

**OVEC may require additional liquidity and other capital support. (Applies to AEP, APCo, I&M and OPCo)**

AEP and several nonaffiliated utility companies, including Energy Harbor (formerly FirstEnergy Solutions), a nonaffiliated party, own OVEC. The Inter-Company Power Agreement (ICPA) defines the rights and obligations and sets the power participation ratio of the parties to it. Under the ICPA, parties are entitled to receive and are obligated to pay for all OVEC capacity (approximately 2,400 MWs) in proportion to their respective power participation ratios. The aggregate power participation ratio of APCo, I&M and OPCo is 43.47%. If a party fails to make payments owed by it under the ICPA, OVEC may not have sufficient funds to honor its payment obligations, including its ongoing operating expenses as well as its indebtedness. As of December 31, 2020, OVEC has outstanding indebtedness of approximately \$1.3 billion, of which APCo, I&M, and OPCo are collectively responsible for \$555 million through the ICPA. Although they are not an obligor or guarantor, APCo, I&M, and OPCo are responsible for their respective ratio of OVEC's outstanding debt through the ICPA.

The aggregate power participation ratio of Energy Harbor under the ICPA is 4.85%. A portion of Energy Harbor's revenues includes amounts authorized under HB 6. The PUCO has rescinded its prior authorization of certain HB 6 related recovery for eligible entities including Energy Harbor. If these amounts are not collected or if HB 6 is repealed and not replaced, Energy Harbor's financial ability to participate in the ICPA could be adversely impacted. Management is currently unable to predict the outcome of the issues related to HB 6 and will continue to monitor the regulatory and legislative process and any potential impact to OVEC's cash flows or financial condition. If OVEC does not have sufficient funds to honor its payment obligations, there is risk that APCo, I&M and/or OPCo may need to make payments in addition to their power participation ratio payments. Further, if OVEC's indebtedness is accelerated for any reason, there is risk that APCo, I&M and/or OPCo may be required to pay some or all of such accelerated indebtedness in amounts equal to their aggregate power participation ratio of 43.47%.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

**ITEM 2. PROPERTIES**

**GENERATION FACILITIES**

As of December 31, 2020, the AEP System owned (or leased where indicated) generation plants, with locations and net maximum power capabilities (winter rating), are shown in the following tables:

**Vertically Integrated Utilities Segment**

**AEGCo**

Plant Name	Units	State	Fuel Type	Net Maximum Capacity (MWs)	Year Plant or First Unit Commissioned
Rockport, Units 1 and 2 - 50% of each (a)	2	IN	Steam - Coal	1,310	1984

(a) Rockport Plant, Unit 2 is leased.