

Marketing Number #2017-1031

THIRD AMENDMENT TO
MASTER POWER PURCHASE AND SALE AGREEMENT
PARTIAL REQUIREMENTS CONFIRMATION LETTER

This THIRD AMENDMENT ("Third Amendment"), is dated as of March__, 2018 ("Effective Date") and is by and between AEP Energy Partners, Inc. ("Company"), and the City of Columbus, Ohio ("Customer") (each individually a "Party," or collectively, the "Parties").

RECITALS

WHEREAS, the Parties entered into a Partial Requirements Confirmation Letter dated November 30, 2012, as amended by that First Amendment dated December 18, 2013, and that Second Amendment dated December 17, 2014 (collectively, the "Agreement"); and

WHEREAS, the Parties desire to amend the Agreement as set forth herein; and

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained in the Agreement, including this Third Amendment thereto, the Parties hereby agree as follows:

1. Section 6(a) Energy Payment. Section 6(a) (excluding the table in this section) is amended and restated in its entirety and replaced with the following: "Customer shall pay Company an Energy Payment equal to the product of the Energy delivered, or caused to be delivered by Company hereunder using actual metered data from the Delivery Points, as adjusted by PJM, and the Energy Charge. The Energy Charge, based on Customer's load settling at the existing PJM settlement point AEP Zonal PNode 8445784 ("AEP Zone"), shall be as specified in the chart below for all Energy delivered under this Confirmation, except for Partial Requirements Electric Service in excess of Normal Load Growth as set forth in Section 3(b) of this Confirmation. To the extent the PJM energy settlement area definition for Customer's load changes to something other than the AEP Zone, Company shall credit or debit Customer, as applicable, for the difference in the Day-Ahead LMPs between the AEP Zone and the new PJM energy settlement area definition for Customer's load. With respect to the foregoing, the Parties will equally split the loss volume (measured in megawatt-hours) that is derived from the application of the AEP transmission losses and PJM deration factors to Customer's Retail Load data as measured at the Delivery Points (*e.g.*, Customer's Retail Load data x 1.0341 x (1-AEPOPT Deration Factor)). AEP transmission losses could change from the current value of 1.0341, and the Parties will equally split any increases or decreases in this value."

2. Section 6(b) PJM Pass-Through Service Charges. With regard to the Section 6 (b) PJM Pass-Through Service Charges, the Parties desire to memorialize the following agreements:

a. Excess Commitment Credits: The Parties agree, upon notice to Customer and Customer's written consent, that Company is permitted to sell on Customer's behalf any PJM Excess Commitment Credits that are allocated for Customer's load by PJM. Customer approval may be provided to Company via email transmission from the Customer's Division of Power Administrator. If Company enters into transactions to sell such PJM Excess Commitment Credits, then 100% of the net proceeds of such transaction will be credited to Customer's invoice from Company, upon Company's receipt of such revenue.

b. Balancing Congestion: The Parties acknowledge that the Federal Energy Regulatory Commission issued an Order on January 31, 2017, in Docket Nos. EL16-6-002, EL16-6-003 and ER16-121-001 regarding allocation of Auction Revenue Rights, Financial Transmission Rights, and Balancing Congestion Charges. The Parties further acknowledge that PJM has added a Balancing Transmission Congestion Credit to its billing line items to implement the Commission Order. The Parties agree that costs and credits associated with the Balancing Transmission Congestion Credit billing line item shall be shared between the Company and the Customer on the basis set forth herein:

i. Beginning with the Company's invoice to the Customer for Energy delivered in August 2017 and billed in September 2017:

1. Company shall be allocated 2/3 of the amount billed monthly by PJM associated with the Balancing Transmission Congestion Credit (which may be a charge or a credit) to the Company for the Customer's load, subject to a cap on the Company's cost responsibility of \$440,000 ("BTCC Cap").

2. The Customer shall be allocated 1/3 of the amount (which may be a charge or a credit) associated with the Balancing Transmission Congestion Credit billed monthly by PJM for the Customer's load and all such Balancing Transmission Congestion Credit charges (not credits) in amounts in excess of the BTCC Cap.

3. The allocation of credits (not charges) associated with Monthly Balancing Transmission Congestion Credits for the Customer's load is not altered by whether the cap on the Company's cost responsibility for Balancing Congestion Credit charges has been reached and, as such, and all such credits will be allocated 1/3 to the Customer.

If at any time the BTCC Cap is reached but subsequent months result in Transmission Congestion Credits being allocated to the Company that reduce the

Company's cost responsibility below the BTTC Cap, the aforementioned cost sharing shall resume until the BTCC Cap is reached again.

ii. All 60-day PJM reconciliations and adjustments (set forth at line item 2415) for the Balancing Transmission Congestion Credit (set forth in line item 2215) shall follow the cost sharing set forth in section 2(b)(i) above.

iii. To the extent any credit is afforded to load on the allocation of Day-Ahead Surplus Congestion and FTR Auction Revenue Surplus, such credit shall be shared with the Company receiving 2/3 of the benefits and the Customer receiving 1/3 of the benefits. Notwithstanding the foregoing, such Customer credit shall not exceed the amount for which Customer is responsible during the effective Planning Year pursuant to section 2(b)(i) above, and Company will retain such excess amounts. Any such credit (or a change in the methodology of such credit) shall not be used to reduce the BTCC Cap. This provision shall extend beyond the Term if necessary to afford the Customer any such credit afforded for load served during the Term.

iv. To the extent that the Customer has remitted payment beyond the sharing contemplated by section 2(b)(i) above, the Company shall refund to the Customer such amounts without interest through a credit on the Company's monthly invoice. The waiver of the application of interest in this subsection shall only apply in this specific instance and for the specific purpose for which given and shall not operate as a waiver of the application of Section 6.3 of the Master Agreement related to other matters.

3. Attachment C. Attachment C, Responsibility for PJM Charges and Credits of the Agreement is deleted and replaced with the updated **Attachment C, Responsibility for PJM Charges and Credits** which is attached hereto.

[Signature Page Follows]

Except as set forth above, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Third Amendment on their behalf as of the date first above written.

AEP Energy Partners, Inc.

City of Columbus, Ohio

By: _____

Name: Greg B. Hall

Title: President

By: _____

Name: Tracie Davies

Title: Director, Department of Public
Utilities

Approved as to form:

Zach Klein

Columbus City Attorney

Attachment C

Responsibility for PJM Charges and Credits

PJM Ancillaries*						
ID #	CHARGES	Customer	Company	ID #	CREDITS	Customer Company
1000	Amount Due for Interest on Past Due Charges		x			
1100	Network Integration Transmission Service	x		2100	Network Integration Transmission Service	x
1101	Network Integration Transmission Service (ATSI Low Voltage)	x		2101	Network Integration Transmission Service (ATSI Low Voltage)	x
1104	Network Integration Transmission Service Offset	x		2104	Network Integration Transmission Service Offset	x
				2106	Non-Zone Network Integration Transmission Service	x
1108	Transmission Enhancement	x		2108	Transmission Enhancement	x
1109	MTEP Project Cost Recovery	x		2109	MTEP Project Cost Recovery	x
1110	Direct Assignment Facilities	x		2110	Direct Assignment Facilities	x
1115	Transmission Enhancement Settlement	x				
1120	Other Supporting Facilities	x		2120	Other Supporting Facilities	x
1130	Firm Point-to-Point Transmission Service	x		2130	Firm Point-to-Point Transmission Service	x
				2132	Internal Firm Point-to-Point Transmission Service	x
1133	Firm Point-to-Point Transmission Service Resale	x		2133	Firm Point-to-Point Transmission Service Resale	x
1135	Neptune Voluntary Released Transmission Service (Firm)	x		2135	Neptune Voluntary Released Transmission Service (Firm)	x
1138	Linden Voluntary Released Transmission Service (Firm)	x		2138	Linden Voluntary Released Transmission Service (Firm)	x
1140	Non-Firm Point-to-Point Transmission Service	x		2140	Non-Firm Point-to-Point Transmission Service	x
				2142	Internal Non-Firm Point-to-Point Transmission Service	x
1143	Non-Firm Point-to-Point Transmission Service Resale	x		2143	Non-Firm Point-to-Point Transmission Service Resale	x
1145	Neptune Voluntary Released Transmission Service (Non-Firm)	x		2145	Neptune Voluntary Released Transmission Service (Non-Firm)	x
1146	Neptune Default Released Transmission Service (Non-Firm)	x		2146	Neptune Default Released Transmission Service (Non-Firm)	x
1147	Neptune Unscheduled Usage Billing Allocation	x				
1155	Linden Voluntary Released Transmission Service (Non-Firm)	x		2155	Linden Voluntary Released Transmission Service (Non-Firm)	x
1156	Linden Default Released Transmission Service (Non-Firm)	x		2156	Linden Default Released Transmission Service (Non-Firm)	x
1157	Linden Unscheduled Usage Billing Allocation	x				
1200	Day-ahead Spot Market Energy		x			
1205	Balancing Spot Market Energy		x			
1210	Day-ahead Transmission Congestion		x	2210	Transmission Congestion	x
				2211	Day Ahead Congestion	x
1215	Balancing Transmission Congestion		x	2215	Balancing Transmission Congestion Credit	x x
				2217	Planning Period Excess Congestion	x x
1218	Planning Period Congestion Uplift		x	2218	Planning Period Congestion Uplift	x x
1220	Day-ahead Transmission Losses		x	2220	Transmission Losses***	x x
1225	Balancing Transmission Losses		x			
1230	Inadvertent Interchange	x				
1240	Day-ahead Economic Load Response	x		2240	Day-ahead Economic Load Response	x
1241	Real-time Economic Load Response	x		2241	Real-time Economic Load Response	x
1242	Day-Ahead Load Response Charge Allocation	x				
1243	Real-Time Load Response Charge Allocation	x				
1245	Emergency Load Response	x		2245	Emergency Load Response	x
1250	Meter Error Correction	x				
1260	Emergency Energy	x		2260	Emergency Energy	x
1301	PJM Scheduling, System Control and Dispatch Service - Control Area Administration	x				
1302	PJM Scheduling, System Control and Dispatch Service - FTR Administration	x				
1303	PJM Scheduling, System Control and Dispatch Service - Market Support	x				
1304	PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration	x				
1305	PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.	x				
1306	PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center	x				
1307	PJM Scheduling, System Control and Dispatch Service - Market Support Offset	x				
1308	PJM Scheduling, System Control and Dispatch Service Refund - Control Area Administration	x				
1309	PJM Scheduling, System Control and Dispatch Service Refund - FTR Administration	x				
1310	PJM Scheduling, System Control and Dispatch Service Refund - Market Support	x				
1311	PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration	x				
1312	PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.	x				
1313	PJM Settlement, Inc.	x				
1314	Market Monitoring Unit (MMU) Funding	x				
1315	FERC Annual Charge Recovery	x				
1316	Organization of PJM States, Inc. (OPSI) Funding	x				
1317	North American Electric Reliability Corporation (NERC)	x				
1318	Reliability First Corporation (RFC)	x				
1320	Transmission Owner Scheduling, System Control and Dispatch Service	x		2320	Transmission Owner Scheduling, System Control and Dispatch Service	x
1330	Reactive Supply and Voltage Control from Generation and Other Sources Service	x		2330	Reactive Supply and Voltage Control from Generation and Other Sources Service	x
1340	Regulation and Frequency Response Service	x		2340	Regulation and Frequency Response Service	x
1350	Energy Imbalance Service	x		2350	Energy Imbalance Service	x
1360	Synchronized Reserve	x		2360	Synchronized Reserve	x
1362	Non-Synchronized Reserve	x		2362	Non-Synchronized Reserve	x
1365	Day-ahead Scheduling Reserve	x		2365	Day-ahead Scheduling Reserve	x
1370	Day-ahead Operating Reserve	x		2370	Day-ahead Operating Reserve	x
1371	Day-ahead Operating Reserve for Load Response	x		2371	Day-ahead Operating Reserve for Load Response	x
1375	Balancing Operating Reserve	x		2375	Balancing Operating Reserve	x
1376	Balancing Operating Reserve for Load Response	x		2376	Balancing Operating Reserve for Load Response	x
1377	Synchronous Condensing	x		2377	Synchronous Condensing	x
1378	Reactive Services	x		2378	Reactive Services	x
1380	Black Start Service	x		2380	Black Start Service	x

*All Pass-Through charges include all Charges, Credits, Reconciliations and Adjustments.

**Company is responsible for its PJM Membership Fee. Customer is responsible for any PJM Membership Fee to the extent required by PJM.

***For that portion of the Delivery Period through November 30, 2019 with respect to ID#2220 and 2420, Company shall receive any payments paid to Customer. Customer shall retain any payments for that portion of the Delivery Period on and after December 1, 2019 with respect to ID#2220 and 2420.

Attachment C

Responsibility for PJM Charges and Credits (continued)

PJM Ancillaries*						
ID #	CHARGES	Customer	Company	ID #	CREDITS	Customer Company
1400	Load Reconciliation for Spot Market Energy		x			
1410	Load Reconciliation for Transmission Congestion		x	2415	Balancing Transmission Congestion Load Reconciliation	x x
1420	Load Reconciliation for Transmission Losses		x	2420	Load Reconciliation for Transmission Losses***	x x
1430	Load Reconciliation for Inadvertent Interchange	x				
1440	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service	x				
1441	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund	x				
1442	Load Reconciliation for Schedule 9-6 - Advanced Second Control Center	x				
1444	Load Reconciliation for Market Monitoring Unit (MMU) Funding	x				
1445	Load Reconciliation for FERC Annual Charge Recovery	x				
1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding	x				
1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)	x				
1448	Load Reconciliation for Reliability First Corporation (RFC)	x				
1450	Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service	x				
1460	Load Reconciliation for Regulation and Frequency Response Service	x				
1470	Load Reconciliation for Synchronized Reserve	x				
1472	Load Reconciliation for Non-Synchronized Reserve	x				
1475	Load Reconciliation for Day-ahead Scheduling Reserve	x				
1478	Load Reconciliation for Balancing Operating Reserve	x				
1480	Load Reconciliation for Synchronous Condensing	x				
1490	Load Reconciliation for Reactive Services	x				
1500	Financial Transmission Rights Auction		x	2500	Financial Transmission Rights Auction	x
				2510	Auction Revenue Rights	x
1600	RPM Auction	x		2600	RPM Auction	x
1610	Locational Reliability	x				
1611	CP Transitional Locational Reliability	x				
				2620	Interruptible Load for Reliability	x
				2630	Capacity Transfer Rights	x
				2640	Incremental Capacity Transfer Rights	x
1650	Auction Specific MW Capacity Transaction	x		2650	Auction Specific MW Capacity Transaction	x
1660	Demand Resource and ILR Compliance Penalty	x		2660	Demand Resource and ILR Compliance Penalty	x
1661	Capacity Resource Deficiency	x		2661	Capacity Resource Deficiency	x
1662	Generation Resource Rating Test Failure	x		2662	Generation Resource Rating Test Failure	x
1663	Qualifying Transmission Upgrade Compliance Penalty	x		2663	Qualifying Transmission Upgrade Compliance Penalty	x
1664	Peak Season Maintenance Compliance Penalty	x		2664	Peak Season Maintenance Compliance Penalty	x
1665	Peak-Hour Period Availability	x		2665	Peak-Hour Period Availability	x
1666	Load Management Test Failure	x		2666	Load Management Test Failure	x
1670	FRR LSE Reliability	x		2670	FRR LSE Reliability	x
1680	FRR LSE Demand Resource and ILR Compliance Penalty	x		2680	FRR LSE Demand Resource and ILR Compliance Penalty	x
1681	FRR LSE Capacity Resource Deficiency	x		2681	FRR LSE Capacity Resource Deficiency	x
1682	FRR LSE Generation Resource Rating Test Failure	x		2682	FRR LSE Generation Resource Rating Test Failure	x
1683	FRR LSE Qualifying Transmission Upgrade Compliance Penalty	x		2683	FRR LSE Qualifying Transmission Upgrade Compliance Penalty	x
1684	FRR LSE Peak Season Maintenance Compliance Penalty	x		2684	FRR LSE Peak Season Maintenance Compliance Penalty	x
1685	FRR LSE Peak-Hour Period Availability	x		2685	FRR LSE Peak-Hour Period Availability	x
1686	FRR LSE Load Management Test Failure	x		2686	FRR LSE Load Management Test Failure	x
1687	FRR LSE Schedule 9-5	x		2687	FRR LSE Schedule 9-5	x
1688	FRR LSE Schedule 9-6	x		2688	FRR LSE Schedule 9-6	x
1710	PJM/MISO Seams Elimination Cost Assignment	x		2710	PJM/MISO Seams Elimination Cost Assignment	x
1712	Intra-PJM Seams Elimination Cost Assignment	x		2712	Intra-PJM Seams Elimination Cost Assignment	x
1720	RTO Start-up Cost Recovery	x		2720	RTO Start-up Cost Recovery	x
1730	Expansion Cost Recovery	x		2730	Expansion Cost Recovery	x
1900	Unscheduled Transmission Service	x				
1910	Rampup Phase Angle Regulators	x		2910	Rampup Phase Angle Regulators	x
1911	Michigan - Ontario Interface Phase Angle Regulators	x				
1920	Station Power	x				
1930	Generation Deactivation	x		2930	Generation Deactivation	x
1932	Generation Deactivation Refund	x		2932	Generation Deactivation Refund	x
1950	Virginia Retail Administrative Fee	x		2950	Virginia Retail Administrative Fee	x
1952	PPL Deferred Tax Amount	x		2952	PPL Deferred Tax Amount	x
1955	Deferral Recovery	x		2955	Deferral Recovery	x
1980	Miscellaneous Bilateral	x		2980	Miscellaneous Bilateral	x
1995	PJM Annual Membership Fee	x	x			
				2996	Annual PJM Cell Tower	x
				2997	Annual PJM Building Rent	x
1999	PJM Customer Payment Default	x				

* All Pass-Through charges include all Charges, Credits, Reconciliations and Adjustments.

** Company is responsible for its PJM Membership Fee. Customer is responsible for any PJM Membership Fee to the extent required by PJM.

*** For that portion of the Delivery Period through November 30, 2019 with respect to ID#2220 and 2420, Company shall receive any payments paid to Customer. Customer shall retain any payments for that portion of the Delivery Period on and after December 1, 2019 with respect to ID#2220 and 2420.