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**Respond to:**  
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AMEP/Z-10720

October 27, 2021

**VIA EMAIL (tpuc.docketroom@tn.gov) & FEDEX**

Dr. Kenneth Hill, Chairman  
c/o Ectory Lawless, Dockets & Records Manager  
Tennessee Public Utility Commission  
502 Deaderick Street, 4th Floor  
Nashville, TN 37243

Electronically Filed in TPUC Docket  
Room on October 27, 2021 at 1:50 p.m.

Re: PETITION OF APPALACHIAN  
POWER COMPANY FOR AUTHORITY  
FOR FINANCING PROGRAM THROUGH  
– DECEMBER 31, 2023  
Docket No. 21- 00126

Dear Chairman Morrison:

We submit herewith the original and six (6) copies of the Petition of Application of Appalachian Power Company for Authority for Financing Program Through – December 31, 2023. We are also submitting two (2) hard copies to the Consumer Advocate Unit of the Tennessee Attorney General's Office.

Authorization for these credit facilities is requested pursuant to T.C.A. § 65-4-109 and related regulations.


Appalachian Power Company respectfully requests that this matter be heard in calendar year 2021, so that the financing program can commence January 1, 2022.

Also, enclosed is a check in the amount of \$25.00 for filing.

Dr. Kenneth Hill, Chairman  
Page 2  
October 27, 2021

Should there be any questions, please direct same to the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP  
  
William C. Bovender

Enclosures: As stated

cc: Kelly Grams, General Counsel (w/enc.)  
David Foster (w/enc.)  
Monica L. Smith-Ashford, Esq. (w/enc.)  
Rachel Bowen, Esq. (w/enc.)  
Karen H. Stachowski, Esq. (w/enc.)

*Via U.S. Mail and Email: Kelly.Grams@tn.gov*  
*Via U.S. Mail and Email: david.foster@tn.gov*  
*Via U.S. Mail and Email: monica.smith-ashford@tn.gov*  
*Via U.S. Mail and Email: Rachel.Bowen@ag.tn.gov*  
*Via U.S. Mail and Email: Karen.Stachowski@ag.tn.gov*

Before the  
TENNESSEE PUBLIC UTILITY COMMISSION

.....

In the Matter of the Application  
of  
APPALACHIAN POWER COMPANY

For Permission to Make Notes to Evidence  
Indebtedness Not to Exceed \$1,200,000,000

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Docket No. 21- **00126**

TO THE HONORABLE TENNESSEE PUBLIC UTILITY COMMISSION:

Comes the Petitioner, Appalachian Power Company (hereinafter called "APCo"), and  
presents this Application for the following purposes:

APCo seeks approval from this Authority to issue up to \$1,200,000,000 of its unsecured long-term indebtedness from time to time through December 31, 2023. The proceeds will be used to reduce the maturing long and short-term unsecured indebtedness of the Company. The Company had no short term debt outstanding as of June 30, 2021. The proposed financing will bear interest at a fixed rate, a fluctuating rate or some combination of fixed and fluctuating rates. In order to obtain a favorable rate of interest, however, it is generally necessary to be able to commit to the financing within 24 hours from the time that funds become available. Therefore, this Application seeks approval of the financing within the ranges of maturities and interest specified herein without the need for a separate hearing on the final commitment.

In support of this Application, APCo respectfully submits the following:

1. It is a corporation duly organized and existing under the laws of the Commonwealth of Virginia, having its principal office in said Commonwealth in the City of Roanoke, and is properly qualified to transact business in the State of Tennessee
2. A true copy of APCo's Restated Articles of Incorporation was filed with your Honorable Authority in Docket No. U-6533.
3. APCo maintains its principal office in the State of Tennessee in the City of Kingsport, Sullivan County, Tennessee.

4. With the consent and approval of the Virginia State Corporation Commission and the further consent and approval of the Tennessee Public Utility Commission (“TPUC”), APCo proposes to issue and sell, from time to time through December 31, 2023, secured or unsecured promissory notes (“Notes”) in the aggregate principal amount equal to, on the date or dates of issuance, up to \$1.2 billion. The Notes may be issued in the form of Senior Notes, Senior or Subordinated Debentures, First Mortgage Bonds, Bank Credit Revolver or Loans or other unsecured promissory notes.

The Notes will mature in not less than nine months and not more than 60 years. The interest rate of the Notes may be fixed or variable and will be sold (i) by competitive bidding; (ii) through negotiation with underwriters or agents; or (iii) by direct placement with a commercial bank or other institutional investor. Any fixed rate Note will be sold by APCo at a yield to maturity which shall be determined by financial market conditions at the time of pricing. The initial interest rate on any variable rate Note will be determined by financial market conditions at the time of pricing. APCo will agree to specific redemption provisions, if any, including redemption premiums, at the time of the pricing. If it is deemed advisable, the Notes may be provided some form of credit enhancement, including but not limited to a letter of credit, bond insurance, standby purchase agreement or surety bond.

In connection with the sale of unsecured Notes, APCo may agree to restrictive covenants which would prohibit it from, among other things: (i) creating or permitting to exist any liens on its property, with certain stated exceptions; (ii) creating indebtedness except as specified therein; (iii) failing to maintain a specified financial condition; (iv) entering into certain mergers, consolidations and dispositions of assets; and (v) permitting certain events to occur in connection with pension plans. In addition, APCo may permit the holder of the Notes to require APCo to prepay them after certain specified events, including an ownership change.

The unsecured Notes may be issued under a new Indenture or the Indenture dated as

of January 1, 1998, as previously supplemented and amended, and as to be further supplemented and amended by one or more Supplemental Indentures or Company Orders. A copy of a recent Company Order utilized by APCo is attached hereto as Exhibit A. It is proposed that a similar form of Company Order or a Supplemental Indenture be used for one or more series of the unsecured Notes (except for provisions such as interest rate, maturity, redemption terms and certain administrative matters).

The First Mortgage Bonds would be issued under and secured by a Mortgage and Deed of Trust to be entered into by APCo and a trustee in the event of an issuance of secured notes (the "Mortgage"). It is anticipated that any such Mortgage would create a lien on some or all of the utility property or other tangible assets of APCo for the benefit of the holders of the First Mortgage Bonds. Other terms such as interest rate, maturity, redemption terms and other matters would be determined at the time of pricing.

5. APCo may enter into, from time to time through December 31, 2023, one or more interest rate hedging arrangements, including, but not limited to, treasury lock agreements, forward-starting interest rate swaps, treasury put options or interest rate collar agreements ("Treasury Hedge Agreement") to protect against future interest rate movements in connection with the issuance of the Notes. Each Treasury Hedge Agreement will correspond to one or more Notes that APCo will issue pursuant to this Application; accordingly, the aggregate corresponding principal amounts of all Treasury Hedge Agreements cannot exceed an amount equal to, on the date or dates of entering such agreements, up to \$1.2 billion.

APCo proposes, with the consent and approval of this Commission, to extend the authority granted in Docket No. 19-00102 (Order dated January 8, 2019) to utilize interest rate management techniques and enter into Interest Rate Management Agreements through December 31, 2023. Such authority will allow APCo sufficient alternatives and flexibility when striving to reduce its effective



interest cost and manage interest cost on financings.

*A. Interest Rate Management Agreements*

The Interest Rate Management Agreements will be products commonly used in today's capital markets, consisting of "interest rate swaps", "caps", "collars", "floors", "options", or hedging products such as "forwards" or "futures", or similar products, the purpose of which is to manage and minimize interest costs. APCo expects to enter into these agreements with counterparties that are highly rated financial institutions. The transactions will be for a fixed period and a stated principal amount, and shall be for underlying fixed or variable obligations of APCo, whether existing or anticipated. The aggregate notional amount of all Interest Rate Management Agreements shall not exceed 25% of APCo's existing debt obligations, including pollution control revenue bonds.

By way of illustration, if APCo has entered into Interest Rate Management Agreements whose aggregate notional amounts equal 25% of APCo's existing debt obligations, APCo could not enter into a new Interest Rate Management Agreement unless and until an existing Interest Rate Management Agreement expired, was terminated with the assent of the counterparty, or was assigned to a non-affiliated third party (at which point APCo could enter into a new Interest Rate Management Agreement in a notional amount no greater than the expired, terminated or assigned Interest Rate Management Agreement). APCo will not agree to any covenant more restrictive than those contained in the underlying obligation unless such Interest Rate Management Agreement either expires by its terms or is unwindable on or prior to the end of the Authorization Period.

*B. Pricing Parameters*

APCo proposes that the pricing parameters for Interest Rate Management Agreements be governed by the parameters contained herein. Fees and commissions (but not

payments) in connection with any Interest Rate Management Agreement will be in addition to the above parameters and will not exceed the greater of: (a) 2.50% of the amount of the underlying obligation involved or (b) amounts that are consistent with fees and commissions paid by similar companies of comparable credit quality in connection with similar agreements.

*C. Accounting*

APCo proposes to account for these transactions in accordance with generally accepted accounting principles.

*D. TPUC Authorization*

Since market opportunities for these interest rate management alternatives are transitory, APCo must be able to execute interest rate management transactions when the opportunity arises to obtain the most competitive pricing. Thus, APCo seeks approval to enter into any or all of the described transactions within the parameters discussed above prior to the time APCo reaches agreement with respect to the terms of such transactions.

If APCo utilizes Interest Rate Management Agreements, APCo's annual long-term interest charges could change. The authorization of the Interest Rate Management Agreements consistent with the parameters herein in no way relieves APCo of its responsibility to obtain the best terms available for the product selected and, therefore, it is appropriate and reasonable for the TPUC to authorize APCo to agree to such terms and prices consistent with said parameters.

4. Any proceeds realized from the sale of the Notes, together with any other funds which may become available to APCo, will be used to redeem directly or indirectly long-term debt, to repay short-term debt at or prior to maturity, to reimburse APCo's treasury for expenditures incurred in connection with its construction program and for other corporate purposes. In 2022 and 2023 APCo has the following debt maturing: \$125,000,000 principal amount of Variable Rate Senior Notes, due June 5, 2022; \$100,000,000 principal amount Pollution Control Bonds, due

October 1, 2022.

APCo may purchase senior notes referred to herein or any other series of indebtedness through tender offer, negotiated, open market or other form of purchase or otherwise in addition to redemption, if they can be refunded at a lower effective cost. The tender offers will occur if APCo considers that the payment of the necessary premium is prudent in light of the interest expense that could be saved by early redemption of any of these series.

5. APCo believes that the consummation of the transactions herein proposed will be in the best interests of APCo's consumers and investors and consistent with sound and prudent financial policy.

6. Balance Sheets and Statements of Income and Retained Earnings for the six months ended June 30, 2021 are attached hereto as Exhibit B.

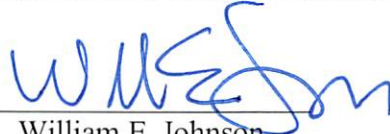
7. The issuance of the Notes will be affected in compliance with all applicable indentures, charter and other standards relating to debt and equity securities and capitalization ratios of APCo.

8. Submitted as Exhibit C is the Pre-Filed Testimony of Franz D. Messner,

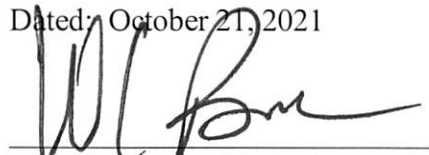


WHEREFORE, APCo respectfully prays that an Order be entered (1) authorizing APCo from time to time through December 31, 2023 to borrow up to \$1,200,000,000 pursuant to the Proposed Agreement and to execute a note or notes, substantially in the form of the Notes or AEP Notes in an amount not to exceed \$1,200,000,000 to evidence the borrowings to be made pursuant to the Proposed Agreement and (2) granting to APCo such other, further or general relief as, in your judgment, APCo may be entitled to have upon the facts hereinabove set forth.

APPALACHIAN POWER COMPANY

By:   
William E. Johnson  
Assistant Secretary

Dated: October 21, 2021

  
William C. Bovender Esq.  
Hunter, Smith & Davis LLP  
P.O. Box 3740  
Kingsport, Tennessee 37664  
Attorney for Petitioner

March 11, 2021

Company Order and Officers' Certificate  
2.70% Senior Notes, Series AA, due 2031

The Bank of New York Mellon Trust Company, N.A., as Trustee  
2 North LaSalle Street  
Chicago, Illinois 60602

Ladies and Gentlemen:

Pursuant to Article Two of the Indenture, dated as of January 1, 1998 (as it may be amended or supplemented, the "Indenture"), from Appalachian Power Company (the "Company") to The Bank of New York Mellon Trust Company, N.A., as successor to The Bank of New York, as trustee (the "Trustee"), and the Board Resolutions dated October 28, 2019, copies of which certified by the Secretary or an Assistant Secretary of the Company are being delivered herewith under Section 2.01 of the Indenture, and unless otherwise provided in a subsequent Company Order pursuant to Section 2.04 of the Indenture,

1. The Company's 2.70% Senior Notes, Series AA, due 2031 (the "Notes") are hereby established. The Notes shall be in substantially the form attached hereto as Exhibit 1.
2. The terms and characteristics of the Notes shall be as follows (the numbered clauses set forth below corresponding to the numbered subsections of Section 2.01 of the Indenture, with terms used and not defined herein having the meanings specified in the Indenture):
  - (i) The aggregate principal amount of Notes which may be authenticated and delivered under the Indenture shall be limited to \$400,000,000 for the Notes, except as contemplated in Section 2.01(i) of the Indenture and except that such principal amount may be increased from time to time; all Notes need not be issued at the same time and the series may be reopened at any time, without the consent of any securityholder, for issuance of additional Notes, which Notes will have the same interest rate, maturity and other terms as those initially issued (other than the date of issuance, the issue price and, in some circumstances, the initial interest accrual date and the initial interest payment date);
  - (ii) The date on which the principal of the Notes shall be payable shall be April 1, 2031;
  - (iii) Interest shall accrue from the date of authentication of the Notes; the Interest Payment Dates on which such interest will be payable shall be April 1 and October 1, and the Regular Record Date for the determination of holders to whom interest is payable on any such Interest Payment Date shall be the March 15 or September 15, respectively; provided that the first Interest Payment Date shall be October 1, 2021 and interest payable on the Stated Maturity Date of the Notes or any Redemption Date shall be paid to the Person to whom principal shall be paid;
  - (iv) The interest rate at which the Notes shall bear interest shall be 2.70% per annum;

(v) The Notes may be redeemed by the Company at its option, in whole at any time or in part from time to time, upon not less than thirty but not more than sixty days' prior notice (either by mail or in compliance with the applicable procedures of DTC). At any time prior to January 1, 2031 (three months prior to the maturity date (the "Par Call Date")), the Company may redeem the Notes either as a whole or in part at a redemption price (calculated by the Independent Investment Banker) equal to the greater of (1) 100% of the principal amount of the Notes being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed that would be due if such Notes matured on the Par Call Date (excluding the portion of any such interest accrued to but excluding the date of redemption), discounted (for purposes of determining present value) to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus 20 basis points, plus, in each case, accrued and unpaid interest thereon to but excluding the date of redemption.

At any time on or after the Par Call Date the Company may redeem the Notes in whole or in part at 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest thereon to but excluding the date of redemption.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term ("remaining life") of the Notes (assuming, for this purpose, that the Notes matured on the Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining life of the Notes.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if the Company obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Company and notified by the Company to the Trustee.

"Reference Treasury Dealer" means a primary U.S. Government securities dealer or dealers selected by the Company and notified by the Company to the Trustee.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Company and notified to the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company and the Trustee by such Reference Treasury Dealer at or before 3:30 p.m., New York City time, on the third Business Day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated by the Independent Investment Banker using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

(vi) (a) the Notes shall be issued in the form of a Global Note; (b) the Depositary for the Global Note shall be The Depositary Trust Company; and (c) the procedures with respect to transfer and exchange of Global Notes shall be as set forth in the form of the Note attached hereto;

- (vii) the title of the Notes shall be "2.70% Senior Notes, Series AA, due 2031";
- (viii) the forms of the Notes shall be as set forth in Paragraph 1, above;
- (ix) not applicable;
- (x) the Notes may be subject to a Periodic Offering;
- (xi) not applicable;
- (xii) not applicable;
- (xiii) not applicable;
- (xiv) the Notes shall be issuable in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof;
- (xv) not applicable;
- (xvi) the Notes shall not be issued as Discount Securities;
- (xvii) not applicable;
- (xviii) not applicable;
- (xix) Limitations on Liens:

So long as any of the Notes are outstanding, the Company will not create or suffer to be created or to exist any mortgage, pledge, security interest, or other lien (collectively, "Liens") on any of the Company's utility properties or tangible assets now owned or hereafter acquired to secure any indebtedness for borrowed money ("Secured Debt"), without providing that such Notes will be similarly secured. This restriction does not apply to the Company's subsidiaries, nor will it prevent any of them from creating or permitting to exist Liens on their property or assets to secure any Secured Debt. In addition, this restriction does not prevent the creation or existence of:

- Liens on property existing at the time of acquisition or construction of such property (or created within one year after completion of such acquisition or construction), whether by purchase, merger, construction or otherwise, or to secure the payment of all or any part of the purchase price or construction cost thereof, including the extension of any Liens to repairs, renewals, replacements substitutions, betterments, additions, extensions and improvements then or thereafter made on the property subject thereto;
- Financing of the Company's accounts receivable for electric service;
- Any extensions, renewals or replacements (or successive extensions, renewals or replacements), in whole or in part, of liens permitted by the foregoing clauses; and
- The pledge of any bonds or other securities at any time issued under any of the Secured Debt permitted by the above clauses.



In addition to the permitted issuances above, Secured Debt not otherwise so permitted may be issued in an amount that does not exceed 15% of Net Tangible Assets as defined below.

"Net Tangible Assets" means the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the Company's balance sheet, 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 Company's current liabilities appearing on such balance sheet. For purposes of this definition, the Company's balance sheet does not include assets and liabilities of the Company's subsidiaries.

This restriction also will not apply to or prevent the creation or existence of leases made, or existing on property acquired, in the ordinary course of business; and

(xx) Certain Tax Information.

In order to comply with applicable tax laws (inclusive of rules, regulations and interpretations promulgated by competent authorities) related to the Indenture, this Company Order and Officers' Certificate and the Notes in effect from time to time ("Applicable Law") that a foreign financial institution, issuer, trustee, paying agent or other party is or has agreed to be subject to, the Company agrees (i) to provide to the Trustee sufficient information about the parties and/or transactions (including any modification to the terms of such transactions) so the Trustee can determine whether it has tax related obligations under Applicable Law and (ii) that the Trustee shall be entitled to make any withholding or deduction from payments to the extent necessary to comply with Applicable Law for which the Trustee shall not have any liability.

3. You are hereby requested to authenticate \$400,000,000 aggregate principal amount of 2.70% Senior Notes, Series AA, due 2031 executed by the Company and delivered to you concurrently with this Company Order and Officers' Certificate, in the manner provided by the Indenture.
4. You are hereby requested to hold the Notes as custodian for DTC in accordance with the Blanket Issuer Letter of Representations dated June 24, 2004, from the Company to DTC.
5. Concurrently with this Company Order and Officers' Certificate, an Opinion of Counsel under Sections 2.04 and 13.06 of the Indenture is being delivered to you.
6. The undersigned, Renee V. Hawkins and William E. Johnson, the Assistant Treasurer and Assistant Secretary, respectively, of the Company do hereby certify that:
  - (i) The form and terms of the Notes have been established in conformity with the provisions of the Indenture;
  - (ii) We have read the relevant portions of the Indenture, including without limitation the conditions precedent provided for therein relating to the action proposed to be taken by the Trustee as requested in this Company Order and Officers' Certificate, and the definitions in the Indenture relating thereto;
  - (iii) We have read the Board Resolutions of the Company and the Opinion of Counsel referred

to above;


- (iv) We have conferred with other officers of the Company, have examined such records of the Company and have made such other investigation as we deemed relevant for purposes of this certificate;
- (v) In our opinion, we have made such examination or investigation as is necessary to enable us to express an informed opinion as to whether or not such conditions have been complied with; and
- (vi) On the basis of the foregoing, we are of the opinion that all conditions precedent provided for in the Indenture relating to the action proposed to be taken by the Trustee as requested herein have been complied with.

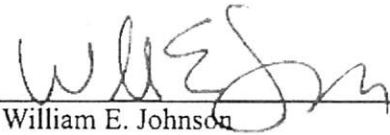


Kindly acknowledge receipt of this Company Order and Officers' Certificate, including the documents listed herein, and confirm the arrangements set forth herein by signing and returning the copy of this document attached hereto.

Very truly yours,

APPALACHIAN POWER COMPANY

By:   
\_\_\_\_\_  
Renee V. Hawkins  
Assistant Treasurer

And:   
\_\_\_\_\_  
William E. Johnson  
Assistant Secretary

Acknowledged by Trustee:

By: \_\_\_\_\_  
Authorized Signatory

Kindly acknowledge receipt of this Company Order and Officers' Certificate, including the documents listed herein, and confirm the arrangements set forth herein by signing and returning the copy of this document attached hereto.

Very truly yours,

APPALACHIAN POWER COMPANY

By: \_\_\_\_\_  
Renee V. Hawkins  
Assistant Treasurer

And: \_\_\_\_\_  
William E. Johnson  
Assistant Secretary

Acknowledged by Trustee:

By:  \_\_\_\_\_  
Authorized Signatory

Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any certificate to be issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein. Except as otherwise provided in Section 2.11 of the Indenture, this Security may be transferred, in whole but not in part, only to another nominee of the Depository or to a successor Depository or to a nominee of such successor Depository.

No. R-1

APPALACHIAN POWER COMPANY  
2.70% Senior Notes, Series AA, due 2031

CUSIP: 037735 CZ8

Original Issue Date: March 11, 2021

Stated Maturity: April 1, 2031

Interest Rate: 2.70%

Principal Amount: \$400,000,000

Redeemable:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
In Whole:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
In Part:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

APPALACHIAN POWER COMPANY, a corporation duly organized and existing under the laws of the Commonwealth of Virginia (herein referred to as the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, the Principal Amount specified above on the Stated Maturity specified above, and to pay interest on said Principal Amount from the Original Issue Date specified above or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, semi-annually in arrears on April 1 and October 1 in each year, commencing on October 1, 2021, at the Interest Rate per annum specified above, until the Principal Amount shall have been paid or duly provided for. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date, as provided in the Indenture, as hereinafter defined, shall be paid to the Person in whose name this Note (or one or more Predecessor Securities) shall have been registered at the close of business on the Regular Record Date with respect to such Interest Payment Date, which shall be the March 15 or September 15 (whether or not a Business Day) prior to such Interest Payment Date, provided that interest payable on the Stated Maturity or any redemption date shall be paid to the Person to whom principal is paid. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and shall be paid as provided in said Indenture.

If any Interest Payment Date, any redemption date or Stated Maturity is not a Business Day, then

payment of the amounts due on this Note on such date will be made on the next succeeding Business Day, and no interest shall accrue on such amounts for the period from and after such Interest Payment Date, redemption date or Stated Maturity, as the case may be, with the same force and effect as if made on such date. The principal of (and premium, if any) and the interest on this Note shall be payable at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, New York, in any coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest (other than interest payable on the Stated Maturity or any redemption date) may be made at the option of the Company by check mailed to the registered holder at such address as shall appear in the Security Register.

This Note is one of a duly authorized series of Notes of the Company (herein sometimes referred to as the "Notes"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of January 1, 1998 duly executed and delivered between the Company and The Bank of New York Mellon Trust Company, N.A., a national banking association formed under the laws of the United States, as successor to The Bank of New York, as Trustee (herein referred to as the "Trustee") (such Indenture, as originally executed and delivered and as thereafter supplemented and amended being hereinafter referred to as the "Indenture"), to which Indenture and all indentures supplemental thereto or Company Orders reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Notes. By the terms of the Indenture, the Notes are issuable in series which may vary as to amount, date of maturity, rate of interest and in other respects as in the Indenture provided. This Note is one of the series of Notes designated on the face hereof.

The Notes may be redeemed by the Company at its option, in whole at any time or in part from time to time, upon not less than thirty but not more than sixty days' prior notice (either by mail or in compliance with the applicable procedures of DTC).

At any time prior to January 1, 2031 (three months prior to the maturity date (the "Par Call Date")), the Company may redeem this Note either as a whole or in part at a redemption price (calculated by the Independent Investment Banker) equal to the greater of (1) 100% of the principal amount of the Notes being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed that would be due if such Notes matured on the Par Call Date (excluding the portion of any such interest accrued to but excluding the date of redemption), discounted (for purposes of determining present value) to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus 20 basis points, plus, in each case, accrued and unpaid interest thereon to but excluding the date of redemption.

At any time on or after the Par Call Date the Company may redeem this Note in whole or in part at 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest thereon to but excluding the date of redemption.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term ("remaining life") of the Notes (assuming, for this purpose, that the Notes being redeemed matured on the Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining life of the Notes.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the

Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if the Company obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by the Company and notified by the Company to the Trustee.

“Reference Treasury Dealer” means a primary U.S. Government securities dealer or dealers selected by the Company and notified by the Company to the Trustee.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Company and notified to the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company and the Trustee by such Reference Treasury Dealer at or before 3:30 p.m., New York City time, on the third Business Day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated by the Independent Investment Banker using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Company shall not be required to (i) issue, exchange or register the transfer of any Notes during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of less than all the outstanding Notes of the same series and ending at the close of business on the day of such mailing, nor (ii) register the transfer of or exchange of any Notes of any series or portions thereof called for redemption. This Global Note is exchangeable for Notes in definitive registered form only under certain limited circumstances set forth in the Indenture.

In the event of redemption of this Note in part only, a new Note or Notes of this series, of like tenor, for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender of this Note.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Note upon compliance by the Company with certain conditions set forth therein.

As described in the Company Order and Officers' Certificate, the Company is subject to a covenant regarding making certain tax information available to the Trustee and, so long as this Note is outstanding, the Company is subject to a limitation on Liens, in each case as described therein.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Notes; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Notes of



any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, or reduce the amount of the principal of a Discount Security that would be due and payable upon a declaration of acceleration of the maturity thereof pursuant to the Indenture, without the consent of the holder of each Note then outstanding and affected; (ii) reduce the aforesaid percentage of Notes, the holders of which are required to consent to any such supplemental indenture, or reduce the percentage of Notes, the holders of which are required to waive any default and its consequences, without the consent of the holder of each Note then outstanding and affected thereby; or (iii) modify any provision of Section 6.01(c) of the Indenture (except to increase the percentage of principal amount of securities required to rescind and annul any declaration of amounts due and payable under the Notes), without the consent of the holder of each Note then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes of all series at the time outstanding affected thereby, on behalf of the Holders of the Notes of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of or premium, if any, or interest on any of the Notes of such series. Any such consent or waiver by the registered Holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Note and of any Note issued in exchange herefor or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Note at the time and place and at the rate and in the money herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, this Note is transferable by the registered holder hereof on the Security Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Company as may be designated by the Company accompanied by a written instrument or instruments of transfer in form satisfactory to the Company or the Trustee duly executed by the registered Holder hereof or his or her attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Note, the Company, the Trustee, any paying agent and any Security Registrar may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance



hereof and as part of the consideration for the issuance hereof, expressly waived and released.

The Notes of this series are issuable only in registered form without coupons in denominations of \$2,000 and any integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations, Notes of this series are exchangeable for a like aggregate principal amount of Notes of this series of the same authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This Note shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

IN WITNESS WHEREOF, the Company has caused this Instrument to be executed.

APPALACHIAN POWER COMPANY

By: \_\_\_\_\_  
Renee V. Hawkins  
Assistant Treasurer

Attest:

By: \_\_\_\_\_  
William E. Johnson  
Assistant Secretary

## CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series of Notes designated in accordance with, and referred to in, the within-mentioned Indenture.

Dated:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: \_\_\_\_\_  
Authorized Signatory

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

(PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF ASSIGNEE)

\_\_\_\_\_

\_\_\_\_\_

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF

ASSIGNEE) the within Note and all rights thereunder, hereby

irrevocably constituting and appointing such person attorney to

transfer such Note on the books of the Issuer, with full

power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within Note in every particular, without alteration or enlargement or any change whatever and NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallion Signature Program ("MSP").

**APPALACHIAN POWER COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
For the Three and Six Months Ended June 30, 2021 and 2020  
(in millions)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>REVENUES</b>				
Electric Generation, Transmission and Distribution	\$ 636.5	\$ 604.0	\$ 1,400.7	\$ 1,301.0
Sales to AEP Affiliates	38.1	30.8	88.2	80.5
Other Revenues	2.4	2.7	5.1	5.4
<b>TOTAL REVENUES</b>	<u>677.0</u>	<u>637.5</u>	<u>1,494.0</u>	<u>1,386.9</u>
<b>EXPENSES</b>				
Fuel and Other Consumables Used for Electric Generation	137.2	153.9	301.1	264.9
Purchased Electricity for Resale	75.9	50.4	166.0	173.0
Other Operation	118.7	108.8	269.1	242.8
Maintenance	50.1	46.4	115.3	96.7
Depreciation and Amortization	135.4	120.6	271.2	242.8
Taxes Other Than Income Taxes	39.2	37.5	76.9	75.4
<b>TOTAL EXPENSES</b>	<u>556.5</u>	<u>517.6</u>	<u>1,199.6</u>	<u>1,095.6</u>
<b>OPERATING INCOME</b>	120.5	119.9	294.4	291.3
<b>Other Income (Expense):</b>				
Interest Income	0.3	0.5	0.6	0.8
Allowance for Equity Funds Used During Construction	4.3	2.4	7.8	4.8
Non-Service Cost Components of Net Periodic Benefit Cost	4.8	4.7	9.5	9.4
Interest Expense	(52.9)	(54.1)	(107.8)	(107.2)
<b>INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)</b>	77.0	73.4	204.5	199.1
Income Tax Expense (Benefit)	10.7	(7.9)	15.7	2.5
<b>NET INCOME</b>	<u>\$ 66.3</u>	<u>\$ 81.3</u>	<u>\$ 188.8</u>	<u>\$ 196.6</u>

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

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 137.

**APPALACHIAN POWER COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

**ASSETS**

**June 30, 2021 and December 31, 2020**

(in millions)

(Unaudited)

	June 30, 2021	December 31, 2020
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 3.9	\$ 5.8
Restricted Cash for Securitized Funding	19.1	16.9
Advances to Affiliates	91.7	21.4
Accounts Receivable:		
Customers	149.7	142.8
Affiliated Companies	63.8	64.3
Accrued Unbilled Revenues	48.9	80.1
Miscellaneous	2.2	0.3
Allowance for Uncollectible Accounts	(2.3)	(3.1)
Total Accounts Receivable	262.3	284.4
Fuel	145.3	193.6
Materials and Supplies	102.5	99.6
Risk Management Assets	37.1	22.4
Regulatory Asset for Under-Recovered Fuel Costs	26.4	5.3
Prepayments and Other Current Assets	59.6	24.7
<b>TOTAL CURRENT ASSETS</b>	<b>747.9</b>	<b>674.1</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Electric:		
Generation	6,653.9	6,633.7
Transmission	4,004.8	3,900.5
Distribution	4,563.2	4,464.3
Other Property, Plant and Equipment	663.7	627.2
Construction Work in Progress	529.7	484.6
<b>Total Property, Plant and Equipment</b>	<b>16,415.3</b>	<b>16,110.3</b>
Accumulated Depreciation and Amortization	4,888.8	4,716.2
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT – NET</b>	<b>11,526.5</b>	<b>11,394.1</b>
<b>OTHER NONCURRENT ASSETS</b>		
Regulatory Assets	830.4	686.3
Securitized Assets	197.6	210.1
Employee Benefits and Pension Assets	154.5	150.1
Operating Lease Assets	74.0	78.8
Deferred Charges and Other Noncurrent Assets	115.8	121.7
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<b>1,372.3</b>	<b>1,247.0</b>
<b>TOTAL ASSETS</b>	<b>\$ 13,646.7</b>	<b>\$ 13,315.2</b>

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 137.



**APPALACHIAN POWER COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**LIABILITIES AND COMMON SHAREHOLDER'S EQUITY**  
June 30, 2021 and December 31, 2020  
(Unaudited)

	June 30, 2021	December 31, 2020
	(in millions)	
<b>CURRENT LIABILITIES</b>		
Advances from Affiliates	\$ —	\$ 18.6
Accounts Payable:		
General	219.0	212.0
Affiliated Companies	81.4	97.1
Long-term Debt Due Within One Year – Nonaffiliated	380.4	518.3
Customer Deposits	72.0	77.8
Accrued Taxes	109.3	109.9
Accrued Interest	48.8	49.9
Obligations Under Operating Leases	15.1	14.9
Other Current Liabilities	108.8	119.2
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,034.8</u>	<u>1,217.7</u>
<b>NONCURRENT LIABILITIES</b>		
Long-term Debt – Nonaffiliated	4,569.4	4,315.8
Deferred Income Taxes	1,739.4	1,749.9
Regulatory Liabilities and Deferred Investment Tax Credits	1,251.3	1,224.7
Asset Retirement Obligations	385.8	304.8
Employee Benefits and Pension Obligations	43.7	44.0
Obligations Under Operating Leases	59.5	64.4
Deferred Credits and Other Noncurrent Liabilities	48.0	49.6
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>8,097.1</u>	<u>7,753.2</u>
<b>TOTAL LIABILITIES</b>	<u>9,131.9</u>	<u>8,970.9</u>
Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)		
<b>COMMON SHAREHOLDER'S EQUITY</b>		
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	2,411.8	2,248.0
Accumulated Other Comprehensive Income (Loss)	13.9	7.2
<b>TOTAL COMMON SHAREHOLDER'S EQUITY</b>	<u>4,514.8</u>	<u>4,344.3</u>
<b>TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY</b>	<u>\$ 13,646.7</u>	<u>\$ 13,315.2</u>

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 137.

**DIRECT TESTIMONY OF  
FRANZ D. MESSNER  
ON BEHALF OF APPALACHIAN POWER COMPANY  
BEFORE THE TENNESSEE REGULATORY AUTHORITY  
DOCKET NO. 21-\_\_\_\_\_**

1   **Q.   PLEASE STATE YOUR NAME, POSITION AND ADDRESS.**

2   A.   My name is Franz D. Messner. My business address is 1 Riverside Plaza, Columbus,  
3       Ohio 43215. I am employed by the American Electric Power Service Corporation  
4       (AEPSC) as a Managing Director, Corporate Finance. In this capacity, I oversee the  
5       raising of capital for Appalachian Power Company and other American Electric Power  
6       Company, Inc. (AEP) utilities. AEPSC supplies engineering, financing, accounting, and  
7       planning and advisory services to the subsidiaries of the American Electric Power (AEP)  
8       System, one of which is Appalchian Power Company (APCo) or the Company.

9   **Q.   TELL US BRIEFLY ABOUT YOUR BACKGROUND.**

10  A.   I earned a Bachelor of Science in Systems Engineering from the United States Naval  
11       Academy in 1990. I earned a Master of Business Administration from the Fisher College  
12       of Business at the Ohio State University in 1999. Prior to joining AEP, I served for seven  
13       years as a U.S. Naval officer and completed both chief engineer and submarine officer  
14       qualifications.

15       In June 1999, I was hired by AEPSC as an associate in a finance associate development  
16       program. My primary roles have been in the areas of financial analysis, budgeting, and  
17       forecasting.

1 In July 2007, I was named Manager in Corporate Planning and Budgeting and  
2 subsequently promoted to Director in November 2009. In May 2016, I assumed my  
3 current position as Managing Director of Corporate Finance.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 A. The purpose of my testimony is to support the proposed long-term debt financing  
6 application of the Company, which, if approved by the Commission, will allow the  
7 Company to issue unsecured long-term debt up to the aggregate principal amount of  
8 \$1,200,000,000 from time to time through December 31, 2023.

9 **Q. FOR WHAT PURPOSES WILL THE COMPANY BE ISSUING THESE**  
10 **SECURITIES?**

11 A. The securities may be used for construction costs, to repay short-term debt, to fund long-  
12 term debt maturities and to fund working capital. APCo's short term debt is funded  
13 through the AEP Utility Money Pool.

14 **Q. PLEASE FURTHER DESCRIBE THE UNSECURED LONG-TERM DEBT THAT**  
15 **MAY BE ISSUED.**

16 A. APCo proposes to issue and sell from time to time senior unsecured notes (the "Notes").  
17 The Notes may be issued in the form of Senior Notes, Senior or Subordinated  
18 Debentures, First Mortgage Bonds, Bank Credit Revolver or Loans or other unsecured  
19 promissory notes.

20 The Notes will mature in not less than nine months and not more than 60 years.

21 The interest rate of the Notes may be fixed or variable and will be sold (i) by competitive  
22 bidding; (ii) through negotiation with underwriters or agents; or (iii) by direct placement

1 with a commercial bank or other institutional investor. Any fixed rate Note will be sold  
2 by APCo at a yield to maturity which shall be determined by financial market conditions  
3 at the time of pricing. The initial interest rate on any variable rate Note will be  
4 determined by financial market conditions at the time of pricing. APCo will agree to  
5 specific redemption provisions, if any, including redemption premiums, at the time of the  
6 pricing. If it is deemed advisable, the Notes may be provided some form of credit  
7 enhancement, including but not limited to a letter of credit, bond insurance, standby  
8 purchase agreement or surety bond.

9 **Q. PLEASE DESCRIBE HOW NOTES WOULD BE ISSUED TO THIRD PARTIES?**

10 A. Notes will be issued pursuant to the existing Indenture in registered public offerings or  
11 pursuant to a purchase agreement in a private placement. A definitive notes purchase  
12 agreement would be entered between APCo and a bank or qualified investors. The terms  
13 of the Notes would include fixed or variable interest rates, term, financial covenants and  
14 any redemption provisions. The actual interest rate and maturity would be subject to  
15 negotiation between APCo and the underwriters or the lenders. To the extent the notes  
16 are fixed rate, they cannot be at a rate higher than 300 basis points above the comparable  
17 US Treasury yield-to-maturity.

18 **Q. PLEASE DESCRIBE HOW PRICING WILL BE DETERMINED FOR THE**  
19 **PROPOSED LONG-TERM DEBT?**

20 A. Pricing on the proposed long-term debt will be specific to the structure and type of  
21 security. Assuming a Senior Notes issuance, interest rates will be composed of a  
22 comparable benchmark yield in addition to the Company's applicable credit spread at the

1 time of issuance. The applicable credit spread is a reflection of the Company's overall  
2 creditworthiness and credit rating. APCo's senior unsecured ratings are Baa1 (Moody's),  
3 A- (Standard and Poor's), and A- (Fitch). All three of these ratings are considered  
4 investment grade.

5 **Q. IN CONNECTION WITH THE SALE OF ANY UNSECURED NOTES, WILL**  
6 **APCO AGREE TO ANY RESTRICTIVE COVENANTS?**

7 A. Yes. The Company may agree to restrictive covenants which would prohibit it from,  
8 among other things: (i) creating or allowing to exist any liens on its property, with certain  
9 stated exceptions; (ii) creating indebtedness except as specified therein; (iii) failing to  
10 maintain a specified financial condition; (iv) entering into certain mergers, consolidations  
11 and dispositions of asset; and (v) permitting certain event as to occur in connection with  
12 pension plans. Also, APCo may permit the holder of the Notes to require APCo to  
13 prepay them after certain specified events, including an ownership change.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes.



