that Guaranties of Debt included in the total principal amount of Consolidated Debt shall not be added to such total principal amount.

“**Consolidated Subsidiary**” means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with GAAP.

“**Consolidated Tangible Net Assets**” means, on any date of determination and with respect to any Person at any time, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of such Person and its Consolidated Subsidiaries most recently delivered to the Lenders pursuant to Section 5.01(i) as of such date of determination, net of applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the consolidated current liabilities of such Person and its Consolidated Subsidiaries appearing on such balance sheet.

“**Convert**”, “**Conversion**” and “**Converted**” each refers to a conversion of Advances of one Type into Advances of the other Type, or the selection of a new, or the renewal of the same, Interest Period for Eurodollar Rate SOFR Advances, pursuant to Section 2.08 or 2.09.

“Debt” of any Person means, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person’s business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, including, without limitation, the leases described in clause (iv) of Section 5.02(c), (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, (vi) all Guaranties and (vii) all reasonably quantifiable obligations under indemnities or under support or capital contribution agreements, and other reasonably quantifiable obligations (contingent or otherwise) to purchase or otherwise to assure a creditor against loss in respect of, or to assure an obligee against loss in respect of, all Debt of others referred to in clauses (i) through (vi) above guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

“Defaulting Lender” means, subject to Section 8.16(b), any Lender that (i) has failed to (A) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, or (B) pay to any Recipient any other amount required to be paid by it hereunder within two Business Days of the date when due, (ii) has notified the Borrower or any Recipient in writing that it does not intend to comply with its funding obligations hereunder or generally under other agreements in which it commits to extend credit, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund an Advance hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (iii) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that,

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such Lender shall cease to be a Defaulting Lender pursuant to this clause (iii) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (iv) has (A) become the subject of a Bankruptcy Event or (B) has, or has a direct or indirect parent company that has, become the subject of a Bail-In Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (i) through (iv) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 8.16(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Disclosure Documents” means (i) ~~the~~ the prior to the First Amendment Effective Date, (A) the Borrower’s Annual Report for the fiscal year ended December 31, 2019, and (B) the Borrower’s Third Quarter Report for the period ended September 30, 2020. (ii) on and after the

First Amendment Effective Date, (A) Borrower's Report on Form 10-K, as filed with the SEC, for the fiscal year ended December 31, 2019, ~~(ii) the Borrower's Quarterly Report on Form 10-Q, as filed with the SEC, for the period ended September 30, 2020 and (iii) 2021~~ and the (B) Borrower's Current Reports on Form 8-K, as filed with the SEC after the date of filing the Borrower's Quarterly Report on Form 10-QK for the periods~~period~~ ended March~~December~~ 31, ~~2020, June 30, 2020 and September 30, 2020~~2021 but prior to the ~~Closing~~First Amendment Effective Date.

"**Dollars**" and the symbol "\$" mean lawful currency of the United States of America.

"**Domestic Lending Office**" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" on such Lender's Administrative Questionnaire or in the Assignment and Assumption pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.

"**EEA Financial Institution**" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"**EEA Resolution Authority**" means any public administrative authority or any ~~person~~Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Eligible Assignee**" means any Person that meets the requirements to be an assignee under Section 8.07(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 8.07(b)(iii)).

"**Engagement Letter**" means the Engagement Letter, dated as of January 6, 2021, among the Borrower and SMBC, as may be amended, supplemented or otherwise modified.

“Environmental Action” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (i) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (ii) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“Environmental Law” means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equity-Preferred Securities” means, with respect to any Person at any time, (i) debt or preferred securities that are mandatorily convertible or mandatorily exchangeable into common shares of such Person and (ii) any other securities, however denominated, including but not limited to hybrid capital and trust originated preferred securities, (A) issued by such Person or any Consolidated Subsidiary of such Person, (B) that are not subject to mandatory redemption or the underlying securities, if any, of which are not subject to mandatory redemption, (C) that are perpetual or mature no less than 30 years from the date of issuance, (D) the indebtedness issued in connection with which, including any guaranty, is subordinate in right of payment to the unsecured and unsubordinated indebtedness of the issuer of such indebtedness or guaranty, and (E) the terms of which permit the deferral of the payment of interest or distributions thereon to a date occurring after the Termination Date.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) of the Internal Revenue Code.

“ERISA Event” means (i) the termination of or withdrawal from any Plan by the Borrower or any of its ERISA Affiliates, (ii) the failure by the Borrower or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Plan or (iii) the failure by the Borrower or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

“Erroneous Payment” has the meaning assigned thereto in [Section 7.16\(a\)](#).

“Erroneous Payment Deficiency Assignment” has the meaning assigned thereto in [Section 7.16\(d\)](#).

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“Erroneous Payment Impacted Class” has the meaning assigned thereto in [Section 7.16\(d\)](#).

“Erroneous Payment Return Deficiency” has the meaning assigned thereto in [Section 7.16\(d\)](#).

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Eurocurrency Liabilities” has the meaning assigned to that term in [Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time](#).

~~“Eurodollar Lending Office” means, with respect to any Lender, the office of such Lender specified as its “Eurodollar Lending Office” on such Lender’s Administrative Questionnaire or in the Assignment and Assumption pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.~~

~~“Eurodollar Rate” means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing, the interest rate per annum equal to the highest of: (i) 0% and (ii) the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards to the nearest 1/100th of 1% per annum) (A) the rate that appears on Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market), or the rate that is quoted by another source selected by the Administrative Agent, reasonably acceptable to the Borrower, that has been approved by ICE Benchmark Association as an authorized information vendor for the purpose of displaying the rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market (for purposes of this definition, an “Alternate Source”) at approximately 11:00 A.M., London time, two Business Days prior to the first day of such Interest Period as the London interbank offered rate for Dollars for an amount comparable to such Borrowing and having a Borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error)), by (B) a number equal to 1.00 minus the percentage prescribed by the Federal Reserve Bank of New York for determining the maximum reserve requirements with respect to any Eurocurrency funding by banks from time to time; provided that if the Eurodollar Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.~~

~~“Eurodollar Rate Advance” means an Advance that bears interest as provided in Section 2.07(b).~~

~~“Eurodollar Rate Reserve Percentage” of any Lender for any Interest Period for each Eurodollar Rate Advance means the reserve percentage applicable to such Lender during such~~

~~Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) then applicable to such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.~~

“*Events of Default*” has the meaning specified in Section 6.01.

“*Exchange Act*” has the meaning specified in Section 6.01(f).

“*Excluded Tax*” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (i) Taxes imposed on or measured by overall gross receipts or income, or net income (however denominated), franchise Taxes, privilege Taxes, license Taxes or branch profits Taxes, in each case, (A) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) that are Other Connection Taxes, (ii) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date on which (A) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.14(b)) or (B) such Lender changes its Applicable Lending Office, except in each case to the extent that, pursuant to Section 2.13, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Applicable Lending Office, (iii) Taxes attributable to such Recipient’s failure to comply with Section 2.13(g) and (iv) any U.S. federal withholding Taxes imposed under FATCA.

“*Facility*” means the aggregate commitment of the Lenders to make Advances to the Borrower hereunder up to a maximum of Five Hundred Million Dollars (\$500,000,000), as such aggregate commitment may be reduced from time to time pursuant to Section 2.04.

“*FATCA*” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, and any intergovernmental agreement entered into in connection with such sections of the Internal Revenue Code and any legislation, law, regulation or practice enacted or promulgated pursuant to such intergovernmental agreement.

“*Federal Funds Rate*” means, for any period, a fluctuating interest rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) equal for each day during such period to the weighted average of the rates on overnight Federal

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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 Administrative Agent from three Federal funds brokers of recognized standing selected by it; *provided* that if the Federal Funds Rate as determined in accordance with this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“*Fee Letter*” means the Fee Letter, dated as of January 6, 2021, among the Borrower and SMBC, as may be amended, supplemented or otherwise modified.

“**First Amendment**” means that certain First Amendment to Credit Agreement, dated as of the First Amendment Effective Date, among the Borrower, the Lenders party thereto and the Administrative Agent.

“**First Amendment Effective Date**” means April 19, 2022.

“**Floor**” means a rate of interest equal to 0.00%.

“**Foreign Lender**” means a Lender that is not a U.S. Person.

“**Foreign Plan**” has the meaning specified in Section 4.01(i).

“**Fund**” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“**GAAP**” has the meaning specified in Section 1.03.

“**Governmental Approval**” means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

“**Governmental Authority**” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Guaranty**” of any Person means any obligation, contingent or otherwise, of such Person (i) to pay any Debt of any other Person or (ii) incurred in connection with the issuance by a third person of a Guaranty of Debt of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise).

“**Hazardous Materials**” means (i) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (ii) any other chemicals, materials or substances designated,

classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

“*Indemnified Party*” has the meaning specified in Section 8.04(b).

“*Indemnified Taxes*” means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (ii) to the extent not otherwise described in clause (i), Other Taxes.

“*Initial Lenders*” has the meaning specified in the recital of parties to this Agreement.

“*Interest Period*” means, ~~for each Eurodollar Rate as to any SOFR Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate SOFR Advance is disbursed or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate converted to or continued as a SOFR Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, with respect to Eurodollar Rate Advances, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period~~ date one (1) month thereafter, in each case as selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, as the Borrower may, upon notice received by the Administrative Agent not later than 11:00 A.M. on the third Business Day prior to the first day of such Interest Period, select in its Notice of Borrowing or a notice of conversion and subject to availability; provided, however, that:

~~(i) (i) the Borrower may not select any Interest Period that ends after the Termination Date;~~

~~(ii) shall commence on the date of advance of or conversion to any SOFR Advance and, in the case of immediately successive Interest Periods commencing, each successive Interest Period shall commence on the same date for Eurodollar Rate Advances comprising part of the same Borrowing shall be of the same duration on which the immediately preceding Interest Period expires;~~

~~(ii) (iii) whenever the last day of if any Interest Period would otherwise occur expire on a day other than that is not a Business Day, the last day of such Interest Period shall be extended to occur expire on the next succeeding Business Day; provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month or on a date after the Termination Date, the last day of which no further Business Day occurs in such month, such Interest Period shall occur expire on the next immediately preceding Business Day; and~~

~~(iv) whenever the first day of any Interest Period occurs on a day~~

~~(iii) any Interest Period that begins on the last Business Day of an initial a calendar month (or on a day for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by at the number end of months equal to the number of months in such Interest Period, such Interest Period) shall end on~~

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the last Business Day of ~~such succeeding~~ the relevant calendar month at the end of such Interest Period;

(iv) no Interest Period shall extend beyond the Termination Date;

(v) there shall be no more than five (5) Interest Periods in effect at any time;
and

(vi) no tenor that has been removed from this definition pursuant to Section 8.21 shall be available for specification in any Notice of Borrowing or notice of conversion.

“**Internal Revenue Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“**IRS**” means the United States Internal Revenue Service.

“**Lenders**” means the Initial Lenders and each other Person that shall become a party hereto pursuant to Section 8.07, in each case other than any such Person that shall have ceased to be a party hereto pursuant to Section 8.07.

“**Lending Office**” means, with respect to any Lender, the office of such Lender maintaining such Lender’s Advances, which office may, to the extent the applicable Lender notifies the Administrative Agent in writing, include an office of any Affiliate of such Lender or any domestic or foreign branch of such Lender or Affiliate.

“**Lien**” means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“**Loan Documents**” means, collectively, (i) the Engagement Letter, (ii) the Fee Letter, (iii) this Agreement, and (iv) any promissory note issued pursuant to Section 2.06(d), in each case, as amended, supplemented or modified from time to time.

“**Margin Regulations**” means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“**Margin Stock**” has the meaning specified in the Margin Regulations.

“**Material Adverse Change**” means any material adverse change (i) in the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement or any other Loan Document against the Borrower or the ability of the Borrower to perform its obligations under this Agreement or any other Loan Document.

“**Material Adverse Effect**” means a material adverse effect (i) on the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or

(ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement or any other Loan Document against the Borrower or the ability of the Borrower to perform its obligations under this Agreement or any other Loan Document.

“**Maximum Rate**” has the meaning specified in Section 8.18.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Multiemployer Plan**” has the meaning specified in Section 4.01(i).

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders in accordance with the terms of Section 8.01 and (ii) has been approved by the Required Lenders.

“**Non-Defaulting Lender**” means, at the time of determination, a Lender that is not a Defaulting Lender.

“**Notice of Borrowing**” has the meaning specified in Section 2.02(a).

“**Notice of Conversion**” means a written notice in substantially the form of Exhibit D hereto or any other form approved by the Administrative Agent containing the information required to be included therein by Section 2.09.

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Advance, Commitment or Loan Document).

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 8.16).

“**Participant**” has the meaning specified in Section 8.07(d).

“**Participant Register**” has the meaning specified in Section 8.07(d).

“**Patriot Act**” has the meaning specified in Section 8.14.

“**Payment Recipient**” has the meaning assigned thereto in Section 7.16(a).

“**Permitted Liens**” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Liens for taxes,

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assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(g) hereof; (ii) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens, and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings; (iii) Liens incurred or deposits made to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; (iv) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (v) any judgment Lien, unless an Event of Default under Section 6.01(g) shall have occurred and be continuing; (vi) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower or any Significant Subsidiary thereof and not created in contemplation of such

event; (vii) deposits made in the ordinary course of business to secure the performance of bids, trade contracts (other than for Debt), operating leases and surety bonds; (viii) Liens upon or in any real property or equipment acquired, constructed, improved or held the Borrower or any Subsidiary thereof in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property); (ix) extensions, renewals or replacements of any Lien described in clause (iii), (vi), (vii) or (viii) for the same or a lesser amount, *provided, however*, that no such Lien shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced; and (x) any other Lien not covered by the foregoing exceptions as long as immediately after the creation of such Lien the aggregate principal amount of Debt secured by all Liens created or assumed under this clause (x) does not exceed 10% of Consolidated Tangible Net Assets of the Borrower.

“**Person**” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

“**Plan**” has the meaning specified in Section 4.01(i).

“**Platform**” has the meaning specified in Section 8.02(b).

“**Prime Rate**” means, at any time, the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The parties hereto acknowledge that the rate announced publicly by the Administrative Agent as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

“**PTE**” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“**Recipient**” means the Administrative Agent or any Lender.

“**Register**” has the meaning specified in Section 8.07(c).

“**Regulation AB**” means rules promulgated by the SEC found at C.F.R. 229.1100 et seq.

“**Related Parties**” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“**Relevant Governmental Body**” means [the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.](#)

“**Required Lenders**” means at any time Lenders having Advances and unused Commitments representing more than 50% of the sum of the then aggregate unpaid principal amount of the Advances owing to Lenders and unused Commitments in effect at such time, *provided* that if the Person serving as the Administrative Agent shall be a Lender at such time, then the term “Required Lenders” shall include such Person. Subject to Section 8.01, the unpaid principal amount of the Advances owing to any Defaulting Lender and the unused Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“**Resolution Authority**” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“**Restructuring Law**” means any law applicable to the Borrower or any Subsidiary of the Borrower governing the deregulation or restructuring of the electric power industry.

“**RTO Transaction**” means the transfer of transmission facilities to a regional transmission organization or equivalent organization as approved or ordered by the Federal Energy Regulatory Commission or the Oklahoma Corporation Commission.

“**S&P**” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc.

“**Sanctioned Country**” means, at any time of determination, a country, region or territory that is, or whose government is, the subject or target of any Sanctions, including a country subject to a sanctions program identified on the list maintained by OFAC and available at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>, or as otherwise published from time to time.

“**Sanctioned Person**” means, at any time of determination, any person with whom dealings are restricted or prohibited under Sanctions, including, without limitation, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, Her Majesty’s Treasury, the European Union, any EU member state or Her Majesty’s Treasury of the United Kingdom, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by or acting on behalf of any such Person described in the preceding clause (a) or (b), or (d) any Person with which, to the Borrower’s actual knowledge, any Lender is prohibited under Sanctions relevant to it from

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dealing or engaging in transactions. For purposes of the foregoing, control of a Person shall be deemed to include where a Sanctioned Person (i) owns or has power to vote 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of the Person or other individuals performing similar functions for the Person, or (ii) has the power to direct or cause the direction of the management and policies of the Person, whether by ownership of equity interests, contracts or otherwise.

“**Sanctions**” means all economic or financial sanctions, trade embargoes or restrictive measures enacted, imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any EU member state, Her Majesty’s Treasury of the

United Kingdom or other relevant sanctions authority.

“**SEC**” means the United States Securities and Exchange Commission.

“**Significant Subsidiary**” means, at any time, any Subsidiary of the Borrower that constitutes at such time a “significant subsidiary” of the Borrower, as such term is defined in Regulation S-X of the SEC as in effect on the Closing Date (17 C.F.R. Part 210); *provided, however*, that “total assets” as used in Regulation S-X shall not include securitization transition assets, phase-in cost assets or similar assets on the balance sheet of any Subsidiary resulting from the issuance of transition bonds or other asset-backed securities of a similar nature.

“**SMBC**” has the meaning specified in the recital of parties to this Agreement.

“**SOFR**” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**SOFR Advance**” means an Advance that bears interest at a rate based on Adjusted Term SOFR as provided in Section 2.07(b).

“**Stranded Cost Recovery Bonds**” means securities, however denominated, that are issued by the Borrower or any Consolidated Subsidiary of the Borrower under Regulation AB that are (i) non-recourse to the Borrower and its Consolidated Subsidiaries (other than for failure to collect and pay over the charges referred to in clause (ii) below) and (ii) payable solely from transition or similar charges authorized by the Oklahoma Corporation Commission and to be invoiced to customers of the Borrower or any Subsidiary of the Borrower or to retail electric providers.

“**Subsidiary**” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company,

partnership or joint venture or (iii) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Term SOFR**” means,

- i. for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Periodic Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and
- ii. for any calculation with respect to a Base Rate Advance on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “**Base Rate Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

“**Term SOFR Adjustment**” means, for any calculation with respect to a Base Rate Advance, 0.10% (10 basis points) per annum, or a SOFR Advance, 0.10% (10 basis points) per annum for each applicable Interest Period therefor.

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“**Term SOFR Administrator**” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“**Term SOFR Reference Rate**” means the forward-looking term rate based on SOFR.

“**Termination Date**” means the earliest to occur of (i) ~~July 19~~December 31, 2022, (ii) the date of termination in whole of the Commitments available to the Borrower pursuant to Section 2.04; provided, that concurrently with such termination, the Borrower has repaid or prepaid all Advances outstanding under the Facility, including any accrued and unpaid interest thereon, and paid all other amounts owed under the Loan Documents, and (iii) the date of termination in whole of the Commitments available to the Borrower and/or the declaration of outstanding

Advances, all interest thereon and all other amounts payable under this Agreement to be due and payable, in each case pursuant to Section 6.01.

“**Type**” refers to the distinction between Advances bearing interest at the Base Rate and Advances bearing interest at ~~the Eurodollar Rate~~SOFR.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**U.S. Government Securities Business Day**” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in Sections 2.02(a), 2.09 and 2.10, in each case, such day is also a Business Day.

“**U.S. Person**” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“**U.S. Tax Compliance Certificate**” has the meaning assigned to such term in Section 2.14(g).

“**Voting Stock**” means capital stock issued by a corporation, the membership interests in a limited liability company, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors or managers (or Persons performing similar functions) of such Person, even if the right to vote has been suspended by the happening of such a contingency.

“*Withholding Agent*” means the Borrower and the Administrative Agent.

“*Write-Down and Conversion Powers*” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02 *Computation of Time Periods.*

In this Agreement in the computation of periods 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 mean “to but excluding”.

SECTION 1.03 *Accounting Terms.*

All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles applied in accordance with the consistency requirements thereof as in effect from time to time (“*GAAP*”); *provided* that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change to GAAP occurring after December 31, 2018 as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)*, issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case to the extent that such change would require treating any operating lease entered into on or prior to December 31, 2018 that would not otherwise constitute Debt as a capital lease where such operating lease would not constitute Debt and was not required to be so treated under GAAP as in effect on December 31, 2018.

SECTION 1.04 *Other Interpretive Provisions.*

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As used herein, except as otherwise specified herein, (i) references to any Person include its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities; (ii) references to any Applicable Law include amendments, supplements and successors thereto; (iii) references to specific sections, articles, annexes, schedules and exhibits are to this Agreement; (iv) words importing any gender include the other gender; (v) the singular includes the plural and the plural includes the singular; (vi) the words “including”, “include” and “includes” shall be deemed to be followed by the words “without limitation”; (vii) captions and headings are for ease of reference only and shall not affect the construction hereof; and (viii) references to any time of day shall be to New York City time unless otherwise specified.

SECTION 1.05 *Divisions.*

For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

SECTION 1.06 **Rates.**

The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 8.21, will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE II
AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01 *The Advances.*

At any time from and after the Closing Date to but excluding the Termination Date (such period, the “*Commitment Period*”), each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances in Dollars to the Borrower on any Business Day during the Commitment Period in an aggregate outstanding amount not to exceed at any time such Lender’s Commitment at such time. Within the limits of each Lender’s Commitment and as hereinabove and hereinafter provided, the Borrower may request Borrowings hereunder, and repay or prepay Advances pursuant to Section 2.10. Amounts borrowed pursuant to this Section 2.01 may be repaid and reborrowed during the Commitment Period.

SECTION 2.02 *Making the Advances.*

(a) Each Borrowing shall be in an amount not less than \$10,000,000 (or, if less, the Commitments at such time) or an integral multiple of \$1,000,000 in excess thereof and shall consist of ~~Eurodollar Rate~~ SOFR Advances or Base Rate Advances, at the Borrower’s option, made on the same day by the Lenders ratably according to their respective Commitment Percentages; *provided* that, if a ~~Eurodollar Rate~~SOFR Advance is unavailable under Section 2.08 or 2.12, such Borrowing shall consist of Base Rate Advances. Each Borrowing shall be made on notice, given not later than 1:00 P.M. (New York City time) on the third Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of ~~Eurodollar Rate~~SOFR Advances, or not later than 12:00 noon (New York City time) on the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by the Borrower to the Administrative Agent, which shall give to each Lender prompt written notice. Each such notice of a Borrowing under this Section 2.02 (a “*Notice of Borrowing*”) shall be by telephone, confirmed immediately in writing, or fax in substantially the form of Exhibit A hereto, specifying therein the requested (i) Borrowing Date for such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of ~~Eurodollar Rate~~SOFR Advances, the initial Interest Period for each such Advance. Each Lender shall, before 12:00 noon on the applicable Borrowing Date with respect to a ~~Eurodollar Rate~~SOFR Advance and before 2:00 P.M. on the applicable Borrowing Date with respect to a Base Rate Advance, make available for the account of its Applicable Lending Office to the Administrative Agent at the Agent’s Account, in same day funds, such Lender’s ratable portion of the Borrowing to be made on such Borrowing Date. After the Administrative Agent’s receipt of such funds and upon fulfillment of the applicable conditions set forth in Section 3.02, the Administrative Agent will promptly make such funds available to the Borrower in such manner as the Borrower shall have specified in the applicable Notice of Borrowing and as shall be reasonably acceptable to the Administrative Agent.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select ~~Eurodollar Rate~~SOFR Advances for any Borrowing if the aggregate amount of such Borrowing is less than \$10,000,000 or if the obligation of the Lenders to make ~~Eurodollar Rate~~SOFR Advances shall then be suspended pursuant to Section 2.08(b), 2.08(e) or

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2.12, and (ii) there shall not be more than ten Borrowings consisting of ~~Eurodollar Rate~~SOFR Advances outstanding at any time.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to comprise ~~Eurodollar Rate~~SOFR Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Section 3.02, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) Unless the Administrative Agent shall have received notice in writing from a Lender prior to any Borrowing Date or, in the case of a Base Rate Advance, prior to the time of Borrowing, that such Lender will not make available to the Administrative Agent such Lender's Advance as part of the Borrowing to be made on such Borrowing Date, the Administrative Agent may, but shall not be required to, assume that such Lender has made such portion available to the Administrative Agent on such Borrowing Date in accordance with subsection (a) of this Section 2.02, and the Administrative Agent may (but it shall not be required to), in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such Advance available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount, together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03 Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee equal to the product of (x) the Commitment Fee Rate in effect from time to time multiplied by (y) the amount of such Lender's daily unused Commitment, in each case from (i) the Closing Date, in the case of each Initial Lender, and (ii) from the effective date specified in the Assignment and Assumption pursuant to which it became a Lender, in the case of each other Lender, payable quarterly in arrears on the last day of each March, June, September and December and on the Termination Date, commencing March 31, 2021, and ending on the Termination Date.

(b) The Borrower shall pay to the Administrative Agent such fees as may from time to time be agreed between the Borrower and the Administrative Agent, including pursuant to the Fee Letter.

SECTION 2.04 Termination or Reduction of the Commitments.

(a) The Borrower shall have the right, upon at least three Business Days' notice to the Administrative Agent, to terminate in whole or reduce ratably in part the Commitments in an amount up to the amount by which the Commitments exceed the aggregate principal amount of all outstanding Advances at the time of such proposed termination or reduction; provided that each partial reduction shall be in a minimum amount of \$1,000,000 or an integral multiple of \$1,000,000 in excess thereof.

(b) The Commitment of each Lender shall automatically terminate, if not previously terminated under the terms hereof, on the Termination Date.

(c) Once terminated, neither a Commitment nor any portion thereof may be reinstated.

SECTION 2.05 Repayment of Advances.

The Borrower shall repay to the Administrative Agent for the account of each Lender on the Termination Date the aggregate principal amount of all Advances made by such Lender to the Borrower then outstanding.

SECTION 2.06 Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Advance made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(b) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Advance made hereunder, the Type of each Advance made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to subsections (a) and (b) of this Section 2.06 shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations therein recorded; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Advances and interest thereon in accordance with the terms of this Agreement.

(d) Any Lender may request that any Advances made by it be evidenced by one or more promissory notes. In such event, the Borrower shall prepare, execute and deliver to

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such Lender one or more promissory notes payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Advances evidenced by such promissory notes and interest thereon shall at all times (including after assignment pursuant to Section 8.07) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.07 Interest on Advances.

The Borrower shall pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) **Base Rate Advances.** During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate plus (y) the Applicable Margin for Base Rate Advances in effect from time to time, payable in arrears (i) quarterly on the last day of each March, June, September and December during such periods, (ii) on the date such Base Rate Advance shall be Converted or paid in full and (iii) on the Termination Date.

(b) **~~Eurodollar Rate~~SOFR Advances.** During such periods as such Advance is a ~~Eurodollar Rate~~SOFR Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) ~~the Eurodollar Rate~~Adjusted Term SOFR for such Interest Period for such Advance plus (y) the Applicable Margin for ~~Eurodollar Rate~~SOFR Advances in effect from time to time, payable in arrears ~~(i)~~ on the last day of such Interest Period ~~and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period, (ii) on the date such Eurodollar Rate Advance shall be Converted or paid in full and (iii) on the Termination Date.~~

(c) **~~Additional Interest on Eurodollar Rate Advances.~~** ~~The Borrower shall pay to each Lender, so long as such Lender shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender, from the date of such Advance until such principal amount is paid in full, at an interest rate *per annum* equal at all times to the remainder obtained by subtracting (i) the Eurodollar Rate for the Interest Period for such Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% *minus* the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which interest is payable on such Advance. Such additional interest shall be determined by such Lender and notified to the Borrower through the Administrative Agent~~**Term SOFR Conforming Changes.** In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

SECTION 2.08 Interest Rate Determination.

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.07(a) or (b).

(b) If, with respect to any ~~Eurodollar Rate~~SOFR Advances, (i) the Required Lenders notify the Administrative Agent that the ~~Eurodollar Rate~~Adjusted Term SOFR for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective ~~Eurodollar Rate~~SOFR Advances for such Interest Period, or (ii) ~~a Eurodollar Rate~~Adjusted Term SOFR cannot be determined or is otherwise unavailable, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon (A) each ~~Eurodollar Rate~~SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (B) the obligation of the Lenders to make, or to Convert Advances into, ~~Eurodollar Rate~~SOFR Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Borrower shall fail to select the duration of any Interest Period for any ~~Eurodollar Rate~~SOFR Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of ~~Eurodollar Rate~~SOFR Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each ~~Eurodollar Rate~~SOFR Advance comprising the same Borrowing will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, ~~Eurodollar Rate~~SOFR Advances shall be suspended.

SECTION 2.09 Optional Conversion of Advances.

The Borrower may on any Business Day, upon delivery of a Notice of Conversion to the Administrative Agent not later than 1:00 P.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all or any part of Advances of one Type comprising the same Borrowing into Advances of the other Type or of the same Type but having a new Interest Period; *provided, however,* that any Conversion of ~~Eurodollar Rate~~SOFR Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such ~~Eurodollar Rate~~SOFR Advances, any Conversion of Base Rate Advances into ~~Eurodollar Rate~~SOFR Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b), and no Conversion of any Advances shall result in more separate Borrowings consisting of ~~Eurodollar Rate~~SOFR

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Advances than permitted under Section 2.02(b). Each such Notice of Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into ~~Eurodollar Rate~~SOFR Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

SECTION 2.10 Optional Prepayments of Advances.

The Borrower may, upon at least three Business Days' notice, in the case of ~~Eurodollar Rate~~SOFR Advances, and upon notice not later than 11:00 A.M. (New York City time) on the date of prepayment, in the case of Base Rate Advances, to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and, if such notice is given, the

Borrower shall prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; *provided, however*, that (x) each partial prepayment shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (y) in the event of any such prepayment of a ~~Eurodollar Rate~~ SOFR Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(d).

SECTION 2.11 *Increased Costs.*

(a) ***Increased Costs Generally.*** If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender ~~(except any reserve requirement reflected in the Eurodollar Rate Reserve Percentage);~~

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender ~~or the London interbank market~~ any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Advance or of maintaining its obligation to make any such Advance, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements.** If any Lender determines that any Change in Law affecting such Lender or any Applicable Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by such Lender, to a level below that which such Lender or such Lender's or holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement.** A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 2.12 *Illegality.*

If due to any Change in Law it shall become unlawful or impossible for any Recipient (or its ~~Eurodollar~~SOFR Lending Office) to make, maintain or fund its ~~Eurodollar Rate~~SOFR Advances, and such Recipient shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Recipients and the Borrower, whereupon, until such Recipient notifies the Borrower and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Recipient to make ~~Eurodollar Rate~~SOFR Advances, or to Convert outstanding Advances into ~~Eurodollar Rate~~SOFR Advances, shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section 2.12, such Recipient shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions applicable to such Recipient) to designate a different ~~Eurodollar~~SOFR Lending Office if such designation would avoid the need for giving such notice and would not, in the judgment of such Recipient, be otherwise disadvantageous to such Recipient. If such notice is given, each ~~Eurodollar Rate~~SOFR Advance of such Recipient then outstanding shall be Converted to a Base Rate Advance either (i) on the last day of the then current Interest Period applicable to such ~~Eurodollar Rate~~SOFR Advance if such Recipient may lawfully continue to maintain and fund such Advance to such day or (ii) immediately if such Recipient shall determine that it may not lawfully continue to maintain and fund such Advance to such day.

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SECTION 2.13 *Payments and Computations.*

(a) The Borrower shall make each payment to be made by it hereunder not later than 1:00 P.M. on the day when due in Dollars to the Administrative Agent at the Agent's Account in same day funds without condition or deduction for any counterclaim, defense, recoupment or setoff. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or commitment fees ratably (other than amounts payable pursuant to Section 2.02(c), 2.11, 2.14, 8.04(d) and 8.16) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein

in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Assumption, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder, after any applicable grace period, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the rate referred to in clause (i) of the definition of the "Base Rate" contained in Section 1.01 shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on ~~the Eurodollar Rate~~ Adjusted Term SOFR or the Federal Funds Rate and of commitment fees shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or commitment fees are payable. Each determination by the Administrative Agent of an interest rate or commitment fees hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fees, as the case may be; *provided, however*, that, if such extension would cause payment of interest on or principal of ~~Eurodollar Rate~~ SOFR Advances to be made in the next following calendar month or on a date after the Termination Date, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to a Lender hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date, and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower

shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.14 Taxes.

(a) **Defined Terms.** For purposes of this Section 2.14, the term “*Applicable Law*” includes FATCA.

(b) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.14) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Borrower.** The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Borrower.** The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for and hold it harmless against the full amount of any Indemnified Taxes (including, without limitation, Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.14), payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders.** Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 8.07(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses

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arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f) **Evidence of Payments.** As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.14, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such

payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) **Status of Lenders.** (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “*U.S. Tax Compliance Certificate*”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has

complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(E) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.14 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **FATCA Withholding.** For purposes of determining withholding Taxes imposed under FATCA, from and after the Closing Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the obligations of the Borrower set forth in this Agreement as not qualifying as a "grandfathered

obligation” within the meaning of Treasury Regulation Sections 1.1471-2(b)(2)(i) and 1.1471-2T(b)(2)(i).

(j) **Survival.** Each party’s obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.15 Mitigation Obligations; Replacement of Lenders.

(a) **Designation of a Different Applicable Lending Office.** If any Lender delivers a notice pursuant to Section 2.12, requests compensation under Section 2.11, or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different Applicable Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.11 or 2.14, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender delivers a notice pursuant to Section 2.12, requests compensation under Section 2.11, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14 and, in each case, such Lender has declined or is unable to designate a different Applicable Lending Office in accordance with subsection (a) above, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 8.07), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.11 or Section 2.14) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 8.07(b)(iv);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal amounts of its Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.04(d)) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

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(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.11 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) no Default shall have occurred and be continuing;

(v) such assignment does not conflict with Applicable Law; and

(vi) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.16 *Sharing of Payments, Etc.*

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it (other than pursuant to Section 2.02(c), 2.11, 2.14, 8.04(d) or 8.16 or in respect of Eurodollar RateSOFR Advances converted into Base Rate Advances pursuant to Section 2.12) by the Borrower, in excess of its ratable share of payments on account of the Advances to the Borrower, obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in such Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.16 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(b) If any Lender shall fail to make any payment required to be made by it hereunder to or for the account of the Administrative Agent, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent to satisfy such Lender's obligations in respect of such payment until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.17 **Assignment and Reallocation of Existing Commitments and Existing Loans.**

(a) On the First Amendment Effective Date, the Borrower shall (A) prepay the outstanding Loans and (B) simultaneously borrow new Loans in an amount equal to such prepayment; provided that with respect to subclauses (A) and (B), (x) the prepayment to, and borrowing from, any Lender with a Commitment under this Agreement prior to the First Amendment Effective Date (each, an "Existing Lender") shall be effected by book entry to the extent that any portion of the amount prepaid to such Lender will be subsequently borrowed from such Lender and (y) the Lenders shall make and receive payments among themselves, in a manner acceptable to the Administrative Agent, so that, after giving effect thereto, the Loans of each Type are held ratably by the Lenders of such Type in accordance with each Lender's applicable Commitment Percentage and portion of Loans, which, for the purposes of this Agreement and each other Loan Document, will be as set forth opposite such Person's name on Schedule I.

(b) In connection with the prepayment and borrowing described in clause (a) above, each of the Lenders hereby acknowledges and agrees that (i) no Lender nor the Administrative Agent has made any representations or warranties or assumed any responsibility with respect to (A) any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness or sufficiency of this Agreement or any other Loan Document or (B) the financial condition of the Borrower or the performance by the Borrower of its obligations hereunder or under any other Loan Document; (ii) it has received such information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; and (iii) it has made and continues to make its own credit decisions in taking or not taking action under this Agreement, independently and without reliance upon the Administrative Agent or any other Lender.

ARTICLE III
CONDITIONS PRECEDENT

SECTION 3.01 ***Conditions Precedent to the Closing Date and Initial Advances.***

The effectiveness of this Agreement and the obligation of each Lender to make the initial Advance to be made by it hereunder shall be subject to the satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received on or before the date of such effectiveness the following, each dated such day, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:

(i) Certified copies of the Borrower's certificate of incorporation and bylaws and the resolutions of the board of directors of the Borrower approving this Agreement, a certificate of good standing for the Borrower from its jurisdiction of incorporation and of all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Agreement;

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(ii) A certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered by the Borrower hereunder; and

(iii) A favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), as to such matters as any Lender through the Administrative Agent may reasonably request.

(b) On such date, the following statements shall be true and the Administrative Agent shall have received a certificate signed by a duly authorized officer of the Borrower, dated such date, certifying to the Administrative Agent and each Lender that:

(i) The representations and warranties of the Borrower contained in Section 4.01 are true and correct in all material respects on and as of such date, as though made on and as of such date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(c) The Borrower shall have paid all accrued fees and expenses of the Administrative Agent, the Arrangers and the Lenders then due and payable in accordance with the terms of the Loan Documents (including all fees as provided in the Fee Letter and all the fees and expenses of counsel to the Administrative Agent to the extent then due and payable).

(d) The Administrative Agent, on behalf of each Lender, shall have received copies of all the Disclosure Documents.

(e) The Administrative Agent shall have received counterparts of this Agreement, executed and delivered by the Borrower and the Lenders.

(f) The Administrative Agent shall have received all promissory notes (if any) requested by any Lender pursuant to Section 2.06(d), duly completed and executed by the Borrower and payable to any such Lender.

(g) The Administrative Agent shall have received (i) all documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, to the extent such documentation or information is requested by the Administrative Agent on behalf of the Lenders prior to the Closing Date and (ii) at least five days prior to the Closing Date, if the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to the Borrower.

(h) The Administrative Agent shall have received copies or other evidence of such orders, filings, and other Governmental Approvals of any Governmental Authority that may be applicable to the transactions contemplated by this Agreement including those described in Section 4.01(d), and such other approvals, opinions or documents as may reasonably be requested by the Administrative Agent or by any Lender through the Administrative Agent

(i) The Administrative Agent shall have received the Notice of Borrowing for any Advance to be made on the Closing Date.

SECTION 3.02 *Conditions Precedent to each Advance.*

The obligation of each Lender to make each Advance to be made by it hereunder (other than in connection with any Borrowing that would not increase the aggregate principal amount of Advances outstanding immediately prior to the making of such Borrowing) shall be subject to the satisfaction of the conditions precedent set forth in Section 3.01 and on the date of such Borrowing:

(a) The following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of any Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

(i) The representations and warranties of the Borrower contained in Section 4.01 (other than, with respect to Advances to be made after the Closing Date, (A) the representation and warranty in Section 4.01(e) and (B) the representation and warranty set forth in the penultimate sentence of Section 4.01(f)) are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the date of such Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) No event has occurred and is continuing or would result from such Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

(b) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES**

SECTION 4.01 *Representations and Warranties of the Borrower.*

The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, and each Significant Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized.

(b) The execution, delivery and performance by the Borrower of each Loan Document, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

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(c) Each Loan Document has been duly executed and delivered by the Borrower. Each Loan Document is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

(d) No Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority or other third party, or otherwise specified pursuant to any Applicable Law, is required for the due execution, delivery and performance by the Borrower of

any Loan Document, except for the authorization of the Oklahoma Corporation Commission, which authorization has been duly obtained and is in full force and effect as of the date hereof.

(e) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any Governmental Authority or arbitrator that is reasonably likely to have a Material Adverse Effect, except as may be disclosed in the Disclosure Documents.

(f) The consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at December 31, 2019, March 31, 2020, June 30, 2020 and September 30, 2020, and the related consolidated statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal periods then ended, accompanied by (in the case of such financial statements for the fiscal year ended December 31, 2019) an opinion of PricewaterhouseCoopers LLP, an independent registered public accounting firm, copies of each of which have been furnished to each Lender, fairly present (subject, in the case of such financial statements for the fiscal quarters ended March 31, 2020, June 30, 2020 and September 30, 2020 to year-end adjustments) the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such dates and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such dates, all in accordance with GAAP consistently applied. Since December 31, 2019, there has been no Material Adverse Change. As of the Closing Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

(g) No written statement, information, report, financial statement, exhibit or schedule furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the syndication or negotiation of this Agreement or included herein or delivered pursuant hereto contained, contains, or will contain any material misstatement of fact or intentionally omitted, omits, or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are, or will be made, not misleading.

(h) Except as may be disclosed in the Disclosure Documents, the Borrower and each Significant Subsidiary is in material compliance with all laws (including ERISA and Environmental Laws) rules, regulations and orders of any Governmental Authority applicable to it.

(i) No failure to satisfy the minimum funding standard applicable to a Plan for a plan year (as described in Section 302 of ERISA and Section 412 of the Internal Revenue Code) that could reasonably be expected to have a Material Adverse Effect, whether or not waived, has occurred with respect to any Plan. The Borrower has not incurred, and does not presently expect to incur, any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its ERISA Affiliates have complied in all material respects with ERISA and the Internal Revenue Code. The Borrower and each of its Subsidiaries have complied in all material respects with foreign law applicable to its Foreign Plans, if any. As used herein, the term “*Plan*” means an “employee pension benefit plan” (as defined in Section 3 of ERISA) which is and has been established or maintained, or to which contributions are or have been made or should be made according to the terms of the plan, by the Borrower or any of its ERISA Affiliates. The term “*Multiemployer Plan*” means any Plan which is a “multiemployer plan” (as such term is defined in Section 4001(a)(3) of ERISA). The term “*Foreign Plan*” means any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement maintained by any Subsidiary which, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

(j) The Borrower and its Subsidiaries have filed or caused to be filed all material Federal, state and local tax returns that are required to be filed by them, and have paid or caused to be paid all material taxes shown to be due and payable on such returns or on any assessments received by them (to the extent that such taxes and assessments have become due and payable) other than those taxes contested in good faith and for which adequate reserves have been established in accordance with GAAP.

(k) The Borrower is not engaged in the business of extending credit for the purpose of buying or carrying Margin Stock, and no proceeds of any Advance will be used to buy or carry any Margin Stock or to extend credit to others for the purpose of buying or carrying any Margin Stock. Not more than 25% of the assets of the Borrower and the Significant Subsidiaries that are subject to the restrictions of Section 5.02(a), (c) or (d) constitute Margin Stock.

(l) Neither the Borrower nor any of its Significant Subsidiaries is an “investment company,” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended (the “*Act*”). Neither the making of any Borrowing, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated hereby will violate any provision of the Act or any rule, regulation or order of the SEC thereunder.

(m) All Significant Subsidiaries of the Borrower as of the Closing Date are listed on Schedule 4.01(m) hereto.

(n) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective managers, directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective managers, directors and officers and, to the knowledge of the Borrower, its employees and agents, are in compliance with

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Anti-Corruption Laws and applicable Sanctions in all material respects and have not engaged in any activity or conduct which would violate Anti-Corruption Laws and applicable Sanctions. None of (i) the Borrower, any Subsidiary or any of their respective managers, directors or officers, or (ii) to the knowledge of the Borrower, any employee or agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person or located, organized or resident in a Sanctioned Country. No Borrowing or use of proceeds thereof or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

ARTICLE V COVENANTS OF THE BORROWER

SECTION 5.01 Affirmative Covenants.

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(a) **Preservation of Existence, Etc.** Preserve and maintain, and cause each Significant Subsidiary of the Borrower to preserve and maintain, its corporate, partnership or limited liability company (as the case may be) existence and all material rights (charter and statutory) and franchises; *provided, however*, that the Borrower and any Significant Subsidiary thereof may consummate any merger or consolidation permitted under Section 5.02(a); and *provided further* that neither the Borrower nor any Significant Subsidiary thereof shall be required to preserve any right or franchise if (i) the board of directors of the Borrower or such Significant Subsidiary, as the case may be, shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Significant Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower or such Significant Subsidiary, as the case may be, or to the Lenders; (ii) required in connection with or pursuant to any Restructuring Law; or (iii) required in connection with the RTO Transaction; and *provided further*, that no Significant Subsidiary shall be required to preserve and maintain its corporate, partnership or limited liability company (as the case may be) existence if (x) the loss thereof is not disadvantageous in any material respect to the Borrower or to the Lenders or (y) required in connection with or pursuant to any Restructuring Law or (z) required in connection with the RTO Transaction.

(b) **Compliance with Laws, Etc.** Comply, and cause each Significant Subsidiary of the Borrower to comply, in all material respects, with Applicable Law, with such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(c) **Performance and Compliance with Other Agreements.** Perform and comply, and cause each Significant Subsidiary of the Borrower to perform and comply, with the provisions of each indenture, credit agreement, contract or other agreement by which it is bound, the non-performance or non-compliance with which would result in a Material Adverse Change.

(d) **Inspection Rights.** At any reasonable time and from time to time, permit the Administrative Agent or any Lender or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties

of, the Borrower and any of its Significant Subsidiaries and to discuss the affairs, finances and accounts of the Borrower and any of its Significant Subsidiaries with any of their respective officers or directors and with their respective independent certified public accountants.

(e) **Maintenance of Properties, Etc.** Maintain and preserve, and cause each Significant Subsidiary of the Borrower to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted and except as required in connection with or pursuant to any Restructuring Law or in connection with an RTO Transaction.

(f) **Maintenance of Insurance.** Maintain, and cause each Significant Subsidiary of the Borrower to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties; *provided, however*, that the Borrower and each Significant Subsidiary thereof may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties and to the extent consistent with prudent business practice.

(g) **Payment of Taxes, Etc.** Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; *provided, however*, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which adequate reserves are being maintained in accordance with GAAP, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(h) **Keeping of Books.** Keep, and cause each Significant Subsidiary of the Borrower to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Significant Subsidiary in accordance with GAAP.

(i) **Reporting Requirements.** Furnish to the Lenders:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a copy of the Borrower's Quarterly Report on Form 10-Q for such quarter, as filed with the SEC, which shall contain a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as having been prepared in accordance with GAAP and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as to compliance with the terms of this Agreement and (A) certifying that there have been no Subsidiaries that have become Significant Subsidiaries

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at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (B) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the Closing Date;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the Borrower's Annual Report on Form 10-K for such year, as filed with the SEC, which shall contain a copy of the annual audit

report for such year for the Borrower and its Subsidiaries containing a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, in each case accompanied by an opinion by PricewaterhouseCoopers LLP or another independent registered public accounting firm acceptable to the Required Lenders, and consolidating statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as to compliance with the terms of this Agreement and (A) certifying that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (B) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the Closing Date;

(iii) as soon as possible and in any event within five days after the chief financial officer or treasurer of the Borrower obtains knowledge of the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all Reports on Form 8-K that the Borrower or any Significant Subsidiary files with the SEC or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Significant Subsidiary of the type described in Section 4.01(e);

(vi) promptly after request from the Administrative Agent or any Lender, a new Beneficial Ownership Certification or updates, if any, to the information provided in the Beneficial Ownership Certification on or prior to the Closing Date that

would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification; and

(vii) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

Notwithstanding the foregoing, the information required to be delivered pursuant to clauses (i), (ii) and (iv) shall be deemed to have been delivered if such information shall be available on the website of the SEC at <http://www.sec.gov>, the website of AEP at <http://www.aep.com> or, in each case, any successor website; *provided* that the compliance certificates required under clauses (i) and (ii) shall be delivered in the manner specified in Section 8.02(b).

(j) **Compliance with Anti-Corruption Laws and Sanctions.** Maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.02 Negative Covenants.

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower agrees that it will not:

(a) **Mergers, Etc.** Merge or consolidate with or into any Person, or permit any Significant Subsidiary to do so, except that (i) any Subsidiary may merge or consolidate with or into any other Subsidiary of the Borrower, (ii) any Subsidiary may merge into the Borrower, (iii) any Significant Subsidiary may merge with or into any other Person so long as such Significant Subsidiary continues to be a Significant Subsidiary of the Borrower and (iv) the Borrower may merge with any other Person so long as the successor entity (x) is the Borrower and (y) has long-term senior unsecured debt ratings issued (and confirmed after giving effect to such merger) by S&P or Moody's of at least BBB- and Baa3, respectively (or if no such ratings have been issued, commercial paper ratings issued (and confirmed after giving effect to such merger) by S&P and Moody's of at least A-3 and P-3, respectively), *provided*, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(b) **Stock of Significant Subsidiaries.** Sell, lease, transfer or otherwise dispose of, other than (i) in connection with an RTO Transaction, but only if no Default or Event of Default has occurred and is continuing or would result from such RTO Transaction, or (ii) pursuant to the requirements of any Restructuring Law, equity interests in any Significant Subsidiary of the Borrower if such Significant Subsidiary would cease to be a Subsidiary as a result of such sale, lease, transfer or disposition.

(c) **Sales, Etc. of Assets.** Sell, lease, transfer or otherwise dispose of, or permit any Significant Subsidiary to sell, lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any assets, except (i) sales in the ordinary course of its business, (ii) sales, leases, transfers or dispositions of assets to any Person that is not a wholly-owned Subsidiary of the Borrower that in the aggregate do not exceed

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20% of the Consolidated Tangible Net Assets of the Borrower and its Subsidiaries, whether in one transaction or a series of transactions, (iii) other sales, leases, transfers and dispositions made in connection with an RTO Transaction or pursuant to the requirements of any Restructuring Law or to a wholly owned Subsidiary of the Borrower, or (iv) sales of pollution control assets to a state or local government or any political subdivision or agency thereof in connection with any transaction with such Person pursuant to which such Person sells or otherwise transfers such pollution control assets back to the Borrower or a Subsidiary under an installment sale, loan or similar agreement, in each case in connection with the issuance of pollution control or similar bonds.

(d) **Liens, Etc.** Create or suffer to exist, or permit any Significant Subsidiary to create or suffer to exist, any Lien on or with respect to any of its properties, including, without

limitation, on or with respect to equity interests in any Subsidiary of the Borrower, whether now owned or hereafter acquired, or assign, or permit any Significant Subsidiary to assign, any right to receive income (other than in connection with Stranded Cost Recovery Bonds and the sale of accounts receivable by the Borrower), other than (i) Permitted Liens, (ii) the Liens existing on the Closing Date, (iii) Liens securing first mortgage bonds issued by the Borrower or any Subsidiary of the Borrower the rates or charges of which are regulated by the Federal Energy Regulatory Commission or any state governmental authority, *provided* that the aggregate principal amount of such first mortgage bonds of the Borrower or any such Subsidiary do not exceed 66 2/3% of the net value of plant, property and equipment of the Borrower or such Subsidiary, as applicable, and (iv) the replacement, extension or renewal of any Lien permitted by clauses (ii) and (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(e) **Restrictive Agreements.** Enter into, or permit any Significant Subsidiary to enter into (except in connection with or pursuant to any Restructuring Law), any agreement after the Closing Date, or amend, supplement or otherwise modify any agreement existing on the Closing Date, that imposes any restriction on the ability of any Significant Subsidiary to make payments, directly or indirectly, to its shareholders by way of dividends, advances, repayment of loans or intercompany charges, expenses and accruals or other returns on investments that is more restrictive than any such restriction applicable to such Significant Subsidiary on the Closing Date; *provided, however*, that any Significant Subsidiary may agree to a financial covenant limiting its ratio of Consolidated Debt to Consolidated Capital to no more than 0.675 to 1.000.

(f) **ERISA.** (i) Terminate or withdraw from, or permit any of its ERISA Affiliates to terminate or withdraw from, any Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such termination or withdrawal, if such termination or withdrawal could have a Material Adverse Effect, (ii) incur a full or partial withdrawal, or permit any ERISA Affiliate to incur a full or partial withdrawal, from any Multiemployer Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such withdrawal, if such withdrawal could have a Material Adverse Effect, (iii) otherwise fail, or permit any of its ERISA Affiliates to fail, to comply in all material respects with ERISA or the related provisions of the Internal Revenue Code if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect, or (iv) fail, or

permit any of its Subsidiaries to fail, to comply with Applicable Law with respect to any Foreign Plan if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect.

(g) *Use of Proceeds.* Use the proceeds of any Borrowing to buy or carry Margin Stock.

(h) *No Violation of Anti-Corruption Laws and Sanctions.* Request any Borrowing, or use or permit any of its Subsidiaries or its or their respective directors, officers, employees and agents to use, directly or, to the actual knowledge of the Borrower or any of its Subsidiaries, indirectly, any proceeds of any Borrowing (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.03 Financial Covenant.

So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will maintain a ratio of Consolidated Debt to Consolidated Capital, as of the last day of each March, June, September and December, of not greater than 0.675 to 1.000.

**ARTICLE VI
EVENTS OF DEFAULT**

SECTION 6.01 Events of Default.

If any of the following events ("*Events of Default*") shall occur and be continuing:

(a) The Borrower (i) shall fail to pay any principal of any Advance when the same becomes due and payable, or (ii) shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(a), 5.01(i)(iii) or 5.02 (other than Section 5.02(f)), or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) Any event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower (but excluding Debt outstanding hereunder) or any Significant Subsidiary of the Borrower outstanding in a principal or notional amount of at least

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\$50,000,000 in the aggregate if the effect of such event or condition is to accelerate or require early termination of the maturity or tenor of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), terminated, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity or the original tenor thereof; or

(e) The Borrower or any Significant Subsidiary of the Borrower shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any Significant Subsidiary of the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up,

reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any Significant Subsidiary of the Borrower shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) (i) Any entity, person (within the meaning of Section 14(d) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”)) or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) that as of the Closing Date was beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of less than 30% of the Voting Stock of AEP shall acquire a beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act), directly or indirectly, of Voting Stock of AEP (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of AEP; (ii) during any period of up to 24 consecutive months, commencing after the Closing Date, individuals who at the beginning of such 24-month period were directors of AEP shall cease for any reason to constitute a majority of the board of directors of AEP, provided that any person becoming a director subsequent to the Closing Date, whose election, or nomination for election by AEP’s shareholders, was approved by a vote of at least a majority of the directors of the board of directors of AEP as comprised as of the Closing Date shall be, for purposes of this provision, considered as though such person were a member of the board as of the Closing Date; or (iii) AEP shall fail to own directly or indirectly 100% of the Voting Stock of the Borrower; or

(g) Any judgment or order for the payment of money in excess of \$50,000,000 in the case of the Borrower or any Significant Subsidiary of the Borrower to the extent not paid or insured shall be rendered against the Borrower or any Significant Subsidiary of the Borrower and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) (i) The termination of or withdrawal from the United Mine Workers' of America 1974 Pension Trust by AEP or any of its ERISA Affiliates shall have occurred and the liability of AEP and its ERISA Affiliates related to such termination or withdrawal exceeds \$75,000,000 in the aggregate; or (ii) any other ERISA Event shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such ERISA Event exceeds \$50,000,000;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the outstanding Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the outstanding Advances, all such interest and all such amounts shall become and be forthwith due and payable by the Borrower, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however*, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower or any Significant Subsidiary of the Borrower under the Bankruptcy Code of the United States of America, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the outstanding Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII THE ADMINISTRATIVE AGENT

SECTION 7.01 Appointment and Authorization.

Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to enter into each of the Loan Documents to which it is a party (other than this Agreement) on its behalf and to take such actions as Administrative Agent on its behalf and to exercise such powers under the Loan Documents as are delegated to Administrative Agent by the terms thereof, together with all such powers as are reasonably incidental thereto. Subject to the terms of Section 8.01 and to the terms of the other Loan Documents, Administrative Agent is authorized and empowered to amend, modify, or waive any provisions of this Agreement or the other Loan Documents on behalf of Lenders. The provisions of this Article 7 are solely for the benefit of Administrative Agent and Lenders and Borrower shall not have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, Administrative Agent shall act solely as agent of Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for Borrower. Administrative Agent may perform any of its duties hereunder, or under the Loan Documents, by or through its own agents or employees.

SECTION 7.02 Administrative Agent and Affiliates.

Administrative Agent shall have the same rights and powers under the Loan Documents as any other Lender and may exercise or refrain from exercising the same as though it were not Administrative Agent, and Administrative Agent and its Affiliates may lend money to, invest in

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and generally engage in any kind of business with Borrower or any Affiliate of Borrower as if it were not Administrative Agent hereunder.

SECTION 7.03 Action by Administrative Agent.

The duties of Administrative Agent shall be mechanical and administrative in nature. Administrative Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender. Nothing in this Agreement or any of the Loan Documents is intended to or shall be construed to impose upon Administrative Agent any obligations in respect of this Agreement or any of the Loan Documents except as expressly set forth herein or therein.

SECTION 7.04 Consultation with Experts.

Administrative Agent 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 by it in good faith in accordance with the advice of such counsel, accountants or experts.

SECTION 7.05 *Liability of Administrative Agent.*

Neither Administrative Agent nor any of its directors, officers, agents or employees shall be liable to any Lender for any action taken or not taken by it in connection with the Loan Documents, except that Administrative Agent shall be liable with respect to its specific duties set forth hereunder, but only to the extent of its own gross negligence or willful misconduct in the discharge thereof as determined by a final non-appealable judgment of a court of competent jurisdiction. Neither Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements specified in any Loan Document; (iii) the satisfaction of any condition specified in any Loan Document; (iv) the validity, effectiveness, sufficiency or genuineness of any Loan Document, any Lien purported to be created or perfected thereby or any other instrument or writing furnished in connection therewith; (v) the existence or non-existence of any Default or Event of Default; or (vi) the financial condition of Borrower. Administrative Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, telex, facsimile or electronic transmission or similar writing) believed by it to be genuine or to be signed by the proper party or parties. Administrative Agent shall not be liable for any apportionment or distribution of payments made by it in good faith and if any such apportionment or distribution is subsequently determined to have been made in error the sole recourse of any Lender to whom payment was due but not made, shall be to recover from other Lenders any payment in excess of the amount to which they are determined to be entitled (and such other Lenders hereby agree to return to such Lender any such erroneous payments received by them).

SECTION 7.06 *Indemnification.*

Each Lender severally agrees to indemnify the Administrative Agent and each of its Related Parties (to the extent not promptly reimbursed by the Borrower and without limiting its obligation to do so) from and against such Lender's ratable share (determined as provided below)

of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Administrative Agent or such Related Party in any way relating to or arising out of this Agreement or any action taken or omitted by such Person under this Agreement; *provided, however*, that no Lender shall be liable, as to the Administrative Agent or any of its Related Parties, for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of such Person as determined in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent and each of its Related Parties promptly upon demand for its ratable share of any costs and expenses (including, without limitation, fees and reasonable expenses of counsel) payable by the Borrower under Section 8.04, to the extent that the Administrative Agent or such Related Party is not promptly reimbursed for such costs and expenses by the Borrower after request therefor and without limiting the Borrower's obligation to do so. For purposes of this Section 7.06, the Lenders' respective ratable shares of any amount shall be determined, at any time, according to the sum of (i) the aggregate principal amount of the Advances outstanding at such time and owing to the respective Lenders and (ii) the aggregate unused portions of their respective Commitments at such time. In the event that any Lender shall have failed to make any Advance as required hereunder, such Lender's Commitment shall be considered to be unused for purposes of this Section 7.06 to the extent of the amount of such Advance. The failure of any Lender to reimburse the Administrative Agent or any of its Related Parties promptly upon demand for its ratable share of any amount required to be paid by the Lender to the Administrative Agent or such Related Party as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse the Administrative Agent or such Related Party for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Administrative Agent or such Related Party for such other Lender's ratable share of such amount.

If any indemnity furnished to Administrative Agent for any purpose shall, in the opinion of Administrative Agent, be insufficient or become impaired, Administrative Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against even if so directed by Required Lenders until such additional indemnity is furnished.

Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 7.06 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

SECTION 7.07 *Right to Request and Act on Instructions.*

Administrative Agent may at any time request instructions from Lenders with respect to any actions or approvals which by the terms of this Agreement or of any of the Loan Documents Administrative Agent is permitted or desires to take or to grant, and if such instructions are promptly requested, Administrative Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval under any of the Loan Documents until it shall have received such instructions from Required Lenders or all or such other portion of the Lenders as shall be prescribed by this Agreement. Without limiting the foregoing, no

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Lender shall have any right of action whatsoever against Administrative Agent as a result of Administrative Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of Required Lenders (or all or such other portion of the Lenders as shall be prescribed by this Agreement) and, notwithstanding the instructions of Required Lenders (or such other applicable portion of the Lenders), Administrative Agent shall have no obligation to take any action if it believes, in good faith, that such action would violate Applicable Law or exposes Administrative Agent to any liability for which it has not received satisfactory indemnification in accordance with the provisions of Section 7.06.

SECTION 7.08 *Credit Decision.*

Each Lender acknowledges that it has, independently and without reliance upon Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under the Loan Documents.

SECTION 7.09 *Notice of Default.*

Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default except with respect to defaults in the payment of principal, interest and fees required to be paid to Administrative Agent for the account of Lenders, unless Administrative Agent shall have received written notice from a Lender or Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. Administrative Agent will notify each Lender of its receipt of any such notice. Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by Required Lenders (or all or such other portion of the Lenders as shall be prescribed by this Agreement) in accordance with the terms hereof. Unless and until Administrative Agent has received any such request, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interests of Lenders.

SECTION 7.10 *Successor Administrative Agent.*

Administrative Agent may at any time give notice of its resignation to the Lenders and Borrower. Upon receipt of any such notice of resignation, Required Lenders shall have the right, in consultation with Borrower, to appoint a successor Administrative Agent. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder and notice of such acceptance to the retiring Administrative Agent, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, the retiring Administrative Agent’s resignation shall become immediately effective and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder and under the other Loan Documents (if such resignation was not already effective and such duties and obligations not already discharged, as provided below in this

paragraph). The fees payable by Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. If no such successor shall have been so appointed by Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders (but without any obligation) appoint a successor Administrative Agent. From and following the expiration of such thirty (30) day period, Administrative Agent shall have the exclusive right, upon one (1) Business Days' notice to Borrower and the Lenders, to make its resignation effective immediately. From and following the effectiveness of such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by or to each Lender directly, until such time as Required Lenders appoint a successor Administrative Agent as provided for above in this paragraph. The provisions of this Agreement shall continue in effect for the benefit of any retiring Administrative Agent and its sub-agents after the effectiveness of its resignation hereunder and under the other Loan Documents in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting or was continuing to act as Administrative Agent.

SECTION 7.11 *Return of Payments.*

If Administrative Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Administrative Agent from Borrower and such related payment is not received by Administrative Agent, then Administrative Agent will be entitled to recover such amount from such Lender on demand without setoff, counterclaim or deduction of any kind, together with interest accruing on a daily basis at the Federal Funds Rate.

If Administrative Agent determines at any time that any amount received by Administrative Agent under this Agreement must be returned to Borrower or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Administrative Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Administrative Agent on demand any portion of such amount that Administrative Agent has distributed to such Lender, together with interest at such rate, if any, as Administrative Agent is required to pay to Borrower or such other Person, without setoff, counterclaim or deduction of any kind.

SECTION 7.12 *Defaulting Lenders.*

The failure of any Defaulting Lender to make any Advance or any payment required by it hereunder shall not relieve any other Lender of its obligations to make such Advance or payment, but neither any other Lender nor Administrative Agent shall be responsible for the failure of any Defaulting Lender to make an Advance or make any other payment required hereunder.

SECTION 7.13 *Sharing of Payments*

If any Lender shall obtain any payment or other recovery (whether voluntary, involuntary, by application of setoff or otherwise) on account of any Loan (other than pursuant to the terms of Section 8.16) in excess of its pro rata share of payments entitled pursuant to the other provisions of this Section 7.13, such Lender shall purchase from the other Lenders such participations in extensions of credit made by such other Lenders (without recourse, representation or warranty) as shall be necessary to cause such purchasing Lender to share the excess payment or other recovery ratably with each of them; *provided, however*, that if all or any portion of the excess payment or other recovery is thereafter required to be returned or otherwise recovered from such purchasing Lender, such portion of such purchase shall be rescinded and each Lender which has sold a participation to the purchasing Lender shall repay to the purchasing Lender the purchase price to the ratable extent of such return or recovery, without interest. Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this clause (e) may, to the

...to the fullest extent permitted by law, exercise all its rights of payment with respect to such participation as fully as if such Lender were the direct creditor of Borrower in the amount of such participation. If under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a setoff to which this clause (e) applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this clause (e) to share in the benefits of any recovery on such secured claim.

SECTION 7.14 *Right to Perform, Preserve and Protect.*

If Borrower fails to perform any obligation hereunder or under any other Loan Document, Administrative Agent itself may, but shall not be obligated to, cause such obligation to be performed at Borrower's expense. Administrative Agent is further authorized by Borrower and the Lenders to make expenditures from time to time which Administrative Agent, in its reasonable business judgment, deems necessary or desirable to (i) preserve or protect the business conducted by Borrower or any portion thereof and/or (ii) enhance the likelihood of, or maximize the amount of, repayment of the Advances. Borrower hereby agrees to reimburse Administrative Agent on demand for any and all costs, liabilities and obligations incurred by Administrative Agent pursuant to this Section 7.14. Each Lender hereby agrees to indemnify Administrative Agent upon demand for any and all costs, liabilities and obligations incurred by Administrative Agent pursuant to this Section 7.14 and all such amounts shall be deemed to be included within and covered by the Borrower's indemnification obligation more particularly described in Section 8.04(b) of this Agreement.

SECTION 7.15 *Additional Titled Agents:*

Except for rights and powers, if any, expressly reserved under this Agreement to any bookrunner, arranger or to any titled agent named on the cover page of this Agreement, other than Administrative Agent (collectively, the "**Additional Titled Agents**"), and except for obligations, liabilities, duties and responsibilities, if any, expressly assumed under this Agreement by any Additional Titled Agent, no Additional Titled Agent, in such capacity, has any rights, powers, liabilities, duties or responsibilities hereunder or under any of the other Loan Documents. Without limiting the foregoing, no Additional Titled Agent shall have nor be deemed to have a fiduciary relationship with any Lender. At any time that any Lender serving as an Additional Titled Agent shall have transferred to any other Person (other than any Affiliates)

all of its interests in the Advances and in the Commitment, such Lender shall be deemed to have concurrently resigned as such Additional Titled Agent.

SECTION 7.16 **Erroneous Payments.**

(a) Each Lender and any other party hereto hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or any other Person that has received funds from the Administrative Agent or any of its Affiliates, either for its own account or on behalf of a Lender (each such recipient, a “***Payment Recipient***”) that the Administrative Agent has determined in its sole discretion that any funds received by such Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) or (ii) any Payment Recipient receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, or (z) that such Payment Recipient otherwise becomes aware was transmitted or received in error or by mistake (in whole or in part) then, in each case, an error in payment shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 7.16(a), whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise; individually and collectively, an “***Erroneous Payment***”), then, in each case, such Payment Recipient is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment; provided that nothing in this Section shall require the Administrative Agent to provide any of the notices specified in clauses (i) or (ii) above. Each Payment Recipient agrees that it shall not assert any right or claim to any Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly notify the Administrative Agent in writing of such occurrence.

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and upon demand from the Administrative Agent such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds and in the currency so received, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

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(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an “***Erroneous Payment Return Deficiency***”), then at the sole discretion of the Administrative Agent and upon the Administrative Agent’s written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) of the relevant class with respect to which such Erroneous Payment was made (the “***Erroneous Payment Impacted Class***”) to the Administrative Agent or, at the option of the Administrative Agent, the Administrative Agent’s applicable lending affiliate in an amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the

Administrative Agent may specify) (such assignment of the Loans (and not Commitments) of the Erroneous Payment Impacted Class, the “*Erroneous Payment Deficiency Assignment*”) plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by the Administrative Agent or its applicable lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment. The parties hereto acknowledge and agree that (1) any assignment contemplated in this clause (d) shall be made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor, (2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of Section 8.07 and (3) the Administrative Agent may reflect such assignments in the Register without further consent or action by any other Person.

(c) Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent (1) shall be subrogated to all the rights of such Payment Recipient with respect to such amount and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under this Section 7.16 or under the indemnification provisions of this Agreement, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or other satisfaction of any obligations hereunder owed by the Borrower, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making a payment on the obligations hereunder and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the obligations hereunder, the obligations hereunder or any part thereof that were so credited, and all rights of the Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

(f) Each party’s obligations under this Section 7.16 shall survive the resignation or replacement of the Administrative Agent or any transfer of right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all obligations hereunder (or any portion thereof) under any Loan Document.

(g) Nothing in this Section 7.16 will constitute a waiver or release of any claim of the Administrative Agent hereunder arising from any Payment Recipient's receipt of an Erroneous Payment.

ARTICLE VIII MISCELLANEOUS

SECTION 8.01 Amendments, Etc.

Subject to Section 8.16(a)(i), no amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment, waiver or consent shall (a) unless in writing and signed by all the Lenders (other than, in the case of the following clauses (i), (iii) and (iv), any Defaulting Lender), do any of the following: (i) amend Section 3.01 or 3.02 or waive any of the conditions specified therein, (ii) increase the aggregate amount of the Commitments, (iii) change the definition of Required Lenders or the percentage of the Commitments or of the aggregate unpaid principal amount of the outstanding Borrowings, or the number or percentage of the Lenders, that shall be required for the Lenders or any of them to take any action hereunder, or (iv) amend or waive this Section 8.01 or any provision of this Agreement that requires pro rata treatment of the Lenders; or (b) unless in writing and signed by each Lender that is directly affected thereby, do any of the following: (1) increase the amount or extend the termination date of such Lender's Commitment, or subject such Lender to any additional obligations, (2) reduce the principal of, or interest on, or rate of interest applicable to, the outstanding Advances of such Lender or any fees or other amounts payable to such Lender hereunder, or (3) postpone any date fixed for any payment of principal of, or interest on, the outstanding Advances or any fees or other amounts payable to such Lender hereunder; and *provided further* that (x) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement, and (y) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent and the Required Lenders, amend or waive Section 8.16. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate (but such Lender shall continue to be entitled to the benefits of Sections 2.11, 2.14 and 8.04) upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal outstanding amount of and interest accrued on each Advance made by it and outstanding and all other amounts owing to it or accrued for its account under this Agreement and is released from its obligations hereunder.

SECTION 8.02 Notices, Etc.

(a) The Borrower hereby agrees that any notice that is required to be delivered to it hereunder shall be delivered to the Borrower as set forth in this Section 8.02. All notices

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and other communications provided for hereunder shall be in writing (including fax) and mailed, faxed or delivered, if to the Borrower at its address at 1 Riverside Plaza, Columbus, Ohio 43215, Attention: Treasurer (fax: 614-716-2807; telephone: 614-716-2663), with a copy to the General Counsel (fax: 614-716-3440; telephone: 614-716-2929) and to corporatefinance@aep.com; if to any Initial Lender, at its Domestic Lending Office specified in its Administrative Questionnaire; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Assumption pursuant to which it became a Lender; if to the Administrative Agent, at its address at (i) Sumitomo Mitsui Banking Corporation, 277 Park Avenue, New York, New York 10172, Attention: Agency Loan Services Department, telephone: 212-256-7317, facsimile: 212-224-4501 and email: AgencyServices@smbcgroup.com and cmragency@smbcgroup.com, (ii) for notices and communications relating to compliance with the covenants hereunder, Sumitomo Mitsui Banking Corporation, 277 Park Avenue, New York, New York 10172.

Sunshine Mutual Banking Corporation, 277 Park Avenue, New York, New York 10172, Attention: Agency Loan Services Department, telephone: 212-256-7317, facsimile: 212-224-4501 and email: AgencyServices@smbcgroup.com and cmragency@smbcgroup.com; or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall be effective when delivered or received at the appropriate address or number to the attention of the appropriate individual or department, except that notices and communications to the Administrative Agent pursuant to Article II, III or VII shall not be effective until received by the Administrative Agent. Delivery by fax or electronic transmission of an executed counterpart of any amendment or waiver of any provision of this Agreement or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) The Borrower and each Lender hereby agrees that the Administrative Agent may make any information required to be delivered under Section 5.01(i)(i), (ii), (iv) and (v) (the “**Communications**”) available to the Lenders by posting the Communications on Intralinks, SyndTrak or a substantially similar electronic transmission system (the “**Platform**”). The Borrower and each Lender hereby acknowledges that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c) THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT, AND SHALL NOT BE DEEMED TO WARRANT, THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE, OR SHALL BE DEEMED TO BE MADE, BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES (COLLECTIVELY, “**AGENT PARTIES**”) HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING,

WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.03 *No Waiver; Remedies.*

No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right or power hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and not exclusive of any rights and remedies that are provided by law or that they would otherwise have.

SECTION 8.04 *Costs and Expenses; Indemnification.*

(a) The Borrower agrees to pay promptly upon demand all reasonable out-of-pocket costs and expenses of the Administrative Agent and the Arrangers in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, (i) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, electronic data site, duplication, appraisal, consultant, and audit expenses and (ii) the reasonable fees and expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay promptly upon demand all costs and expenses of the Administrative Agent and the Lenders, if any (including, without limitation, counsel fees and

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expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Administrative Agent and the Lenders in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower agrees to indemnify and hold harmless each Lender, the Arrangers and the Administrative Agent and each of their Related Parties (each, an "**Indemnified Party**") from and against any and all claims, damages, losses, liabilities and penalties, joint or several, to which any such Indemnified Party may become subject, in each case arising out of or in connection with or relating to (including, without limitation, in connection with any actual or prospective claim, investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the execution or delivery of this Agreement, any of the transactions

contemplated herein or the actual or proposed use of the proceeds of the Advances, (ii) any error or omission in connection with posting of data (x) required to be delivered pursuant to Section 5.01(i)(i), (ii) or (iv) on the website of the SEC or any successor website or (y) on the Platform, or (iii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, and to reimburse any Indemnified Party for any and all reasonable expenses (including, without limitation, reasonable fees and expenses of counsel) as they are incurred in connection with the investigation of or preparation for or defense of any pending or threatened actual or prospective claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Borrower or any of its Affiliates and whether or not any of the transactions contemplated hereby are consummated or this Agreement is terminated, AND THE FOREGOING INDEMNIFICATION SHALL APPLY WHETHER OR NOT SUCH INDEMNIFIED LIABILITIES ARE IN ANY WAY OR TO ANY EXTENT OWED, IN WHOLE OR IN PART, UNDER ANY CLAIM OR THEORY OF STRICT LIABILITY, OR ARE CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF ANY KIND BY ANY INDEMNIFIED PERSON, except to the extent such claim, damage, loss, liability, penalty or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its managers, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. To the fullest extent permitted by applicable law, the Borrower agrees not to assert, or permit any of their Affiliates or Related Parties to assert, and each hereby waives, any claim against any Indemnified Party on any theory of liability, for special, indirect, or punitive damages (as opposed to direct or actual damages) arising out of or otherwise relating to this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Borrowings.

(c) To the fullest extent permitted by applicable law, the Borrower agrees not to assert, or permit any of their Affiliates or Related Parties to assert, and each hereby waives, any claim against any Indemnified Party on any theory of liability, for consequential damages (including lost profits) arising out of or otherwise relating to this Agreement, any of the

transactions contemplated herein or the actual or proposed use of the proceeds of the Borrowings.

(d) If any payment of principal of, or Conversion of, any Eurodollar RateSOFR Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.05, 2.08(e), 2.09, 2.10 or 2.12, acceleration of the maturity of the outstanding Borrowings pursuant to Section 6.01, the assignment of any such Advance pursuant to Section 2.15(b) or for any other reason (in the case of any such payment or Conversion), the Borrower shall, promptly upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (other than loss of Applicable Margin), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(e) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.11, 2.14 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

(f) The Borrower agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or its security holders or creditors related to or arising out of or in connection with this Agreement, the Borrowings or the use or proposed use of the proceeds thereof, any of the transactions contemplated by any of the foregoing or in the loan documentation or the performance by an Indemnified Party of any of the foregoing (including the use by unintended recipients of any information or other materials distributed through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents) except to the extent that any loss, claim, damage, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(g) In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against the Borrower or any of its Affiliates in which such Indemnified Party is not named as a defendant, the Borrower agrees to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the fees and disbursements of its legal counsel.

SECTION 8.05 Right of Set-off.

Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the outstanding Borrowings due and payable pursuant to the provisions of Section 6.01, each Recipient and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all

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deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Recipient or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement held by such Recipient, whether or not such Recipient shall have made any demand under this Agreement and although such obligations may be unmaturing; provided that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 8.16 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations of the Borrower owing to such Defaulting Lender as to which it exercised such right of setoff.

of the Borrower owing to such Defaulting Lender as to which it exercised such right of set-off. Each Recipient agrees promptly to notify the Borrower after any such set-off and application, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Recipient and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Recipient and its Affiliates may have.

SECTION 8.06 *Binding Effect.*

This Agreement shall become effective upon satisfaction of the conditions precedent specified in Section 3.01 and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of all of the Lenders. Neither the Arrangers nor any Person designated as a "Documentation Agent" or a "Syndication Agent" with respect to this Agreement shall have any duties under this Agreement.

SECTION 8.07 *Assignments and Participations.*

(a) ***Successors and Assigns of Lenders Generally.*** No Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) ***Assignments by Lenders.*** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) ***Minimum Amounts.***

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment and/or Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if the "*Trade Date*" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment of such Lender being assigned.

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 10 Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) any unfunded Commitments if such assignment is to a Person that is not a Lender with a Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender, or (ii) any Advance to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund,

(iv) **Assignment and Assumption.** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (to be paid by the assigning Lender, or, in the case of an assignment pursuant to Section 2.15(b), the Borrower); *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

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(v) **No Assignment to Certain Persons.** No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person that, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) **No Assignment to Natural Persons.** No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) **Certain Additional Payments.** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall

be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and Commitments in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this subsection, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.11, 2.14 and 8.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed in writing by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) **Register.** The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Assumption delivered to it and a register in which it shall record the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the “**Register**”). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.** Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower’s Affiliates or Subsidiaries) (each, a “**Participant**”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity obligations under Section 7.06 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver with respect to clauses (i) through (vi) of Section 8.01 that affects such participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.02(c), 2.11, 2.14, 8.04(b), 8.04(c) and 8.04(d) (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.15(b) as if it were an assignee under subsection (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.11 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower’s request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.05 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.16 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it

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enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Advances or other obligations under the Loan Documents (the “**Participant Register**”); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any Commitments, Advances or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Advance or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for

Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any other central banking authority; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.08 Confidentiality.

Each of the Administrative Agent and the Lenders agree to maintain the confidentiality of the Confidential Information, except that Confidential Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any state, federal or foreign authority or examiner regulating banks, banking or other financial institutions and any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Law or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder or (iii) any credit insurance provider relating to the Borrower and its obligations; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or this Agreement or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement; (h) with the consent of the Borrower; or (i) to the extent such Confidential Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender or any of their respective

Affiliates on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and each Lender may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or any Lender in connection with the administration or servicing of this Agreement, the other Loan Documents and the Commitments. Any Person required to maintain the confidentiality of Confidential Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Confidential Information as such Person would accord to its own confidential information.

SECTION 8.09 ***Governing Law.***

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

SECTION 8.10 ***Severability; Survival; Entire Agreement.***

(a) In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby.

(b) All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Advances, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Advance or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated.

(c) The Loan Documents constitute the entire contract among the parties relative to the subject matter hereof. Any previous agreement, written or oral, among the parties with respect to the subject matter hereof is superseded by this Agreement, except (i) as expressly stated in any other Loan Document and (ii) for the Fee Letter.

SECTION 8.11 ***Execution in Counterparts.***

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement and the other Loan Documents by fax or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement and the other Loan Documents, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and

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National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 8.12 ***Jurisdiction, Etc.***

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, THE COUNTY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT IN THE COURTS OF ANY JURISDICTION.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON BORROWER BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO BORROWER AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED.

SECTION 8.13 *Waiver of Jury Trial.*

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY AND AGREES THAT ANY SUCH ACTION OR

PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO WARRANTS AND REPRESENTS THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

SECTION 8.14 USA Patriot Act.

Each of the Lenders and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that (a) pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law as of October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the "*Patriot Act*"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act and (b) pursuant to the Beneficial Ownership Regulation, it is required to obtain a Beneficial Ownership Certificate. The Borrower shall, and shall cause each of its subsidiaries to, provide to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

SECTION 8.15 No Fiduciary Duty.

The Administrative Agent, the Arrangers, each Lender and each of their respective Affiliates and each of their respective officers, directors, controlling persons, employees, agents and advisors (collectively, solely for purposes of this Section 8.15, the "*Lenders*") may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those the Borrower and its Affiliates, and none of the Lenders has any obligation to disclose any of such interests to the Borrower or any of its Affiliates. The Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and the Borrower, its stockholders or its Affiliates. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its Affiliates has advised or is currently advising the Borrower on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (iv) the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate. The Borrower further acknowledges and agrees that it is responsible for making its

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own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim, and hereby waives and releases any claim to the fullest extent permitted by law, that any Lender (x) has rendered advisory services of any nature or respect, (y) has committed a breach of agency, fiduciary or similar duty, or (z) owes a duty of agency, fiduciary or similar duty to the Borrower, in each case in connection with such transaction or the process leading thereto.

SECTION 8.16 Defaulting Lenders.

(a) **Defaulting Lender Adjustments.** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) **Waivers and Amendments.** Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 8.01.

(ii) **Defaulting Lender Waterfall.** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 8.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that, if (x) such payment is a payment of the principal amount of any Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made at a time when the conditions set forth in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Advances of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of such Defaulting Lender until such time as all Advances are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 8.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Certain Fees.** No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.03(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(iv) **Reduction of Commitments.** The Borrower may terminate the Commitment of any Lender that is a Defaulting Lender upon not less than three Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 8.16(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); *provided* that (i) no Event of Default shall have occurred and be continuing and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent or any Lender may have against such Defaulting Lender.

(b) **Defaulting Lender Cure.** If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed in writing by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

SECTION 8.17 ~~Acknowledgement~~Acknowledgment and Consent to Bail-In of Affected Financial Institutions.

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and

(b) the effects of any Bail-~~in~~In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

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(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 8.18 Interest Rate Limitation.

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Advance, together with all fees, charges and other amounts which are treated as interest on such Advance under applicable law (collectively, the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by the Lender making such Advance in accordance with applicable law, the rate of interest payable in respect of such Advance hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and charges that would have been payable in respect of such Advance but were not payable as a result of the operation of this Section 8.18 shall be cumulated and the interest and charges payable to such Lender in respect of other Advances or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Applicable Margin to the date of repayment, shall have been received by such Lender.

SECTION 8.19 ***Certain ERISA Matters.***

(a) Each Lender (x) represents and warrants, as of the date such person became a Lender party hereto, to, and (y) covenants, from the date such person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

- (i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Advances, the Commitments or this Agreement,
- (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate

accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement,

- (iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Advances, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement, or
- (iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such person became a Lender party hereto, to, and (y) covenants, from the date such person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent, the Arrangers or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 8.20 Eurodollar Rate Notification. [Reserved.]

~~Section 8.21 of this Agreement provides a mechanism for determining an alternative rate of interest in the event that the London interbank offered rate is no longer available or in certain other circumstances. The Administrative Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "Eurodollar Rate" or with respect to any alternative or successor rate thereto, or replacement rate therefor.~~

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[Reserved.]

SECTION 8.21 Successor Eurodollar Rate Index Benchmark Replacement Setting.

(a) **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Loan Document, ~~if upon the Administrative Agent determines that occurrence of a Benchmark Transition Event or an Early Opt-in Event has occurred,~~ the Administrative Agent and the Borrower may amend this Agreement to replace the ~~Eurodollar Rate~~ then-current Benchmark with a Benchmark Replacement; ~~and any.~~ Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. ~~New York City time~~ on the fifth (5th) Business Day after the Administrative Agent has ~~provided~~ posted such proposed amendment to all ~~affected~~ Lenders; ~~and the~~

Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. ~~Until the No replacement of a Benchmark with a Benchmark Replacement is effective, each making, conversion and renewal of an Advance under the Eurodollar Rate option will continue to bear interest with reference to the Eurodollar Rate; provided however, during a Benchmark Unavailability Period (i) any pending selection of, conversion to or renewal of an Advance bearing interest under the Eurodollar Rate option that has not yet gone into effect shall be deemed to be a selection of, conversion to or renewal of the Base Rate option with respect to such Advance, (ii) all outstanding Advances bearing interest under the Eurodollar Rate option shall automatically be converted to the Base Rate option at the expiration of the existing Interest Period (or sooner, if Administrative Agent cannot continue to lawfully maintain such affected Advance under the Eurodollar Rate option) and (iii) the component of the Base Rate based upon the Eurodollar Rate will not be used in any determination of the Base Rate pursuant to this Section 8.21(a) will occur prior to the applicable Benchmark Transition Start Date.~~

(b) ~~**Benchmark Replacement**~~ Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make ~~Benchmark Replacement~~ Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such ~~Benchmark Replacement~~ Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement; and (ii) the effectiveness of any ~~Benchmark Replacement~~ Conforming Changes and (iii) the commencement in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark Unavailability Period pursuant to Section 8.21(d). Any determination, decision or election that may be made by the Administrative Agent ~~or the, if applicable, any Lender (or group of Lenders)~~ pursuant to this Section 8.21(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party ~~hereto to this Agreement or any other Loan Document~~, except, in each case, as expressly required pursuant to this Section 8.21(c).

~~(d) — **Certain Defined Terms**. As used in this Section 8.21:~~

~~“**Benchmark Replacement**” means the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the Eurodollar Rate for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.~~

~~“**Benchmark Replacement Adjustment**” means, with respect to any replacement of the Eurodollar Rate with an alternate benchmark rate for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower (a) giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Eurodollar Rate with the applicable Benchmark Replacement (excluding such spread adjustment) by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for such replacement of the Eurodollar Rate for U.S. dollar-denominated syndicated credit facilities at such time and (b) which may also reflect adjustments to account for (i) the effects of the transition from the Eurodollar Rate to the Benchmark Replacement and (ii) yield or risk-based differences between the Eurodollar Rate and the Benchmark Replacement.~~

~~“**Benchmark Replacement Conforming Changes**” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).~~

~~“**Benchmark Replacement Date**” means the earlier to occur of the following events with respect to the Eurodollar Rate:~~

~~(1) — in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Eurodollar Rate permanently or indefinitely ceases to provide the Eurodollar Rate; or~~

~~(2) — in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.~~

~~“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the Eurodollar Rate:~~

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~~(1) — a public statement or publication of information by or on behalf of the administrator of the Eurodollar Rate announcing that such administrator has ceased or will cease to provide the Eurodollar Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Eurodollar Rate;~~

~~(2) — a public statement or publication of information by a Governmental Authority having jurisdiction over the Administrative Agent, the regulatory supervisor for the administrator of the Eurodollar Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the Eurodollar Rate, a resolution authority with jurisdiction over the administrator for the Eurodollar Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Eurodollar Rate, which states that the administrator of the~~

~~Eurodollar Rate has ceased or will cease to provide the Eurodollar Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Eurodollar Rate; or~~

~~(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Eurodollar Rate or a Governmental Authority having jurisdiction over the Administrative Agent announcing that the Eurodollar Rate is no longer representative.~~

~~“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Eurodollar Rate and solely to the extent that the Eurodollar Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the Eurodollar Rate for all purposes hereunder in accordance with Section 8.21 and (y) ending at the time that a Benchmark Replacement has replaced the Eurodollar Rate for all purposes hereunder pursuant to Section 8.21.~~

~~“Early Opt-in Event” means (i) a determination by the Administrative Agent or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in this Section 8.21, are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the Eurodollar Rate.~~

~~“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.~~

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of “Interest

Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(c) **Benchmark Unavailability Period.** Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Advances to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Advances and (B) any outstanding affected SOFR Advances will be deemed to have been converted to Base Rate Advances at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

SECTION 8.22 **Acknowledgment Regarding Any Supported QFCs.**

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for swap contracts or any other agreement or instrument that is a QFC (such support, “**QFC Credit Support**” and each such QFC a “**Supported QFC**”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**U.S. Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) If a Covered Entity that is party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. If a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section, the following terms have the following meanings:

“**BHC Act Affiliate**” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

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“**Covered Entity**” means any of the following:

(a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

accordance with 12 U.S.C. §§ 5390(c)(8)(D) and 5390(c)(8)(D).

“*QFC*” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[Remainder of page intentionally left blank.]

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IN WITNESS WHEREOF, each party hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

PUBLIC SERVICE COMPANY OF
OKLAHOMA, as the Borrower

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

| PUBLIC SERVICE COMPANY OF OKLAHOMA — CREDIT AGREEMENT
AmericasActive: [16835968.4](#) [16835968.6](#)

SUMITOMO MITSUI BANKING
CORPORATION, as Administrative Agent and as
Lender

By _____
Name:
Title:

Public Service Company of Oklahoma — CREDIT AGREEMENT
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WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Lender

By _____
Name:
Title:

| PUBLIC SERVICE COMPANY OF OKLAHOMA — CREDIT AGREEMENT
AmericasActive: [16835968](tel:16835968)-1 [16835968](tel:16835968).6

PNC BANK, NATIONAL ASSOCIATION, as
Lender

By _____
Name:
Title:

| PUBLIC SERVICE COMPANY OF OKLAHOMA — CREDIT AGREEMENT
AmericasActive: ~~16835968~~+16835968.6

KEYBANK NATIONAL ASSOCIATION, as
Lender

By _____
Name:
Title:

| PUBLIC SERVICE COMPANY OF OKLAHOMA — CREDIT AGREEMENT
AmericasActive: [16835968](tel:16835968)-1 [16835968](tel:16835968).6

CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK, as Lender

By _____
Name:
Title:

| PUBLIC SERVICE COMPANY OF OKLAHOMA — CREDIT AGREEMENT
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Schedule I

Schedule of Initial Lenders

Lender Name	Commitment
Sumitomo Mitsui Banking Corporation	\$100,000,000
Wells Fargo Bank, National Association	\$100,000,000
PNC Bank, National Association	\$100,000,000
KeyBank National Association	\$100,000,000
Credit Agricole Corporate and Investment Bank	\$100,000,000
Total	\$500,000,000

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Schedule 4.01(m)

Significant Subsidiaries

None.

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Exhibit B

Form of Notice of Borrowing

[See attached]

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**EXHIBIT A
(to Credit Agreement)**

FORM OF NOTICE OF BORROWING

Sumitomo Mitsui Banking Corporation, as Administrative Agent
for the Lenders party
to the Credit Agreement
referred to below

Attention: Bank Loan Syndications

[Date]

Ladies and Gentlemen:

The undersigned, Public Service Company of Oklahoma, refers to the Credit Agreement, dated as of January 19, 2021 (as amended or modified from time to time, the “*Credit Agreement*,” the terms defined therein being used herein as therein defined), among the undersigned, as the Borrower, certain Lenders party thereto and Sumitomo Mitsui Banking Corporation, as Administrative Agent, and hereby gives you notice, irrevocably, pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests the Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the “*Proposed Borrowing*”) as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, 20__.

(ii) The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances][~~Eurodollar Rate~~SOFR Advances].

(iii) The aggregate amount of the Proposed Borrowing is \$_____.

(iv) With respect to any ~~Eurodollar Rate~~SOFR Advances, the respective amount and initial Interest Period for each ~~Eurodollar Rate~~SOFR Advance is as follows:

<u>Loan Amount</u>	<u>Initial Interest Period¹</u>
_____	_____
_____	_____

¹ Interest Period to be one, ~~two, three or six month(s) or such other period of less than one month agreed to by all Lenders~~ month.



_____]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties of the Borrower contained in Section 4.01 (other than the representation and warranty in Section 4.01(e) and the representation and warranty set forth in the last sentence of Section 4.01(f)) of the Credit Agreement are true and correct in all material respects on and as of the date hereof, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on the date hereof; and

(B) no event has occurred and is continuing, or would result from the Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

PUBLIC SERVICE COMPANY OF OKLAHOMA

By _____
Name:
Title:

EXHIBIT A
PUBLIC SERVICE COMPANY OF OKLAHOMA – CREDIT AGREEMENT

Exhibit C
Form of Notice of Conversion

[See attached]

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EXHIBIT D
(to Credit Agreement)

FORM OF NOTICE OF CONVERSION

Sumitomo Mitsui Banking Corporation, as Administrative Agent
for the Lenders party
to the Credit Agreement
referred to below

Attention: Bank Loan Syndications

1. [Date]

Ladies and Gentlemen:

The undersigned, Public Service Company of Oklahoma, refers to the Credit Agreement, dated as of January 19, 2021 (as amended or modified from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders party thereto and Sumitomo Mitsui Banking Corporation, as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.09 of the Credit Agreement that the undersigned hereby requests a Conversion under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "**Proposed Conversion**") as required by Section 2.09 of the Credit Agreement:

(i) The Business Day of the Proposed Conversion is _____,
20__.

(ii) The aggregate amount of the Proposed Conversion is
\$ _____.

(iii) The Interest Period for each ~~Eurodollar Rate~~SOFR Advance made as part
of the Proposed Conversion is ~~one~~~~two~~~~three~~~~six~~ month~~s~~.

Very truly yours,

PUBLIC SERVICE COMPANY OF OKLAHOMA

By _____
Name:
Title:

Exhibit D

FORM OF OPINION OF COUNSEL FOR THE BORROWER

To each of the Lenders party to the First Amendment to Credit Agreement referred to below and to Sumitomo Mitsui Banking Corporation, as Administrative Agent thereunder

April 19, 2022

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 2.09(b)(ii) of the First Amendment to Credit

This opinion is furnished to you pursuant to Section 2(a)(iii) of the First Amendment to Credit Agreement, dated as of April 19, 2022 (the "First Amendment") PUBLIC SERVICE COMPANY OF OKLAHOMA, an Oklahoma corporation (the "Borrower"), the Lenders party thereto and Sumitomo Mitsui Banking Corporation, as Administrative Agent. Terms defined in the First Amendment and Credit Agreement are used herein as therein defined.

I am Associate General Counsel for American Electric Power Service Corporation, an affiliate of the Borrower, and have acted as counsel to the Borrower in connection with the preparation, execution and delivery of the First Amendment. I am generally familiar with the Borrower's corporate history, properties, operations and charter (including amendments, restatements and supplements thereto).

In connection with this opinion, I, or attorneys over whom I exercise supervision, have examined:

- (1) The Credit Agreement (the "Loan Document").
- (2) The First Amendment.
- (3) The documents furnished by the Borrower pursuant to Section 2 of the First Amendment.
- (4) The certificate of incorporation of the Borrower and all amendments thereto.
- (5) The by-laws of the Borrower and all amendments thereto.
- (6) A certificate of the Secretary of State of the State of Oklahoma, dated April 18, 2022, attesting to the continued existence and good standing of the Borrower in that State.

In addition, I, or attorneys over whom I exercise supervision, have examined the originals, or copies certified to my satisfaction, of such other corporate records of the Borrower, certificates of public officials and of officers of the Borrower, and agreements, instruments and other documents, as I have deemed necessary as a basis for the opinions expressed below.

In my examination, I, or attorneys over whom I exercise supervision, have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies. In making our examination of documents and instruments executed or to be executed by persons other than the Borrower, I, or attorneys over whom I exercise supervision, have assumed that each such other person had the requisite power and authority to enter into and perform fully its obligations thereunder, the due authorization by each such other person for the execution, delivery and performance thereof and the due execution and delivery thereof by or on behalf of such person of each such document and instrument. In the case of any such person that is not a natural person, I, or attorneys over whom I exercise supervision, have also assumed, insofar as it is relevant to the opinions set forth below, that each such other person is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was created and is duly qualified and in good standing in each other jurisdiction where the failure to be so qualified could reasonably be expected to have a material effect upon its ability to execute, deliver and/or perform its obligations under any such document or instrument. I, or attorneys over whom I exercise supervision, have further assumed that each document, instrument, agreement, record and certificate reviewed by us for purposes of rendering the opinions expressed below has not been amended by any oral agreement, conduct or course of dealing between the parties thereto.

As to questions of fact material to the opinions expressed herein, I have relied upon certificates and representations of officers of the Borrower (including but not limited to those contained in the First Amendment and certificates delivered upon the execution and delivery of the First Amendment) and of appropriate public officials, without independent verification of such matters except as otherwise described herein.

Whenever my opinions herein with respect to the existence or absence of facts are stated to be to my knowledge or awareness, it is intended to signify that no information has come to my attention or the attention of other counsel working under my direction in connection with the preparation of this opinion letter that would give me or them actual knowledge of the existence or absence of such facts. However, except to the extent expressly set forth herein, neither I nor they have undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to my or their knowledge of the existence or absence of such facts should be assumed.

I am a member of the Bar of the States of New York and Ohio and do not purport to be expert on the laws of any jurisdiction other than the laws of the States of New York and Ohio and the Federal laws of the United States and, for purposes of this opinion only, the State of Oklahoma. My opinions expressed below are limited to the law of the States of Oklahoma, New York and Ohio and the Federal law of the United States.

Based upon the foregoing and upon such investigation as I have deemed necessary, and subject to the limitations, qualifications and assumptions set forth herein, I am of the following opinion:

1. The Borrower (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of Oklahoma; (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property which it operates as lessee and to conduct the business in which it is currently engaged and in which it proposes to be engaged after the date hereof; (c) is duly

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qualified as a foreign corporation and is in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except any such jurisdiction where the failure to so qualify could not, in the aggregate, reasonably be expected to result in a Material Adverse Change; (d) owns or possesses all material licenses and permits necessary for the operation by it of its business as currently conducted; and (e) is in compliance with all Requirements of Law, except as disclosed in the Amendment Disclosure Documents referenced in Section 2(g) of the First Amendment or to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. The term "Requirements of Law" means the laws of the State of Oklahoma and the laws, rules and regulations of the United States of America (including, without limitation, ERISA and Environmental

United States of America (including, without limitation, ERISA and Environmental Laws) and orders of any governmental authority applicable to the Borrower.

2. The Borrower has the corporate power and authority, and the legal right, to execute and deliver the First Amendment and to perform its obligations under each First Amendment and the Loan Document, and to borrow under the Credit Agreement. The Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of the First Amendment and the Loan Document and the incurrence of Advances on the terms and conditions of the Credit Agreement, and the First Amendment and the Loan Document has been duly executed and delivered by the Borrower. The First Amendment and the Loan Document constitutes the valid and legally binding obligation of the Borrower enforceable against the Borrower in accordance with its terms
3. The execution, delivery and performance of the First Amendment and the Loan Document and the Advances made under the Credit Agreement will not violate any Requirements of Law, the Borrower's certificate of incorporation or by-laws, or any material contractual restriction binding on or affecting the Borrower or any of its properties.
4. No approval or authorization or other action by, and no notice to or filing with, any governmental agency or regulatory body or other third person is required in connection with the due execution and delivery of the First Amendment or the Loan Document and the performance, validity and enforceability of the First Amendment and the Loan Document except for the authorization of the Corporation Commission of Oklahoma, which authorization has been obtained and is in full force and effect on the date hereof.
5. Except as described in Section 4.01(e) of the Credit Agreement, no action, suit, investigation, litigation, or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any court, government agency or arbitrator is pending or, to my knowledge, threatened, that is reasonably likely to have a Material Adverse Effect.

6. Neither the Borrower nor any of its Significant Subsidiaries is an “investment company”, or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended (the “1940 Act”). Neither the making of any Advances, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated by the Credit Agreement will violate any provision of the 1940 Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

The opinion set forth above in the last sentence of paragraph 2 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor’s rights generally and to general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law.)

I express no opinion as to (i) Section 8.05 of the Credit Agreement; (ii) the effect of the law of any jurisdiction (other than the State of Oklahoma) wherein any Lender may be located which limits the rates of interest which may be charged or collected by such Lender; and (iii) whether a federal or state court outside of the States of Oklahoma and New York would give effect to the choice of New York law provided for in the Credit Agreement.

This opinion letter has been rendered solely for your benefit in connection with the First Amendment and the transactions contemplated thereby and may not be used, circulated, quoted, relied upon or otherwise referred to by any other person (other than your respective counsel, auditors and any regulatory agency having jurisdiction over you or as otherwise required pursuant to legal process or other requirements of law) for any other purpose without my prior written consent; *provided* that, any person that becomes a Lender after the date hereof may rely on the opinions expressed in this opinion letter as though addressed to such person. I undertake no responsibility to update or supplement this opinion in response to changes in law or future events or circumstances.

Very truly yours,

David C. House

Counsel for American Electric Power Company, Inc.

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-Q of American Electric Power Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-Q of AEP Transmission Company, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-Q of AEP Texas Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-Q of Appalachian Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-Q of Indiana Michigan Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-Q of Ohio Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-Q of Public Service Company of Oklahoma;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-Q of Southwestern Electric Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, certify that:

1. I have reviewed this report on Form 10-Q of American Electric Power Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, certify that:

1. I have reviewed this report on Form 10-Q of AEP Transmission Company, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, certify that:

1. I have reviewed this report on Form 10-Q of AEP Texas Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, certify that:

1. I have reviewed this report on Form 10-Q of Appalachian Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, certify that:

1. I have reviewed this report on Form 10-Q of Indiana Michigan Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, certify that:

1. I have reviewed this report on Form 10-Q of Ohio Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, certify that:

1. I have reviewed this report on Form 10-Q of Public Service Company of Oklahoma;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, certify that:

1. I have reviewed this report on Form 10-Q of Southwestern Electric Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

By: /s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of American Electric Power Company, Inc. (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to American Electric Power Company, Inc. and will be retained by American Electric Power Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of AEP Transmission Company, LLC (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to AEP Transmission Company, LLC and will be retained by AEP Transmission Company, LLC and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of AEP Texas Inc. (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to AEP Texas Inc. and will be retained by AEP Texas Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Appalachian Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to Appalachian Power Company and will be retained by Appalachian Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Indiana Michigan Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to Indiana Michigan Power Company and will be retained by Indiana Michigan Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Ohio Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to Ohio Power Company and will be retained by Ohio Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Public Service Company of Oklahoma (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to Public Service Company of Oklahoma and will be retained by Public Service Company of Oklahoma and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Southwestern Electric Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to Southwestern Electric Power Company and will be retained by Southwestern Electric Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of American Electric Power Company, Inc. (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to American Electric Power Company, Inc. and will be retained by American Electric Power Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of AEP Transmission Company, LLC (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to AEP Transmission Company, LLC and will be retained by AEP Transmission Company, LLC and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of AEP Texas Inc. (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to AEP Texas Inc. and will be retained by AEP Texas Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Appalachian Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to Appalachian Power Company and will be retained by Appalachian Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Indiana Michigan Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to Indiana Michigan Power Company and will be retained by Indiana Michigan Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Ohio Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to Ohio Power Company and will be retained by Ohio Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Public Service Company of Oklahoma (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to Public Service Company of Oklahoma and will be retained by Public Service Company of Oklahoma and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Southwestern Electric Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat
Julia A. Sloat
Chief Financial Officer

April 28, 2022

A signed original of this written statement required by Section 906 has been provided to Southwestern Electric Power Company and will be retained by Southwestern Electric Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

MINE SAFETY INFORMATION

The Federal Mine Safety and Health Act of 1977 (Mine Act) imposes stringent health and safety standards on various mining operations. The Mine Act and its related regulations affect numerous aspects of mining operations, including training of mine personnel, mining procedures, equipment used in mine emergency procedures, mine plans and other matters. SWEPCo, through its ownership of Dolet Hills Lignite Company (DHLC), a wholly-owned lignite mining subsidiary of SWEPCo, is subject to the provisions of the Mine Act.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) requires companies that operate mines to include in their periodic reports filed with the SEC, certain mine safety information covered by the Mine Act. DHLC received the following notices of violation and proposed assessments under the Mine Act for the quarter ended March 31, 2022:

Number of Citations for S&S Violations of Mandatory Health or Safety Standards under 104 *	—
Number of Orders Issued under 104(b) *	—
Number of Citations and Orders for Unwarrantable Failure to Comply with Mandatory Health or Safety Standards under 104(d) *	—
Number of Flagrant Violations under 110(b)(2) *	—
Number of Imminent Danger Orders Issued under 107(a) *	—
Total Dollar Value of Proposed Assessments **	\$ —
Number of Mining-related Fatalities	—

* References to sections under the Mine Act.

** DHLC received 2 non-S&S citations during the first quarter of 2022. Proposed assessments were not received in this quarter.

There are currently no legal actions pending before the Federal Mine Safety and Health Review Commission.