

**Semi-Annual Servicer's Certificate
Appalachian Power Company, as Servicer
Appalachian Consumer Rate Relief Funding LLC**

Pursuant to Section 4.01(c)(iii) of the CRR Property Servicing Agreement dated as of November 15, 2013 (the "Servicing Agreement"), between, APPALACHIAN POWER COMPANY, as Servicer and APPALACHIAN CONSUMER RATE RELIEF FUNDING LLC, the Servicer does hereby certify, for the August 1, 2018 Payment Date (the "Current Payment Date"), as follows:

Capitalized terms used herein have their respective meanings as set forth in the Indenture (as defined in the Servicing Agreement). References herein to certain sections and subsections are references to the respective sections of the Servicing Agreement or the Indenture, as the context indicates.

Collection Periods: Feb-2018 to Jul-2018

Payment Date: 8/1/2018

1. Collections Allocable and Aggregate Amounts Available for the Current Payment Date:

i. Remittances for the 2/18 Collection Period	3,018,723.77
ii. Remittances for the 3/18 Collection Period	3,142,798.00
iii. Remittances for the 4/18 Collection Period	2,893,140.40
iv. Remittances for the 5/18 Collection Period	2,762,607.08
v. Remittances for the 6/18 Collection Period	2,789,401.93
vi. Remittances for the 7/18 Collection Period	3,073,427.57
x. Investment Earnings on Collection Account	
xi. Investment Earnings on Capital Subaccount	13,961.23
xii. Investment Earnings on Excess Funds Subaccount	9,641.77
xiii. Investment Earnings on General Subaccount	67,290.22
xiv. General Subaccount Balance (sum of i through xiii above)	17,770,991.97
xv. Excess Funds Subaccount Balance as of Prior Payment Date	1,499,824.62
xvi. Capital Subaccount Balance as of Prior Payment Date	1,901,500.00
xvii. Collection Account Balance (sum of xiv through xvi above)	21,172,316.59

2. Outstanding Amounts as of Prior Payment Date:

i. Tranche A-1 Outstanding Amount	122,467,349.22
ii. Tranche A-2 Outstanding Amount	164,500,000.00
iii. Aggregate Outstanding Amount of all Tranches:	286,967,349.22

Notes:

¹ February's remittances include the previous months true-up amount and money left in the General funds account. July's remittances do not include the previous month's true-up, which will settle on August 25, 2018.

3. Required Funding/Payments as of Current Payment Date:

Principal

- i. Tranche A-1
- ii. Tranche A-2

Principal Due

12,206,738.99
0.00

iii. For all Tranches:

12,206,738.99

**Interest
Tranche**

- iv. Tranche A-1
- v. Tranche A-2

**Interest
Rate**

2.0076%
3.7722%

**Days in Interest
Period (1)**

180
180

**Principal
Balance**

122,467,349.22
164,500,000.00

Interest Due

1,229,327.25
3,102,634.50

vi. For all Tranches:

4,331,961.75

Required Level

Funding Required

- vii. Capital Subaccount

1,901,500.00

0.00

1,901,500.00

0.00

4. Allocation of Remittances as of Current Payment Date Pursuant to 8.02(e) of Indenture:

- i. Trustee Fees and Expenses, Indemnity Amounts²
- ii. Servicing Fee
- iii. Administration Fee
- iv. Operating Expenses
- v. Semi-Annual Interest (including any past-due for prior periods)

95,075.00
50,000.00
10,864.52
4,331,961.75

Tranche

Aggregate

**Per \$1000 of Original
Principal Amount**

- 1. Tranche A-1 Interest Payment
- 2. Tranche A-2 Interest Payment

1,229,327.25
3,102,634.50
4,331,961.75

\$5.6966
\$18.8610

- vi. Principal Due and Payable as a Result of Event of Default or on Final Maturity Date

0.00

- 1. Tranche A-1 Principal Payment
- 2. Tranche A-2 Principal Payment

0.00
0.00
0.00

\$0.0000
\$0.0000

Notes:

¹ On 30/360 day basis for initial payment date; otherwise use one-half of annual rate.

² Subject to \$100,000 cap

vii. Semi-Annual Principal 12,206,738.99

<u>Tranche</u>	<u>Aggregate</u>	<u>Per \$1000 of Original Principal Amount</u>
1. Tranche A-1 Principal Payment	12,206,738.99	\$56.5651
2. Tranche A-2 Principal Payment	0.00	\$0.0000
viii. Other Unpaid Operating Expenses		0.00
ix. Funding of Capital Subaccount		1,901,500.00
x. Permitted Return to APCo		55,618.88
xi. Deposit to Excess Funds Subaccount		2,520,557.45
xii. Released to Issuer upon Retirement of all Consumer Rate Relief Bonds		0.00
xiii. Aggregate Remittances as of Current Payment Date		21,172,316.59

5. Outstanding Amount and Collection Account Balance as of Current Payment Date (after giving effect to payments to be made on such Payment Date):

<u>Tranche</u>	
i. Tranche A-1	110,260,610.23
ii. Tranche A-2	164,500,000.00
iii. Aggregate Outstanding Amount of all Tranches	274,760,610.23
iv. Excess Funds Subaccount Balance	2,520,557.45
v. Capital Subaccount Balance	1,901,500.00
vi. Aggregate Collection Account Balance	4,422,057.45

6. Subaccount Withdrawals as of Current Payment Date (if applicable, pursuant to Section 8.02(e) of Indenture):

i. Excess Funds Subaccount	1,509,466.39
ii. Capital Subaccount	1,915,461.23
iii. Total Withdrawals	3,424,927.62

7. Shortfalls In Interest and Principal Payments as of Current Payment Date:

i. Semi-annual Interest	
1. Tranche A-1 Principal Payment	0.00
2. Tranche A-2 Principal Payment	0.00
	0.00
ii. Semi-annual Principal	
1. Tranche A-1 Principal Payment	0.00
2. Tranche A-2 Principal Payment	0.00
	0.00

8. Shortfalls in Payment of Permitted Return as of Current Payment Date:

i. Permitted Return 0.00

9. Shortfalls in Required Subaccount Levels as of Current Payment Date:

i. Capital Subaccount 0.00

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Servicer's Certificate this 31st day of July, 2018.

APPALACHIAN POWER COMPANY
as Servicer

By: 

Name: Renee V. Hawkins
Title: Assistant Treasurer