

Upfront lines 7,9-12

**PART III:
ESTIMATED UPFRONT FINANCING COSTS**

Underwriters' Fees	\$ 1,521,200
APCo's/BondCo Counsel and Underwriters' Counsel Legal Fees & Expenses	\$ 1,723,000
Rating Agencies' Fees	\$ 370,793
APCo's Financial Advisor Fees & Expenses	\$ 50,000
Commission Financial Advisor Fees & Expenses	\$ 150,000
SEC Registration Fee	\$ 49,202
- Printing/Edgarizing Expenses	\$ 30,000
Miscellaneous Administrative Costs, including Original Issue Discount & Underwriters' Out-of-Pocket Expenses	\$ 127,222
- Accountant's Fees	\$ 170,000
- Servicer's Set-Up Costs	\$ 50,000
- Trustee's/Trustee Counsel's Fees & Expenses	\$ 14,000
- BondCo Set-Up Costs	\$ 20,000
TOTAL ESTIMATED UPFRONT FINANCING COSTS SECURITIZED*	\$ 4,275,417

* Although the actual estimate is set forth above, pursuant to the Financing Order the maximum allowable Upfront Financing Costs to be included in the Securitization is equal to the sum of (1) the fees charged and costs incurred by the Commission Financial Advisor and (2) the lesser of \$5,750,000 or the actual aggregate amount of the other Upfront Financing Costs (i.e. other than the fees and costs of the Commission Financial Advisor) actually incurred by the Applicants.

Appalachian Power Company Issuance Advice Letter

ESTIMATED ONGOING FINANCING COSTS

	ANNUAL AMOUNT
- Ongoing Servicer Fees (APCo or affiliate as servicer)	\$ 190,150
- Administration Fees	\$ 100,000
- Accountant's Fees	\$ 75,000
- Legal Fees/Expenses for Applicants'/BondCo's Counsel	\$ 30,000
- Trustee's/Trustee Counsel Fees & Expenses	\$ 10,000
- Independent Managers' Fees	\$ 5,000
Rating Agency Fees	\$ 35,000
Printing/Edgarization Expenses	\$ 2,500
- Return on Capital Contribution at 5.85% per annum	\$ 111,238
- Miscellaneous	\$ 15,000
TOTAL (APCO AS SERVICER) PROJECTED ANNUAL ONGOING QUALIFIED COSTS	\$ 573,888
Ongoing Servicer Fees (Third Party as Servicer – 1.25% of original principal balance)	\$ 4,753,750
Other Servicing Fees	\$ 383,738
TOTAL (THIRD PARTY AS SERVICER) PROJECTED ONGOING FINANCING COSTS	\$ 5,137,488

5 bps

Note: The amounts shown for each category of operating expense on this attachment are the expected expenses for the first twelve months of the consumer rate relief bonds. Consumer rate relief charges will be adjusted at least annually to reflect any changes in Ongoing Financing Costs through the true-up process described in the Financing Order.

Appalachian Power Company Issuance Advice Letter

Upfront lines 1, 9-12
Ongoing

APPALACHIAN POWER COMPANY
ENEC Securitization
Projected Financing Costs at February 5, 2013

\$380.3m

Up-Front Financing Costs

Underwriters' Fees	\$ 2,111,500
Legal Fees	3,000,000
Rating Agency Fees	561,742
Company's Financial Advisor Fees & Expenses	550,000
Printing/Edgarizing	30,000
SEC Registration Fee	48,396
Miscellaneous Administrative Costs ¹	564,531
Accountant's Fees	170,000
Servicer's Set-up Costs	30,000
Trustee's/Trustee Counsel's Fees	25,000
SPE Setup Costs	10,000
Subtotal	<u>\$ 7,101,169</u>

Ongoing Financing Costs

	Annual Amount	
	APCo as Servicer	Third-Party as Servicer
Ongoing Servicer Fee (0.05% of initial principal amount for APCO, 1.25% for Third-Party Servicer)	\$ 211,150	\$ 5,278,750
Administration Fee	100,000	100,000
Accountants' Fee	50,000	50,000
Legal Fees/Expenses for Company's/Issuer's Counsel	30,000	30,000
Trustee's/Trustee's Counsel Fees and Expenses	10,000	10,000
Independent Managers' Fees	5,000	5,000
Rating Agency Fees	45,000	45,000
Printing/EDGARization Expenses	2,500	2,500
Return on Capital Contribution (LTD Rate)	123,523	123,523
Miscellaneous	15,000	15,000
TOTAL	<u>\$ 592,173</u>	<u>\$ 5,659,773</u>

Notes:

1) Includes Original Issuance Discount (OID) amount and Underwriters' out-of-pocket expenses.

Upfront lines - 7, 9 - 12

CONSUMERS ENERGY COMPANY
INITIAL OTHER QUALIFIED COSTS

Case No.: U-17473
Exhibit: A-7 (JJM-2)
Witness: JJMurphy
Date: September 2013
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\$378m

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
Up-front Costs of Issuing Securitization Bonds		
1	Underwriting Discount and Fees	\$2,500,000
2	Underwriters' Reimbursable Expenses	25,000
3	SEC Registration Fee	65,000
4	Legal Fees	4,500,000
5	Rating Agency Fees	700,000
6	Auditor Fees	170,000
7	Printing Fees	20,000
8	Trustee Fees and Expenses	10,000
9	Blue Sky Fees	20,000
10	SPE Organizational Costs	100,000
11	Original Issue Discount	100,000
12	Costs of the Commission	200,000
13	Miscellaneous	90,000
14	Total Issuance Expenses	<u>\$ 8,500,000</u>
<u>Additional Qualified Costs</u>		
15	Other (Call or Tender Premiums and Associated Costs to Retire Debt)	20,000,000
16	Total Additional Expenses	<u>\$ 20,000,000</u>
17	<u>Total Initial Other Qualified Costs</u>	<u>\$ 28,500,000</u>

Ongoing

CONSUMERS ENERGY COMPANY
ONGOING OTHER QUALIFIED COSTS
 OF THE SPE

Case No.: U-17473
 Exhibit: A-8 (JJM-3)
 Witness: JJMurphy
 Date: September 2013
 Page: 1 of 1

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>
1	Servicing Fee @ 0.10%*	\$454,300
2	Auditor Fees	100,000
3	Trustee Fees and Expenses	22,000
4	Independent Director Fees	7,000
5	Rating Agency Fees	15,000
6	SEC Reporting Expenses	50,000
7	Administrative Fee	50,000
8	Miscellaneous	1,700
9	Total Ongoing Other Qualified Costs	<u>\$700,000</u>

*This fee is based upon the original principal amount of securitization bonds outstanding and assumes that the Company or an affiliate is the servicer.