INTRODUCTION
American Electric Power Service Corporation (AEPSC) subsidiary Kentucky Power Company (KPCo) is conducting a reverse Request for Proposal for the sale of spot coal during Q3 and Q4 2018. KPCo is soliciting bids for up to 400,000 tons of coal, FOB Barge, beginning in July 2018 and ending in December 2018.

The coal sold by KPCo will meet the specifications listed in Exhibit A “Coal Specifications”. All proposals shall be priced subject to the attached proposed Agreement and Terms and Conditions (Exhibit B). If a bidder requires changes to the Terms and Conditions, those should be marked clearly and returned with the bid submittal. Any changes will be evaluated accordingly.

BID SUBMITTAL
Interested buyers should complete the attached Bidder Response Form. The Form should be signed by a person having proper authority to legally obligate the offering company and must be received no later than 5:00 p.m., FRIDAY, JUNE 22, 2018. Proposals are to be kept open for AEPSC's acceptance until 5:00 p.m., FRIDAY, JUNE 29, 2018. All proposals are to be submitted by e-mail to aepfuelsrfp@aep.com, or delivered in an envelope marked "AEPSC REVERSE RFP - COAL PROPOSAL" and are to be addressed as follows:

AEPSC REVERSE RFP – COAL PROPOSAL
ATTN: AMY JEFFRIES, MGR., COAL PROCUREMENT
AMERICAN ELECTRIC POWER SERVICE CORP.
1 RIVERSIDE PLAZA, 14TH FLOOR
COLUMBUS, OH 43215

If you do not wish to receive future solicitations, please complete and return the attached "Remove from Solicitation" form on or before JUNE 22, 2018.

BID EVALUATION
Proposals will be evaluated based upon the following factors:
1) FOB Barge Price (dollars per ton);
2) Previous experience with bidder or bidding company in past business with AEPSC;
3) Creditworthiness of prospective Buyer(s);
4) AEP Coal Sales Order Terms and Conditions

AEPSC reserves the right to modify or withdraw this invitation, to reject any or all proposals, and to terminate any subsequent negotiations at any time. AEPSC also reserves the right to accept one or more proposal(s) for a portion or for all of the quantities of coal it seeks to acquire with this invitation.

AEPSC will retain in confidence all proposals and other information received pursuant to this invitation, except when the same is requested by a court or government agency, or otherwise required to be disclosed.

Those submitting proposals shall be responsible for the completeness and accuracy of all information contained in and used in preparation of its proposal(s) and for having supplied all necessary information.
It should be noted that for payment purposes, weighing and sampling shall be performed at the same location. Sampling and analysis shall be performed by a mutually agreeable third party laboratory.

All proposals shall be submitted by the offering company at their sole cost and expense.

Should further information be required, please contact Amy Jeffries at (614) 716-6235 or Tina Sefcik at (614) 716-6113.

Thank You,

Marguerite C. Mills
Vice President

1 Kentucky Power owns a 50 percent undivided interest in the Mitchell Station located in Moundsville, West Virginia. The remaining interest is owned by Wheeling Power Company. Kentucky Power operates the station under an operating agreement with Wheeling Power Company. Both Kentucky Power and Wheeling Power Company are wholly-owned subsidiaries of American Electric Power Company.
BIDDER RESPONSE FORM

1. Buyer: (full names, addresses, and telephone numbers)

(a) Buyer: ____________________________________________

________________________________________________________

________________________________________________________

________________________________________________________

2. Purchase Quantity (tons per month): ________________________

3. Term:

(Minimum term: July – December 2018)

4. Price ($/short ton): FOB Barge: ____________________________

5. Comments:

________________________________________________________

________________________________________________________

________________________________________________________

THIS IS A FIRM OFFER TO BUY COAL UNDER ALL TERMS AND CONDITIONS INCLUDED IN THIS BIDDER RESPONSE FORM, AND SHALL BE HELD OPEN BY BUYER FOR AEPSC’S ACCEPTANCE THROUGH 5:00 P.M., FRIDAY, JUNE 29, 2018. UNTIL AEPSC’S ACCEPTANCE HEREOF, WHICH SHALL BE AT ITS SOLE DISCRETION, THIS PROPOSAL SHALL NOT CONSTITUTE A VALID AND ENFORCEABLE AGREEMENT, BUT UPON AEPSC’S ACCEPTANCE, SUCH PROPOSAL SHALL CONSTITUTE A VALID AND ENFORCEABLE AGREEMENT BETWEEN AEPSC AND SELLER.

Proposal submitted by:

______________________________
(Signature)

______________________________
(Title)

______________________________
(Company)
## EXHIBIT A
### COAL SPECIFICATIONS

<table>
<thead>
<tr>
<th></th>
<th>Contracted Half-Month</th>
<th>Suspension Half-Month</th>
<th>Applicable Lot</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Calorific Value (Btu/lb.) min.</strong></td>
<td>12,400</td>
<td>12,300</td>
<td>12,150</td>
</tr>
<tr>
<td><strong>Moisture (%) max.</strong></td>
<td>7.00</td>
<td>7.50</td>
<td>8.00</td>
</tr>
<tr>
<td><strong>Ash (%) max.</strong></td>
<td>10.50</td>
<td>11.50</td>
<td>12.50</td>
</tr>
<tr>
<td><strong>Volatile Matter (%) min.</strong></td>
<td>37.0</td>
<td>36.5</td>
<td>36.0</td>
</tr>
<tr>
<td><strong>Hardgrove Grindability min.</strong></td>
<td>53</td>
<td>52</td>
<td>51</td>
</tr>
<tr>
<td><strong>Lbs. SO2/MM Btu max</strong></td>
<td>6.50</td>
<td>7.25</td>
<td>8.00</td>
</tr>
<tr>
<td><strong>Ash Fusion (H=½ W) F Red Atm min.</strong></td>
<td>2,050</td>
<td>2,000</td>
<td>1,975</td>
</tr>
</tbody>
</table>

FOB Barge – Ireland Dock, MP 110.4 OR/Powhatan Dock, MP 110.8 OR

---

## EXHIBIT B
### AEP SALES ORDER TEMPLATE

(Double click on PDF icon below to open document)

**KPCo Sales Order Template 6-15-18.pdf**
"REMOVE FROM SOLICITATION" FORM

TO AEP:  THIS FORM WILL SERVE AS OUR NOTICE TO YOU THAT WE REQUEST TO BE REMOVED FROM FUTURE SOLICITATIONS.

COMPANY ___________________________  SIGNATURE ___________________________

ADDRESS ___________________________  DATE ________________________________

PHONE ______________________________

RETURN BY:  JUNE 22, 2018

π First Fold π

----------------------------------------------------------------------------------------------------------------------------------------------------------------
Tape Here --

π Second Fold π

----------------------------------------------------------------------------------------------------------------------------------------------------------------

AEPSC RFP – COAL PROPOSAL
ATTN:  AMY JEFFRIES, MGR., FUEL PROCUREMENT
AMERICAN ELECTRIC POWER SERVICE CORP.
1 RIVERSIDE PLAZA, 14TH FLOOR
COLUMBUS, OH  43215

Intra-System