Exhibit A

OVEC Annual Report

ANNUAL REPORT — 2015

OHIO VALLEY ELECTRIC CORPORATION

and subsidiary

INDIANA-KENTUCKY ELECTRIC CORPORATION

Ohio Valley Electric Corporation

GENERAL OFFICES, 3932 U.S. Route 23, Piketon, Ohio 45661

Ohio Valley Electric Corporation (OVEC) and its wholly owned subsidiary, Indiana-Kentucky Electric Corporation (IKEC), collectively, the Companies, were organized on October 1, 1952. The Companies were formed by investor-owned utilities furnishing electric service in the Ohio River Valley area and their parent holding companies for the purpose of providing the large electric power requirements projected for the uranium enrichment facilities then under construction by the Atomic Energy Commission (AEC) near Portsmouth, Ohio.

OVEC, AEC and OVEC's owners or their utility-company affiliates (called Sponsoring Companies) entered into power agreements to ensure the availability of the AEC's substantial power requirements. On October 15, 1952, OVEC and AEC executed a 25-year agreement, which was later extended through December 31, 2005 under a Department of Energy (DOE) Power Agreement. On September 29, 2000, the DOE gave OVEC notice of cancellation of the DOE Power Agreement. On April 30, 2003, the DOE Power Agreement terminated in accordance with the notice of cancellation.

OVEC and the Sponsoring Companies signed an Inter-Company Power Agreement (ICPA) on July 10, 1953, to support the DOE Power Agreement and provide for excess energy sales to the Sponsoring Companies of power not utilized by the DOE or its predecessors. Since the termination of the DOE Power Agreement on April 30, 2003, OVEC's entire generating capacity has been available to the Sponsoring Companies under the terms of the ICPA. The Sponsoring Companies and OVEC entered into an Amended and Restated ICPA, effective as of August 11, 2011, which extends its term to June 30, 2040.

OVEC's Kyger Creek Plant at Cheshire, Ohio, and IKEC's Clifty Creek Plant at Madison, Indiana, have nameplate generating capacities of 1,086,300 and 1,303,560 kilowatts, respectively. These two generating stations, both of which began operation in 1955, are connected by a network of 705 circuit miles of 345,000-volt transmission lines. These lines also interconnect with the major power transmission networks of several of the utilities serving the area.

The current Shareholders and their respective percentages of equity in OVEC are:

Allegheny Energy, Inc.[1]	3.50
American Electric Power Company, Inc.*	39.17
Buckeye Power Generating, LLC[2]	18.00
The Dayton Power and Light Company[3]	4.90
Duke Energy Ohio, Inc.[4]	9.00
Kentucky Utilities Company[5]	2.50
Louisville Gas and Electric Company[5]	5.63
Ohio Edison Company[1]	0.85
Ohio Power Company**[6]	4.30
Peninsula Generation Cooperative[7]	6.65
Southern Indiana Gas and Electric Company[8]	1.50
The Toledo Edison Company[1]	4.00
	100.00

These investor-owned utilities and affiliates of generation and transmission rural electric cooperatives comprise the Sponsoring Companies and currently share the OVEC power participation benefits and requirements in the following percentages:

Allegheny Energy Supply Company LLC[1]	3.01
Appalachian Power Company[6]	15.69
Buckeye Power Generating, LLC[2]	18.00
The Dayton Power and Light Company[3]	4.90
Duke Energy Ohio, Inc.[4]	9.00
FirstEnergy Solutions Corp.[1]	4.85
Indiana Michigan Power Company[6]	7.85
Kentucky Utilities Company[5]	2.50
Louisville Gas and Electric Company[5]	5.63
Monongahela Power Company[1]	0.49
Ohio Power Company[6]	19.93
Peninsula Generation Cooperative[7]	6.65
Southern Indiana Gas and Electric Company[8]	1.50
	100.00

Some of the Common Stock issued in the name of:

*American Gas & Electric Company
**Columbus and Southern Ohio Electric Company

Subsidiary or affiliate of:

[1]FirstEnergy Corp.
[2]Buckeye Power, Inc.
[3]The AES Corporation
[4]Duke Energy Corporation
[5]PPL Corporation
[6]American Electric Power Company, Inc.
[7]Wolverine Power Supply Cooperative, Inc.
[8]Vectren Corporation

A Message from the President

Ohio Valley Electric Corporation (OVEC) and its subsidiary, Indiana-Kentucky Electric Corporation (IKEC), continue to focus on operating the generating facilities in a safe, reliable and environmentally compliant manner. In 2015, the impact of a generally weak economy, mild weather conditions and low natural gas prices has created a depressed energy market that has limited the demand for OVEC generation sales to the Sponsoring Companies. We have seized this opportunity to address our generating maintenance challenges and to explore new ways to control costs, improve operating performance, engage our motivated employees and focus on the future business plan of positioning OVEC-IKEC to be the provider of choice.

Safety

OVEC and IKEC are committed to providing a safe and healthy place to work for all employees. In 2015, the Companies continued making progress on their transition to a culture that leads with safety through continued skill development in the area of human performance improvement (HPI) originally initiated in 2012. Strong leadership, the implementation of a self-assessment process and the involvement and commitment from all employees and our contractors will help ensure that we ultimately achieve and sustain the desired goal of zero harm.

Reliability

In 2015, the combined equivalent availability of the five generating units at Kyger Creek and the six units at Clifty Creek was 64.7 percent compared with 69.8 percent in 2014. The combined equivalent forced outage rate (EFOR) at both plants was 18.9 percent in 2015 compared with 14.1 percent in 2014. Boiler tube leaks resulting from boiler refractory wastage were identified in 2015 and significant physical and operational changes have been made to decrease these forced outages.

Through the first quarter of 2016, the combined EFOR was 10.0 percent, with three units at Clifty Creek and two units at Kyger Creek operating with EFORs of less than 2.5 percent.

Energy Sales

OVEC's use factor — the ratio of power scheduled by the Sponsoring Companies to power available — for the combined on- and off-peak periods averaged 73.1 percent in 2015 compared with 86.5 percent in 2014. The on-peak use factor averaged 85.4 percent in 2015 compared with 96.2 percent in 2014. The off-peak use factor averaged 57.2 percent in 2015 and 74.1 percent in 2014.

In 2015, OVEC delivered 8.7 million megawatt hours (MWh) to the Sponsoring Companies under the terms of the Inter-Company Power Agreement compared with 11.2 million MWh delivered in 2014.

Power Costs

In 2015, OVEC's average power cost to the Sponsoring Companies was $64.402 per MWh compared with $56.382 per MWh in 2014. The total Sponsoring Company power costs were $559 million in 2015 compared with $631 million in 2014.

2016 Energy Sales Outlook

For the first quarter of 2016, the demand for energy was lower than expected due to moderate winter temperatures and sustained lower natural gas prices. OVEC projects to be more normalized and to remain competitive in the energy market during the remainder of 2016. OVEC's updated projection for 2016 is a combined use factor of 65 percent, which will result in energy sales estimated at 9 million MWh at a cost of approximately $62 per MWh.

Cost Control Initiatives

The collaborative endeavors of the OVEC and IKEC employees to control costs and improve operating performance through its continuous

improvement process (CIP) remain a fundamental method of operation for the Companies. Since 2013, CIP has obtained $18.7 million in sustainable savings and process improvements. The employees are the driving force behind these culture changes that will ensure that these continuous improvement efforts are sustainable.

In 2015, OVEC-IKEC began implementing Open Book Leadership (OBL) as a cost-control initiative to further improve our culture and overall business success. OBL is a management philosophy that focuses on empowering employees by providing them the information, education and communication necessary to understand how the Company performs and how they can impact that performance.

ENVIRONMENTAL COMPLIANCE

The two flue gas desulfurization (FGD) scrubbers at Kyger Creek (in-service dates of November 2011 and February 2012) and the two Clifty Creek FGD systems (in-service dates of March 2013 and May 2013) continue to perform well. The overall pollution control systems installed at both plants have illustrated the capability to meet emission limitations under the Mercury Air Toxics Standards (MATS), which became applicable on April 2015, as well as the Cross-State Air Pollution Rule (CSAPR), which became effective on January 1, 2015. OVEC and IKEC have a strong commitment to maintain compliance with all applicable federal, state and local environmental rules and regulations.

OVEC and IKEC continue to market the gypsum generated from our new scrubber operations as an agricultural soil amendment in both Ohio and Indiana. We also continue to explore the opportunity to market the gypsum for other forms of beneficial reuse. In 2015, OVEC and IKEC initiated various compliance activities associated with the new Coal Combustion Residuals Rule and are currently gathering groundwater monitoring data that we expect will ultimately show compliance with the new groundwater quality standards established under that program. Finally, we are conducting a series of studies necessary to demonstrate compliance with aquatic life impingement and entrainment requirements under the Clean Water Act, Section 316(b) regulations and have also initiated a series of other studies to refine our capital cost estimates for meeting the newly established Steam Electric Effluent Limitations Guidelines. We expect to have cost estimates available by the end of 2016.

DOE ARRANGEMENTS WITH OVEC

OVEC continues to work toward the termination of the "arranged power" Letter Agreement with the Department of Energy (DOE) pursuant to which OVEC procures power and energy from third parties to serve the load at the DOE's Piketon facility. The DOE and OVEC have extended the date for termination of the Letter Agreement to October 31, 2016.

PSEUDO-TIE OF PJM SPONSORS' SHARES OF OVEC-IKEC GENERATION

On February 27, 2014, the PJM-member Sponsors asked the OVEC Operating Committee to approve the pseudo-tie of the PJM Sponsors' shares of OVEC's generation into the PJM market, in order to comply with new market rules instituted by PJM. This was unanimously approved by the OVEC Operating Committee, with implementation to be completed by June 1, 2017. On March 27, 2015, in response to other market changes in PJM, the PJM-member Sponsors asked the OVEC Operating Committee to advance the implementation by one year to June 1, 2016. Again, the Operating Committee unanimously approved the change. Working through the Operating Committee, OVEC developed the procedures needed to enable OVEC to become the market interface for the PJM Sponsors. The operation of the pseudo-tie functionality began on May 27, 2016.

The use of the pseudo-tie allows the PJM Sponsors to participate in PJM's Capacity Performance Market. Previously, the OVEC generation was sold as a combined total of all units with an average fuel cost representing the units. Under the PJM pseudo-tie model, the individual cost of each OVEC generating unit is offered into PJM. This allows for the individual generating units to be economically dispatched by PJM.

BOARD OF DIRECTORS AND OFFICERS CHANGES

In July 2015, Thomas Alban, vice president, power generation of Buckeye Power, Inc., was elected a director of OVEC and was appointed to the OVEC Human Resources Committee, replacing Anthony J. Ahern. Also in July 2015, Patrick W. O'Loughlin, senior vice president and chief operating officer of Buckeye Power, Inc., was elected a director of IKEC and appointed to the OVEC and IKEC Executive Committees, succeeding Mr. Ahern. Mr. Ahern had

6. LONG-TERM DEBT

The following amounts were outstanding at December 31, 2015 and 2014:

	Interest Rate	2015	2014
Senior 2006 Notes:			
2006A due February 15, 2026	5.80 %	$ 245,132,192	$ 261,689,554
2006B due June 15, 2040	6.40	58,583,884	59,530,005
Senior 2007 Notes:			
2007A-A due February 15, 2026	5.90	110,522,644	118,269,553
2007A-B due February 15, 2026	5.90	28,055,674	30,022,192
2007A-C due February 15, 2026	5.90	27,834,043	29,785,026
2007B-A due June 15, 2040	6.50	29,262,260	29,740,287
2007B-B due June 15, 2040	6.50	7,369,412	7,489,798
2007B-C due June 15, 2040	6.50	7,428,091	7,549,435
Senior 2008 Notes:			
2008A due February 15, 2026	5.92	34,492,978	36,907,905
2008B due February 15, 2026	6.71	69,698,688	74,433,137
2008C due February 15, 2026	6.71	71,449,681	76,117,755
2008D due June 15, 2040	6.91	42,439,930	43,081,900
2008E due June 15, 2040	6.91	43,177,347	43,830,471
Series 2009 Bonds:			
2009A due February 1, 2026	0.12	25,000,000	25,000,000
2009B due February 1, 2026	0.12	25,000,000	25,000,000
2009C due February 1, 2026	0.12	25,000,000	25,000,000
2009D due February 1, 2026	0.12	25,000,000	25,000,000
2009E due October 1, 2019	5.63	100,000,000	100,000,000
Series 2010 Bonds:			
2010A due February 1, 2040	1.58	50,000,000	50,000,000
2010B due February 1, 2040	1.58	50,000,000	50,000,000
Series 2012 Bonds:			
2012A due June 1, 2032	5.00	76,800,000	76,800,000
2012A due June 1, 2039	5.00	123,200,000	123,200,000
2012B due June 1, 2040	0.24	50,000,000	50,000,000
2012C due June 1, 2040	0.12	50,000,000	50,000,000
Series 2013 Notes:			
2013A due February 15, 2018	1.83	100,000,000	100,000,000
Total debt		1,475,446,824	1,518,447,018
Total premiums and discounts (net)		(528,264)	(550,863)
Total debt net of premiums and discounts		1,474,918,560	1,517,896,155
Current portion of long-term debt		295,659,471	243,000,194
Total long-term debt		$1,179,259,089	$1,274,895,961

OHIO VALLEY ELECTRIC CORPORATION
AND SUBSIDIARY COMPANY

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2015 AND 2014

CAPITALIZATION AND LIABILITIES	2015	2014
CAPITALIZATION:		
Common stock, $100 par value—authorized, 300,000 shares; outstanding, 100,000 shares in 2015 and 2014	$ 10,000,000	$ 10,000,000
Long-term debt	1,179,259,089	1,274,895,961
Line of credit borrowings	45,000,000	20,000,000
Retained earnings	7,866,994	7,031,723
Total capitalization	1,242,126,083	1,311,927,684
CURRENT LIABILITIES:		
Current portion of long-term debt	295,659,471	243,000,194
Accounts payable	38,614,644	54,104,896
Accrued other taxes	9,564,756	9,410,141
Regulatory liabilities	17,522,792	14,065,394
Accrued interest and other	21,954,895	23,614,552
Total current liabilities	383,316,558	344,195,177
COMMITMENTS AND CONTINGENCIES (Notes 3, 11, 12)		
REGULATORY LIABILITIES:		
Postretirement benefits	44,780,419	33,650,545
Decommissioning and demolition	11,219,680	14,102,619
Total regulatory liabilities	56,000,099	47,753,164
OTHER LIABILITIES:		
Pension liability	27,889,880	32,475,646
Asset retirement obligations	31,249,839	29,547,185
Postretirement benefits obligation	32,235,745	44,875,752
Postemployment benefits obligation	2,526,541	1,437,151
Other noncurrent liabilities	911,204	1,123,868
Total other liabilities	94,813,209	109,459,602
TOTAL	$1,776,255,949	$1,813,335,627

See notes to consolidated financial statements. (Concluded)

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

OVEC PERFORMANCE—A 5-YEAR COMPARISON

	2015	2014	2013	2012	2011
Net Generation (MWh)	**8,899,619**	11,410,006	10,471,693	10,514,762	14,468,168
Energy Delivered (MWh) to:					
DOE [1]	**221,610**	211,337	195,470	207,692	253,157
Sponsors	**8,681,829**	11,193,643	10,304,107	10,340,568	14,199,025
Maximum Scheduled (MW) by:					
DOE [1]	**40**	42	33	36	39
Sponsors	**2,047**	2,162	2,160	2,165	2,247
Power Costs to:					
DOE [1]	**$10,249,000**	$11,758,000	$9,282,000	$9,097,000	$11,643,000
Sponsors	**$559,123,000**	$631,120,000	$671,648,000	$650,027,000	$722,153,000
Average Price (MWh):					
DOE [1]	**$46.248**	$55.636	$47.483	$43.802	$45.993
Sponsors	**$64.402**	$56.382	$65.183	$62.862	$50.859
Operating Revenues	**$565,329,000**	$656,174,000	$675,649,000	$670,819,000	$716,938,000
Operating Expenses	**$492,803,000**	$587,900,000	$594,742,000	$599,891,000	$653,696,000
Cost of Fuel Consumed	**$246,582,000**	$315,461,000	$311,900,000	$302,926,000	$397,543,000
Taxes (federal, state, and local)	**$11,646,000**	$12,426,000	$12,312,000	$11,659,000	$12,059,000
Payroll	**$63,909,000**	$62,275,000	$63,175,000	$61,907,000	$57,141,000
Fuel Burned (tons)	**4,134,871**	5,183,311	4,958,872	5,290,009	7,310,107
Heat Rate (Btu per kWh, net generation)	**10,681**	10,483	10,715	10,581	10,467
Unit Cost of Fuel Burned (per mmBtu)	**$2.59**	$2.64	$2.78	$2.72	$2.63
Equivalent Availability (percent)	**64.7**	69.8	73.9	78.9	83.0
Power Use Factor (percent)	**73.07**	86.48	75.05	69.40	89.61
Employees (year-end)	**738**	775	781	828	810

[1] OVEC purchases power from third party generators and provides certain services for the Department of Energy (DOE) at its Portsmouth facility under the terms and conditions of an Arranged Power Agreement (APA) dated May 1, 2003. On April 28, 2015, DOE and OVEC signed an agreement to terminate the APA effective July 31, 2015. The DOE and OVEC extended the date for termination of the agreement to October 31, 2016.

Exhibit B

Size of OVEC Bailout

- Ohio's utilities and affiliates own 57.9 % of OVEC's generation output
- The two (2) coal plants in IN and OH are 2,390 MW in capacity size
- At a 90 % capacity factor Ohio's utilities control (MWh/yr) :

  = 2,390 MW x 8,760 hr/yr x 90 % x 57.9 %

  = 10.9 million MWh/year

- Annual **OVEC Bailout** is :

  = 10.9 million MWh/year x 1,000 kw/MW x 3.6 cents/kwh

  = **$ 390,000,000/year**

- An OVEC Bailout over **10 years** : **$ 4 Billion**

- An OVEC Bailout over **20 years : $ 8 + Billion**

Exhibit B

Ohio Utility Interests in OVEC

	%
Allegheny Energy (FirstE)	3.01
Appalachian Power (AEP)	15.69
DP&L	4.90
Duke- Ohio	9.00
First Energy Solutions	4.85
Monongahela Power (First E)	0.49
Ohio Power Co. (AEP)	19.93
Total	**57.87**

Notes : % Ownership data from Page 1 of the OVEC 2015 Annual Report

HB-239 does not prohibit Ohio utility affiliates located outside of Ohio from transferring/assigning their OVEC interests to their parent/affiliate in Ohio.

Since OVEC would be handed a Bailout, the assumption is that out-of-State affiliates will logically transfer MWh production ownership back into a related Ohio entity, to make more profit

This same mechanism of out-of-State transfer back into Ohio is envisioned in the ZEN Bill (HB-178), to accommodate First E's nuclear power in western Penn. via the Beaver Valley nuclear plant

A HB-239 Bailout applies to electricity output of a major power plant in Indiana. Ohioans are being asked to bailout a major out-of-state power plant !

Since OVEC's coal plants are un-economical today, they now only run when their cost of generation is below PJM market clearing prices. Due to poor OVEC economics, their recent capacity factors have fallen below what the plants were designed to achieve.

If an OVEC Bailout were to occur, OVEC would have every incentive to run both plants at "full throttle" 24/7, and thus a more typical baseload capacity factor would be achieved (to maximize profits) and is noted in these calculations at 90 %

Exhibit C

AEP Buys Out Cheshire, OH

The Atlantic

For $20 Million, a Coal Utility Bought an Ohio Town and a Clear Conscience

Today, all that remains in Cheshire are two power plants and the few people who refused to leave.

The Gen. James M. Gavin Power Plant in Cheshire, Ohio

Richard Martin

RICHARD MARTIN | OCT 16, 2014 | BUSINESS

Scotty Lucas is the former mayor of a town that no longer exists. This double obsolescence seems to faze him little, which is not all that surprising considering that he has outlived his wife, one of his children, and the town he spent most of his 81 years in.

Lucas's one-story brick home, with a bass boat in the driveway and wrought-iron patio furniture, is one of the few still standing in Cheshire, Ohio. This riverside village became briefly famous in 2002, when American Electric Power, the utility that operates two large coal-fired power plants here, bought it for $20 million—a deal the company preferred over dealing with residents' ongoing complaints about air pollution.

I visited Lucas, who presided over the now 140-year-old town a few years before the AEP buyout, on a mild September afternoon, as puffy white clouds melded with the smoke and steam billowing from the nearby Gen. James M. Gavin Power Plant. Built in the early '70s, Gavin is the largest coal plant in Ohio and one of the largest in the United States. Just down the Ohio River is the smaller, older Kyger Creek plant, which has been burning coal to make electricity since 1954.

Lucas, a hospital administrator, served as Cheshire's part-time mayor from 1970 to 1998. He kept getting re-elected, he says, because "nobody else wanted to catch the flack." His successor, Tom Reese, helped negotiate the AEP buyout, which cost the utility $20 million and absolved it from any future liability for damage to the locals' health or their property. All but a handful of the town's 450 or so residents accepted the buyout; the elderly and the infirm were allowed to remain in their homes for the rest of their lives.

This might sound like a black-and-white story: the evil coal company pushing out the simple, sturdy townsfolk. But it's not that simple.

I asked Lucas, one of whose sons is now a foreman at the Gavin plant, if the buyout was a good thing for the town and its residents. He paused for nearly a minute.

"We were given a lifetime estate. My wife was ill, she didn't want to relocate. It was okay for our particular needs."

Lucas's wife died "inch by inch," as he puts it, of pulmonary fibrosis, finally succumbing in 2012. It's not clear whether her illness was caused by their proximity to the coal plants. "That question arose," he said. "The doctors, they wouldn't comment." And what does he think? "Naturally, it lights up. It certainly could be."

Later on in our conversation he returned to the question of the buyout's consequences. "I hate it that they uprooted that many people, especially in a place with a history like this village. It wasn't a good outcome."

Exhibit D

PSE&G Closing Mercer Coal Plant (June 2017)

Business (Http://Www.philly.com/Business)

— Energy (http://www.philly.com/philly/business/energy)

PSEG shuts down its last coal plants: `It's just economics'

Updated: MAY 30, 2017 — 3:01 AM EDT

(http://www.philly.com/philly/business/energy/pseg-shuts-down-its-last-n-j-coal-plants-its-just-economics-20170530.html?viewGallery=y) (http://philly.reprintmint.com/006-default.html?

http://www.philly.com/philly/business/energy/pseg-shuts-down-its-last-n-j-coal-plants-its-just-economics-20170530.html?mobi=true
The Philadelphia Inquirer

PSEG shuts down its last coal plants: `It's just economics'

HAMILTON TOWNSHIP, N.J. — Like many 57-year-olds, the Mercer Generation Station can still do its job, which is producing electricity from Appalachian coal for a public hungry for power. But this former workhorse of the grid has been eclipsed by a new generation of power plants, and on Thursday it will shut down for good.

Public Service Enterprise Group of Newark, N.J., announced in October that it would shut down Mercer and the Hudson Generation Station on June 1, retiring its two remaining coal-fired power plants in New Jersey, casualties of a sustained low-price environment brought on by inexpensive natural gas.

The closures take place just six years after the company's power-generation subsidiary, PSEG Power, completed more than $1 billion in upgrades to environmental controls at the two sites to comply with new federal emissions standards. Though the company correctly anticipated stricter environmental regulations, it did not foresee the tumble in energy prices brought on by shale gas.

With the plant's shutdown, Mercer's coal supply is being sold and loaded onto barges.

"We made a bet on high gas prices," Ralph Izzo, PSEG's chief executive, said in an interview last week. "We got that wrong." The company took a loss of $555 million last year on the plant closures and anticipates an additional non-cash write-off of up to $960 million in 2017.

Environmentalists claimed credit for forcing the two coal plants to close, but PSEG says it was really fracking that undermined them. "The way the market works, the economics don't work," Bill Thompson, PSEG Power's senior director of operations, said during a Mercer plant tour last week. "They're not getting shut down for equipment conditions. It's just economics."

The Mercer station, just downriver from Trenton, was built when Dwight D. Eisenhower was in the White House and can produce 632 megawatts, slightly more than the Hudson plant. Mercer performed like a star professional athlete for much of its career, before moving down in the regional power-generation lineup. In recent years, it was strictly a bench player.

Ten years ago, the plant ran nearly every day, producing more than three million megawatt hours of electricity, according to PSEG Power. In 2016, Mercer produced a mere 1,867 megawatt hours. Last year, it operated only two days in January, when the regional power-grid operator, PJM Interconnection, called on it to meet high winter demand. The generation station has been inactive for 17 months.

Today, Mercer is a silent industrial castle along the Delaware, its giant blue turbines idle and its 325-foot stacks, ghostly sentries. All the dials on its control-room wall, except for the clock, are pointed at zero.

Jim Pfennigwerth (left) Mercer's plant manager, shakes hands with Lester Doll, who had just cleaned out his locker after 19 years at the plant. CLEM MURRAY / Staff Photographer

Three oversized front-end loaders were busy last week reducing a mountain of coal that piled up last year when the plant was on standby — barges kept delivering fuel from a Baltimore terminal under contract. Now, the coal is being loaded back onto barges and resold into the market. Since March, the plant has shipped out 180,000 tons of it.

PSEG said most of the 200 remaining employees at the two plants — more than twice that number worked there during their peaks — have accepted other jobs in the company, which includes the state's largest utility, Public Service Electric and Gas Co. Some employees elected to take buyout packages and retire. Fewer than 10 employees are still awaiting placement within the company, said Jim Pfennigwerth, 62, the plant manager, who is among those who plan to retire.

Power-generation people are typically not overtly sentimental. Many of those who have worked at Mercer for decades are stoic about the end of an era.

"I actually started here at the lowest levels," said George LaFalce, 61, a 29-year veteran. "Back in the days, I was a plant operator. I ran around and made sure the coal kept moving." He will retire, along with the plant, as its last operations chief.

Mark Schwartzkopf, 66, Mercer's environmental manager, is retiring with 47 years of service at the plant. He takes pride at providing power to the company's customers, especially in the dead of winter. "When it's cold out, you're doing some good," said Schwartzkopf, who commutes to the plant from his home in Haddonfield.

The Mercer and Hudson stations' retirements leave New Jersey with two remaining coal-fired plants, both in South Jersey. The Logan Generating Plant, a 225-megawatt plant on the Delaware near Swedesboro, was built in 1994 and is equipped with modern emission controls. Chambers Cogeneration LP operates a 261-MW plant in Carneys Point, Salem County.

PSEG Power still operates the Bridgeport Harbor plant in Connecticut, which is scheduled to be retired in 2021 and replaced by a gas plant. It also has ownership stakes in the Keystone and Connemaugh coal plants in Western Pennsylvania, which are built near mines and operate with high efficiency. But it sees no growth in coal.

"We won't be investing in new coal," Izzo said.

At Mercer, PSEG's environmental investments are the main features of the tour. It added precipitators in 1995 to reduce soot emissions, and the first of three units to reduce nitrogen oxides, which contribute to ground-level ozone, or smog. In 2004, it added a $100 million selective catalytic reduction unit to cut nitrogen oxides, and in 2007 a $10 million carbon-injection unit to reduce mercury. In 2010, it spent $500 million to build a baghouse and scrubber to control sulfur, mercury and particulates.

"They're very clean plants and not because they don't run," Izzo said. The emissions-control features now occupy two times more land on Mercer's 114-acre site than the original power plant.

Izzo and some plant employees expressed concern that the closures of the coal plants will reduce the diversity of fuel sources that power the region, making the electric grid less resilient as natural gas becomes more dominant. It's a theme that is being pounded in Congress and state capitals in the region, particularly by the nuclear industry, which is lobbying for some type of price support for nuclear power plants to reward their clean emissions.

Along with Mercer and Hudson, PSEG has retired other power plants recently without raising alarms, Izzo said, but the potential shutdown of its nuclear plants could have much deeper economic and environmental consequences. "We retired 3,000 MW and didn't say anything," he said. "If we make a fuss, it's because we mean it and it matters."

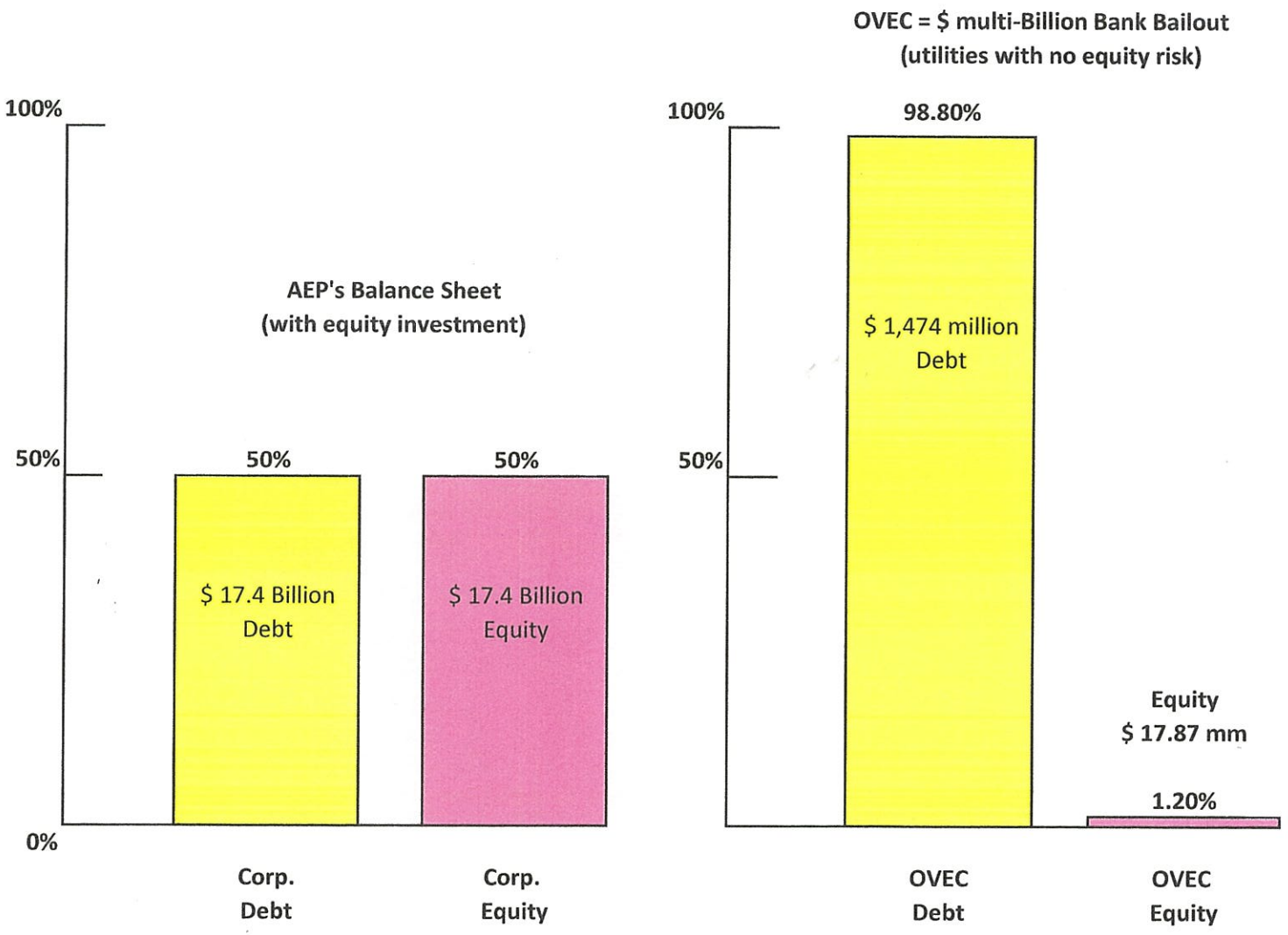
As for the Mercer and Hudson sites, it is likely they will remain in industrial use. Hudson will be used to store equipment to support other plant operations in the area, Izzo said. Until a long-term plan for Mercer emerges, he said, the company has begun explorations with New Jersey environmental officials about installing solar panels, since the site already has transmission lines connected to the grid.

"We really want to preserve those sites for future power generation," Izzo said. "It's not easy to site power plants."

Exhibit E

Utility Capital Structure Ratio

Exhibit E


AEP's Balance Sheet
(with equity investment)
100%
50%
0%
50%
50%
$ 17.4 Billion
Debt
$ 17.4 Billion
Equity
Corp.
Debt
Corp.
Equity
OVEC = $ multi-Billion Bank Bailout
(utilities with no equity risk)
100%
50%
98.80%
$ 1,474 million
Debt
Equity
$ 17.87 mm
1.20%
OVEC
Debt
OVEC
Equity

American Electric Power Company Inc (AEP :)

+ WATCHLIST

BALANCE SHEET : QUARTERLY ANNUAL

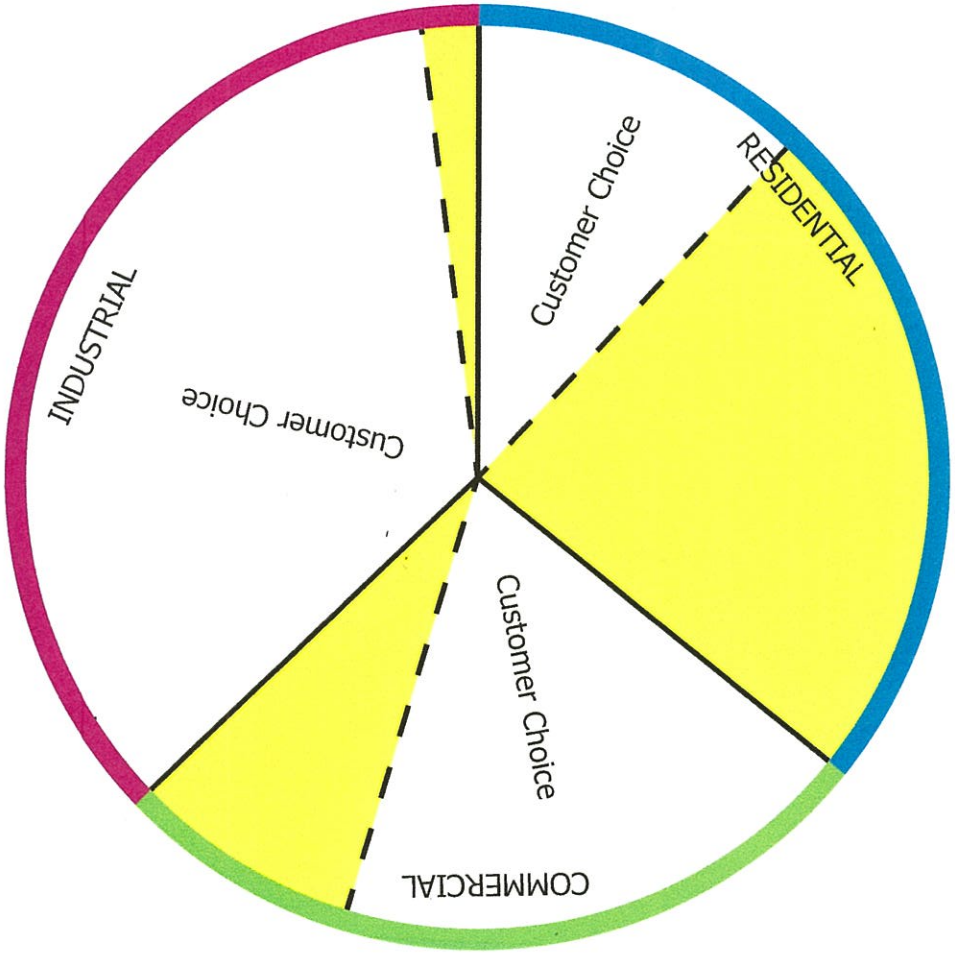
	2016 12/31/16	2015 12/31/15	2014 12/31/14	2013 12/31/13
Cash	290	284	258	188
Short Term Investments	332	387	386	353
ASSETS				
Cash & Short Term Investments	622	670	643	541
Receivables - Net	1,917	1,640	1,835	1,860
Raw Materials	967	1,339	1,317	1,423
Inventories - Total	967	1,339	1,317	1,423
Prepaid Expenses	--	--	--	--
Other Current Assets	2,528	422	683	486
CURRENT ASSETS - TOTAL	6,034	4,072	4,478	4,310
Other Property, Plant & Equipment	58,853	61,577	60,391	57,814
Property, Plant and Equipment - Gross	62,037	65,481	63,606	60,285
Accumulated Depreciation	(16,397)	(19,348)	(19,971)	(19,288)
Property, Plant and Equipment - Net	45,639	46,133	43,635	40,997
Other Investments	2,256	2,106	2,096	1,932
Deferred Charges	2,085	2,107	2,131	2,038
Other Tangible Assets	7,401	7,212	7,152	7,046
Total Intangible Other Assets - Net	53	53	53	91
Other Assets - Total	9,538	9,371	9,336	9,175
TOTAL ASSETS	63,468	61,683	59,545	56,414
LIABILITIES				
Accounts Payable	1,688	1,418	1,258	1,266
Short Term Debt & Current Portion of Long Term Debt	4,591	2,632	3,846	2,306
Income Taxes Payable	1,048	979	864	822
Other Current Liabilities	2,171	2,080	1,998	1,718
CURRENT LIABILITIES - TOTAL	9,498	7,108	7,967	6,112
Long Term Debt	17,378	17,741	16,012	16,828
Provision for Risks and Charges	2,445	2,390	2,580	2,250
Deferred Taxes - Credit	11,884	11,733	10,892	10,300
DEFERRED TAXES	11,884	11,733	10,892	10,300
Other Liabilities	4,842	4,806	5,269	4,838
TOTAL LIABILITIES	46,048	43,778	42,720	40,328
EQUITY				
Non-Equity Reserves	0	0	0	0
Minority Interest	23	13	4	1
Preferred Stock	0	0	0	0
Common Stock	3,328	3,324	3,313	3,303
Capital Surplus	6,333	6,297	6,203	6,131
Other Appropriated Reserves	(126)	(112)	(93)	(99)
Retained Earnings	7,892	8,398	7,407	6,766
Unrealized Foreign Exchange Gain/Loss	(39)	(22)	(18)	(23)
Unrealized Gain/Loss on Marketable Securities	8	7	8	7
COMMON EQUITY	17,397	17,892	16,820	16,085
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	63,468	61,683	59,545	56,414
SHARE INFORMATION				
Common Shares Outstanding	492	491	489	488

() = Negative Values
In U.S. Dollars
Values are displayed in Millions except for earnings per share and where noted

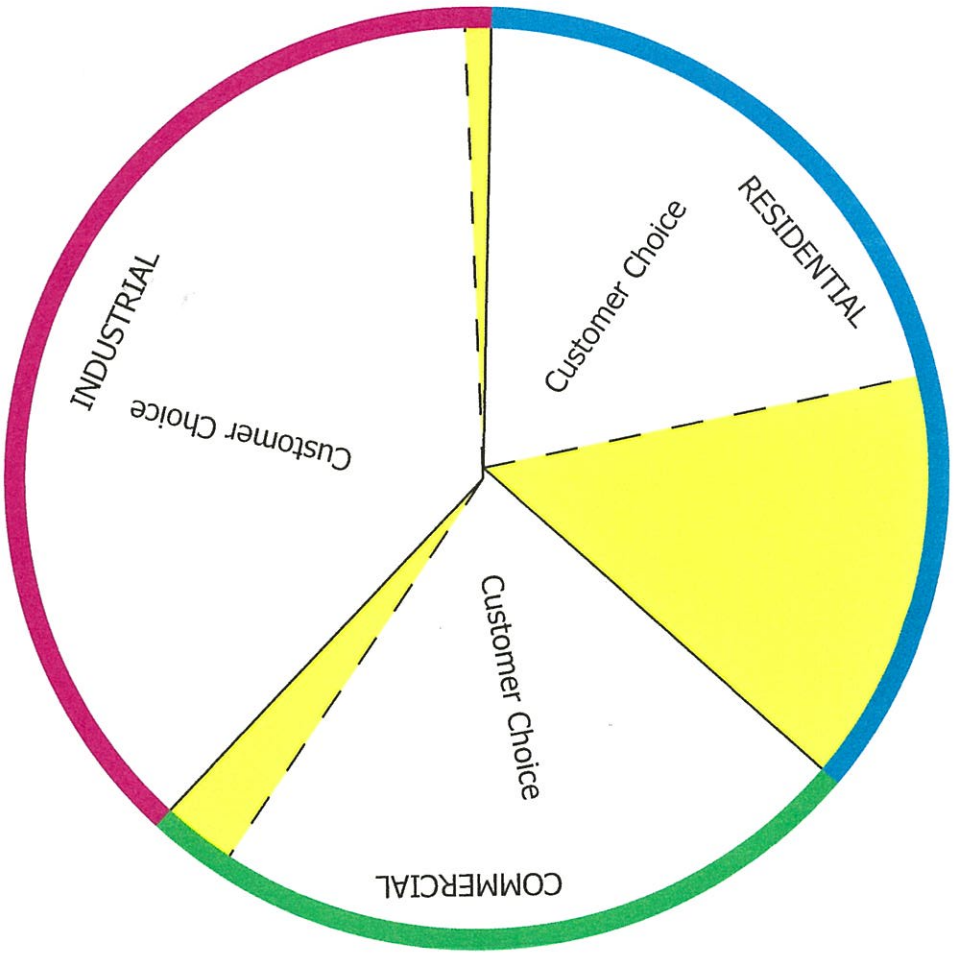
Exhibit F

Downward Economic Death Spiral

Downward Economic Death Spiral



2017 : Pre-OVEC Bailout



1 Year after Bailout in Effect

Those saddled with
OVEC Bailout Costs

Exhibit G

Cash Dividends Paid vs. OVEC Bailout Amount

Exhibit G
Cash Dividends Distributed Yearly
by
AEP, First Energy and DP&L