

**ADDENDUM 2 to
PRE-QUALIFICATION APPLICATION of
AMERICAN ELECTRIC POWER COMPANY
and CERTAIN AFFILIATES**

Submitted to the PJM Office of Interconnection under
PJM Amended and Restated
Operating Agreement Section 1.5.8(a)
September 30, 2017



Introduction

American Electric Power Company, Inc. (AEP) is submitting an update to its *Pre-Qualification Application of American Electric Power and Certain Affiliates* (Pre-Qualification Application) submitted April 29, 2013 and Addendum submitted September 30, 2016. The update specifically applies to Section 2.c. in the Pre-Qualification Application concerning AEP's Transource Energy, LLC (Transource) subsidiary and the pre-qualification of Transource's subsidiaries. Specifically, AEP seeks to establish pre-qualified status for the following ten (10) Transource subsidiaries:

- Transource Delaware, Inc.
- Transource Illinois, LLC
- Transource Indiana, LLC
- Transource Kentucky, LLC
- Transource Michigan, Inc.
- Transource New Jersey, LLC
- Transource North Carolina, LLC
- Transource Ohio, LLC
- Transource Tennessee, Inc.
- Transource Virginia, Inc.

2.c. Transource Energy and Subsidiaries

In response to changes in the electric transmission marketplace over the past decade and the prospect of increased competition for regional transmission projects following FERC Order No. 1000, subsidiaries of American Electric Power Company, Inc. (AEP) and Great Plains Energy Incorporated (GPE)¹ formed Transource to pursue

¹ GPE is the holding company of Kansas City Power & Light (KCP&L) and Greater Missouri Operations (GMO), operating utilities that deliver electricity to more than 823,000 customers in Kansas and Missouri. GPE is headquartered in Kansas City, Missouri. GPE's operating companies own over 2,600 miles of transmission

competitive transmission projects. AEP Transmission Holding Company, LLC (AEPHoldco), a subsidiary of AEP, owns 86.5% of Transource, and GPE Transmission Holding Company, LLC (GPEHoldco), a subsidiary of GPE, owns 13.5%. Transource's approach is to form state- or project-specific, wholly-owned subsidiary companies to construct, finance, own, operate, and maintain its awarded competitive transmission projects.

Transource and its subsidiaries' qualifications to be a Designated Entity for transmission projects in PJM under section 1.5.8 (a) in Schedule 6 of the PJM Operating Agreement are based on their established access² to project development, operational, financial and other relevant resources of AEP and GPE. The transmission capabilities of AEP and GPE are outlined in AEP's Pre-Qualification Application. This document is on record with PJM and posted on the PJM website with a PJM pre-qualification ID of 13-05.

The financial strength of Transource is evidenced by the most recent financial statements of its ultimate parent companies, AEP and GPE, attached at Appendix D and E in AEP's Pre-Qualification Application. GPE, KCP&L and GMO credit ratings, as of September 28, 2017, are as follows:

Company	Moody's	S&P*
GPE	Baa2	BBB+
KCP&L	Baa1	BBB+
GMO	Baa2	BBB+

*Corporate Credit Rating

In addition, Transource benefits from the coordinated financing activities of AEPHoldco, described in AEP's Pre-Qualification Application.

lines operating at voltages up to 345kV. KCP&L and GMO are SPP members and have transferred functional control of their transmission facilities to SPP.

² The Operating Agreement of Transource Energy, LLC and various Service Agreements between Transource, Transource subsidiary companies, AEP and GPE establish this access and are available to PJM upon request.