REVENUE DISTRIBUTION AGREEMENT

THIS REVENUE DISTRIBUTION AGREEMENT, dated this 3rd day of May, 2019 ("Agreement"), is entered into by and between AEP Indiana Michigan Transmission Company, Inc. (“IMTCo”) and Duke Energy Indiana, LLC (“Duke Indiana” or “DEI”). IMTCo and Duke Indiana shall sometimes be referred to herein as "Party" and collectively as "Parties."

The Parties hereby agree as follows:

1. **Designated Transmission Owner**. Consistent with Appendix C Section III (A)(8) of the “Agreement of Transmission Facilities Owners to Organize the Midcontinent Independent System Operator, Inc.” (“MISO TOA”), Duke Indiana shall serve as the designated transmission owner to receive the revenues allocated to the Duke Indiana transmission pricing zone.

2. **IMTCo Component.** For each period, the Parties agree that payment shall be made to IMTCo for its ownership of transmission facilities within the Duke Indiana transmission pricing zone (the “IMTCo Component”). The revenue is associated with charges under Schedules 7, 8 and 9 of the MISO Open Access Transmission, Energy and Operating Reserve Market Tariff (“Tariff”). The IMTCo Component shall not include any amounts that MISO has distributed or will distribute directly to IMTCo, and shall be net of any related charges or related pass-through amounts as calculated and invoiced by MISO. Duke Indiana shall have no responsibility to ensure that MISO correctly makes any of its calculations. The IMTCo Component is shown in Attachment “A” hereto.

3. **Revenue Distribution**. Effective June 1, 2019, Duke Indiana shall distribute to IMTCo the IMTCo Component on a frequency consistent with Duke Indiana’s receipt of revenues from MISO.

(a) In the event that MISO levies a penalty on a Transmission Customer, as defined by the MISO Tariff, those revenues shall not be subject to this Agreement.

(b) Duke Indiana will distribute IMTCo Component within ten (10) business days after receipt by Duke Indiana. Such distribution shall be made by electronic transfer unless directed otherwise by IMTCo by advance written notice delivered to Duke Indiana in accordance with Section 12 of this Agreement.

(c) If Duke Indiana distributes revenues to IMTCo and it is thereafter determined that such revenues were collected, received, or distributed in error, then Duke Indiana shall promptly notify IMTCo of the error. Absent agreement between Duke Indiana and IMTCo to correct such error in another manner within fifteen (15) days of Duke Indiana’s notice to IMTCo of such error, Duke Indiana shall be entitled to deduct or add, as the case may be, such amount from distributions otherwise due to be paid over to IMTCo pursuant to Section 2, above, to correct the error. In the event that there is insufficient revenue distribution due or to become due to IMTCo in order to correct any overpayment(s) to IMTCo, IMTCo shall pay to Duke Indiana any such overpayment(s) within fifteen (15) days of Duke Indiana's notice to IMTCo of such error. Whenever it issues notice of any such error, Duke Indiana shall contemporaneously provide to IMTCo documentation to explain the error, and shall likewise provide documentation to support any deduction or addition made to future distributions to correct such error.

(d) If Duke Indiana distributes revenues to IMTCo and MISO later informs Duke Indiana that such revenues were collected, received, or distributed in error or that refunds of such amounts are due, then Duke Indiana shall promptly notify IMTCo of the error. Absent agreement between Duke Indiana and IMTCo to correct such error in another manner within fifteen (15) days of Duke Indiana's notice to IMTCo of such error, Duke Indiana shall be entitled to deduct or add, as the case may be, such amount from distributions otherwise due to be paid over to IMTCo pursuant to Section 2, above, to make the required correction or refund payments to MISO. In the event that there is insufficient revenue distribution due or to become due to IMTCo in order to correct any overpayment(s) to IMTCo, IMTCo shall pay to Duke Indiana any such overpayment(s) within fifteen (15) days of Duke Indiana's notice to IMTCo of such error. Whenever it issues notice of any such error, Duke Indiana shall contemporaneously provide to IMTCo documentation to explain the error or basis for the refund, and shall likewise provide documentation to support any deduction made from future distributions to correct such error. Such documentation shall include a copy of the relevant correspondence between Duke Indiana and MISO.

4. **Coordination with MISO**. The Parties agree to coordinate and cooperate with MISO as necessary to implement this Agreement.

5. **Term and Termination**. This Agreement shall remain in effect from June 1, 2019 until the earlier of: (a) the date either Duke Indiana or IMTCo withdraws from MISO; (b) a date upon which the Parties mutually agree; or (c) the date MISO structure or process changes so that MISO no longer distributes revenue to Duke Indiana that is to be further distributed to IMTCo; provided, however, that Duke Indiana's obligations to distribute the IMTCo Component received by Duke Indiana from MISO shall survive termination of this Agreement until such time as Duke Indiana has made full and complete distributions to IMTCo under this Agreement, or for so long as Duke Indiana continues to receive from MISO revenues to be distributed to IMTCo.

6. **Support of Agreement**. In the event that FERC requires any modification of this Agreement, or conditions its approval of this Agreement in a manner not acceptable to the Party to which the condition applies, the Parties to this Agreement shall exercise best efforts to modify this Agreement in a mutually agreeable manner, recognizing that IMTCo shall be entitled to receive its revenues collected by MISO and distributed to Duke Indiana for remittance to IMTCo, if and as received by Duke Indiana.

7. **Indemnity/Liability.** Each Party is responsible for its own rate that comprises a portion of the Duke Indiana pricing zone, for defending claims against that rate or the Party's rate calculation or revenue requirement, and for paying any refunds of revenue collected as a result of its rate that comprises a portion of the Duke Indiana pricing zone.

(a) Duke Indiana shall have no duty to defend any third party (i) challenge to IMTCo's right to receive revenues from MISO through Duke Indiana as contemplated under this Agreement; (ii) claim for a refund of such revenues; (iii) claim of set off or any other defense to, or argument for, the non-payment of IMTCo's revenues received or to be received under this Agreement. Duke Indiana shall have no liability to IMTCo for revenues not received from MISO or revenues required to be refunded to MISO or to a customer of MISO, except to the extent based on a failure of Duke Indiana to perform its obligations under this Agreement. To the extent permitted by law, IMTCo shall defend and hold Duke Indiana harmless from third party claims against Duke Indiana pertaining to the charging, collection or distribution of the IMTCo revenue component, except to the extent based on a failure of Duke Indiana to perform its obligations under this Agreement.

(b) This Agreement shall not affect either Party's liability for its share of, or exemption from, all charges, assessments, refunds or fees imposed by FERC or incurred under or pursuant to MISO Tariff or MISO TOA or other applicable Regional Transmission Organization ("RTO") tariff or agreement on file with the FERC, including, but not limited to, any charges arising under any applicable Schedules to MISO Tariff, and any other congestion costs, lost revenue charges, exit fees or other charges, assessments or fees under MISO Tariff, MISO TOA or any other applicable RTO tariff or agreement.

8. **Descriptive Headings.** The descriptive headings of the Sections and other provisions of this Agreement have been inserted for convenience of reference only and shall not define, modify, restrict, construe, or otherwise affect the construction or interpretation of any of the provisions of this Agreement.

9. **Governing Law.** This Agreement shall be interpreted, construed, and governed by the laws of the State of Indiana, except for matters subject to the exclusive jurisdiction of the FERC.

10. **Successors and Assigns.** This Agreement shall inure to the benefit of, and be binding upon, the Parties, their respective successors and assigns.

11. **No Joint Venture.** This Agreement is entered into solely to facilitate the distribution of revenue from MISO to IMTCo through Duke Indiana related to certain Designated Transmission Facilities. By entering into this Agreement and by performing their respective obligations hereunder, the Parties do not intend to establish, and this Agreement shall

not be interpreted or construed to establish, any partnership, joint venture or agency relationship of any kind or nature between Duke Indiana and IMTCo. By entering into this Agreement, Duke Indiana makes no representation regarding the propriety of the revenue distribution by MISO to IMTCo.

12. **Delivery of Notices.** Except as otherwise expressly provided herein, notices required under this Agreement shall be in writing and shall be sent to a Party by U.S. mail, overnight courier, hand delivery, fax, or other reliable electronic means. Any notice required under this Agreement shall be deemed to have been given either upon delivery, if by U.S. mail, overnight courier, or hand delivery, or upon confirmation, if given by fax or other reliable electronic means.

13. **Entire Agreement.** This Agreement constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement, and no previous or contemporary oral or written representations, agreements, or understandings made by any officer, agent, or employee of any Party shall be binding on any Party unless contained in this Agreement.

14. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

15. **Section 205 and 206 Rights.** Each Party shall retain all rights it may have pursuant to section 205 and 206 of the Federal Power Act, 16 U.S.C. §§824b and 824c. The standard of review for any changes to this Agreement that are agreed upon by the Parties shall be the "just and reasonable standard." The standard of review for any changes to this Agreement that are not agreed upon by the Parties shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp*. 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.,* 350 U.S. 348 (1956).

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

DUKE ENERGY INDIANA, LLC

By: ______________________________

Name J. Samuel Holeman, III

____

Title VP Transmission System Planning and Operations

____

Date 05/06/2019

AEP INDIANA MICHIGAN TRANSMISSION COMPANY, INC.

By: ______________________________

Name

SVP Transmission Ventures, Strategy & Policy

Title

5/7/19

Date

ATTACHMENT A

The IMTCo revenue requirement will be determined annually based on the Formula Rate Protocols in Attachment O of the MISO Tariff. IMTCo's resulting annual revenue requirement will be paid by MISO to DEI, which will, in turn, pay IMTCo through the IMTCo Component. The payment by MISO to DEI and the subsequent payment of the IMTCo Component to IMTCo will be based on the following formula:

$$\frac{\text{IMTCo Annual Revenue Requirement (per Attachment O, Page 1, Line 7)}}{X} = \text{IMTCo Component to be received by IMTCo from DEI}$$

Where "X" is the frequency per annum in which MISO pays DEI as a transmission owner.