

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 2022
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from _____ to _____

Commission File Number of issuing entity: 333-191392-01

Central Index Key Number of issuing entity: 0001587650

APPALACHIAN CONSUMER RATE RELIEF FUNDING LLC

(Exact name of issuing entity as specified in its charter)

Commission File Number of depositor and sponsor: 333-191392

Central Index Key Number of depositor and sponsor: 0000006879

APPALACHIAN POWER COMPANY

(Exact name of depositor and sponsor as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

1 Riverside Plaza

Columbus, Ohio

(Address of principal executive offices)

54-0124790

(I.R.S. Employer Identification No.)

43215

(Zip Code)

Registrant's telephone number, including area code: (614) 716-1000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Securities Exchange Act of 1934, as amended. Check One:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

Indicate by check mark if the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant does not have any voting or non-voting common equity held by non-affiliates.

Documents incorporated by reference: A portion of the proxy statement relating to the 2023 Annual Meeting of Shareholders of American Electric Power Company, Inc. is incorporated by reference in Item 11 of Part III of this report.

Auditor Firm Id: 238

Auditor Name: PricewaterhouseCoopers LLP

Auditor Location: Tulsa, Oklahoma

PART I

Item 1. Business.

Omitted pursuant to General Instruction J of Form 10-K.

Item 1A. Risk Factors.

Omitted pursuant to General Instruction J of Form 10-K.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Omitted pursuant to General Instruction J of Form 10-K.

Item 3. Legal Proceedings.

Omitted pursuant to General Instruction J of Form 10-K.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Omitted pursuant to General Instruction J of Form 10-K.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Omitted pursuant to General Instruction J of Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

Omitted pursuant to General Instruction J of Form 10-K.

Item 8. Financial Statements and Supplementary Data.

Omitted pursuant to General Instruction J of Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.

Omitted pursuant to General Instruction J of Form 10-K.

Item 9A. Controls and Procedures.

Omitted pursuant to General Instruction J of Form 10-K.

Item 9B. Other Information.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Appalachian Consumer Rate Relief Funding LLC (the Company) has five managers. At least two managers must not be, and must not have been for at least five years prior to the date of his or her appointment: (i) a direct or indirect legal or beneficial owner of the Company or Appalachian Power Company (APCo) or any of their respective affiliates, (ii) a relative, supplier, employee, officer, director (other than as an independent director), manager (other than as an independent manager), contractor or material creditor of the Company or APCo or any of their respective affiliates or (iii) a person who controls (whether directly, indirectly or otherwise) APCo or its affiliates or any creditor, employee, officer, director, manager or material supplier or contractor of APCo or its affiliates.

The following are the managers of the Company as of March 24, 2023:

<u>Name</u>	<u>Age</u>	<u>Background</u>
Ann P. Kelly	52	President and manager of the Company. Vice president, chief financial officer and director of Appalachian Power Company (APCo), executive vice president and chief financial officer of American Electric Power Company, Inc. (AEP), and executive vice president, chief financial officer and director of American Electric Power Service Corporation, a subsidiary of AEP (Service Corporation) since November 30, 2022. Previously was vice president of finance and chief financial officer for AmeriGas in 2019. Corporate controller and chief accounting officer for UGI Corporation from March 2018 to February 2019. Assistant Treasurer of UGI Corporation from May 2016 to March 2018.
Julie A. Sherwood	52	Treasurer and manager of the Company. Vice president and treasurer of APCo, treasurer of AEP and senior vice president treasury and risk of the Service Corporation since January 1, 2021. Joined the Service Corporation in 2004 and was appointed as director, external financial reporting in 2004, appointed director-investor relations in 2007, became vice president of market operations in 2014 and senior vice president-commercial operations in 2018. Treasurer of certain other AEP System companies.
Renee V. Hawkins	57	Assistant treasurer and manager of the Company. Vice president of finance and treasury since August 2022, previously was managing director corporate finance of the Service Corporation since 2003 and assistant treasurer of the Service Corporation since 2008. Assistant Treasurer of certain other AEP System companies.
Sean Emerick	57	Manager of the Company. Lead project & program manager since October 2022 for CT Corporation Staffing, Inc., a subsidiary of CT Corporation System. Director, special services, CT Corporation, since 2014. From 2011 to 2014, regional service manager for CT Corporation and, prior to that, vice president and general manager of corporate services at National Registered Agents, Inc. from 2007 to 2011.
William Bleier	32	Manager of the Company. Associate Director, Customer Service for CT Corporation since 2020. From 2017 to 2020 served as Service Manager, Large Corporations and prior to that served as Account Manager, Mid-Market from 2014 to 2017.

Code of Conduct

The Company is a wholly owned subsidiary of APCo which in turn is an indirect subsidiary of AEP. AEP has adopted a code of conduct and ethics which applies to all of its subsidiaries. AEP maintains a corporate governance page on its website which includes key information about its corporate governance initiatives, including AEP's Principles of Corporate Governance and AEP's Principles of Business Conduct. The corporate governance page can be found at www.aep.com/investors/corporateleadersandgovernance.

Item 11. Executive Compensation.

Other than the annual independent manager fee of \$1,800 paid to CT Corporation System, the Company does not pay any compensation to its executive officers or managers.

The information required by this item with respect to APCo is incorporated herein by reference to the material under *Compensation Discussion and Analysis* of the definitive proxy statement of American Electric Power Company, Inc. for the 2023 annual meeting of stockholders filed with the Securities and Exchange Commission on March 15, 2023.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

None.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Managers Sean Emerick and William Bleier are the independent directors and are employees of CT Corporation Staffing, Inc.

Item 14. Principal Accountant Fees and Services.

Omitted pursuant to General Instruction J of Form 10-K.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Documents filed as a part of this report:

- 1 Financial Statements.
Omitted pursuant to General Instruction J of Form 10-K as listed under Item 8 of this report.
- 2 Financial Statement Schedules.
Omitted pursuant to General Instruction J of Form 10-K as listed under Item 8 of this report.
- 3 Exhibits required by Item 601 of Regulation S-K (exhibits marked with an asterisk are filed herewith):
 - 3.1 Certificate of Formation of the Issuing Entity filed with the Delaware Secretary of State on August 19, 2013.
 - 3.2 Amended and Restated Limited Liability Company Agreement of the Issuing Entity executed as of October 28, 2013.
 - 4.1 Indenture dated as of November 15, 2013 between the Issuing Entity and U.S. Bank National Association providing for the issuance of Senior Secured Consumer Rate Relief Bonds.
 - 4.2 Form of Senior Secured Consumer Rate Relief Bonds.
 - 10.1 Consumer Rate Relief Property Sale Agreement dated as of November 15, 2013 between the Issuing Entity and Appalachian Power Company, as seller.
 - 10.2 Servicing Agreement dated as of November 15, 2013 between the Issuing Entity and Appalachian Power Company, as servicer.
 - 10.3 Administration Agreement dated as of November 15, 2013 between the Issuing Entity and Appalachian Power Company, as servicer.
 - *31.1 Certification.
 - *33.1 Report on assessment of compliance with servicing criteria for asset-backed issuers for Appalachian Power Company, as servicer.
 - *33.2 Report on assessment of compliance with servicing criteria for asset-backed issuers for U.S. Bank National Association, as Indenture Trustee.
 - *34.1 Attestation report on assessment of compliance with servicing criteria for asset-backed securities of PricewaterhouseCoopers LLP on behalf of Appalachian Power Company, as servicer.
 - *34.2 Attestation report on assessment of compliance with servicing criteria for asset-backed securities of Ernst & Young LLP on behalf of U.S. Bank National Association, as Indenture Trustee.
 - *35.1 Servicer compliance statement of Appalachian Power Company, as servicer.
 - *104 Cover Page Interactive Data File - The cover page iXBRL tags are embedded within the inline XBRL document.

(b) Exhibits required by this Form and Item 601 of Regulation S-K (exhibits marked with an asterisk are filed herewith)

3.1 Certificate of Formation of the Issuing Entity filed with the Delaware Secretary of State on August 19, 2013 (incorporated by reference to exhibit 3.1 included as an exhibit to the Sponsor's Form S-3 dated September 26, 2013).

3.2 Amended and Restated Limited Liability Company Agreement of the Issuing Entity executed as of October 28, 2013 (incorporated by reference to exhibit 3.2 included as an exhibit to the Sponsor's Form 8-K dated November 6, 2013).

4.1 Indenture dated as of November 15, 2013 between the Issuing Entity and U.S. Bank National Association providing for the issuance of Senior Secured Consumer Rate Relief Bonds (incorporated by reference to exhibit 4.1 included as an exhibit to the Sponsor's Form 8-K dated November 6, 2013).

4.2 Form of Senior Secured Consumer Rate Relief Bonds (included as Exhibit A to the Indenture filed as Exhibit 4.1) (incorporated by reference to exhibit 4.1 included as an exhibit to the Sponsor's Form 8-K dated November 6, 2013).

10.1 Consumer Rate Relief Property Sale Agreement dated as of November 15, 2013 between the Issuing Entity and Appalachian Power Company, as seller (incorporated by reference to exhibit 99.2 included as an exhibit to the Sponsor's Form 8-K dated November 6, 2013).

10.2 Servicing Agreement dated as of November 15, 2013 between the Issuing Entity and Appalachian Power Company, as servicer (incorporated by reference to exhibit 99.1 included as an exhibit to the Sponsor's Form 8-K dated November 6, 2013).

10.3 Administration Agreement dated as of November 15, 2013 between the Issuing Entity and Appalachian Power Company, as servicer (incorporated by reference to exhibit 99.3 included as an exhibit to the Sponsor's Form 8-K dated November 6, 2013).

*31.1 Certification.

*33.1 Report on assessment of compliance with servicing criteria for asset-backed issuers for Appalachian Power Company, as servicer.

*33.2 Report on assessment of compliance with servicing criteria for asset-backed issuers for U.S. Bank National Association, as Indenture Trustee.

*34.1 Attestation report on assessment of compliance with servicing criteria for asset-backed securities of PricewaterhouseCoopers LLP on behalf of Appalachian Power Company, as servicer.

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*35.1 Servicer compliance statement of Appalachian Power Company, as servicer.

*104 Cover Page Interactive Data File - The cover page iXBRL tags are embedded within the inline XBRL document.

Item 1112(b). Significant Obligors of Pool Assets.

None.

Item 1114(b)(2). Credit Enhancement and Other Support, Except for Certain Derivatives Instruments.

None.

Item 1115(b). Certain Derivatives Instruments.

None.

Item 1117. Legal Proceedings.

U.S. Bank National Association has provided the following information to the depositor:

U.S. Bank National Association (“U.S. Bank”) and other large financial institutions have been sued in their capacity as trustee or successor trustee for certain residential mortgage backed securities (“RMBS”) trusts. The complaints, primarily filed by investors or investor groups against U.S. Bank and similar institutions, allege the trustees caused losses to investors as a result of alleged failures by the sponsors, mortgage loan sellers and servicers to comply with the governing agreements for these RMBS trusts. Plaintiffs generally assert causes of action based upon the trustees’ purported failures to enforce repurchase obligations of mortgage loan sellers for alleged breaches of representations and warranties, notify securityholders of purported events of default allegedly caused by breaches of servicing standards by mortgage loan servicers and abide by a heightened standard of care following alleged events of default.

U.S. Bank denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of losses to investors, that it has meritorious defenses, and it has contested and intends to continue contesting the plaintiffs’ claims vigorously. However, U.S. Bank cannot assure you as to the outcome of any of the litigation, or the possible impact of these litigations on the trustee or the RMBS trusts.

On March 9, 2018, a law firm purporting to represent fifteen Delaware statutory trusts (the “DSTs”) that issued securities backed by student loans (the “Student Loans”) filed a lawsuit in the Delaware Court of Chancery against U.S. Bank National Association (“U.S. Bank”) in its capacities as indenture trustee and successor special servicer, and three other institutions in their respective transaction capacities, with respect to the DSTs and the Student Loans. This lawsuit is captioned *The National Collegiate Student Loan Master Trust I, et al. v. U.S. Bank National Association, et al.*, C.A. No. 2018-0167-JRS (Del. Ch.) (the “NCMSLT Action”). The complaint, as amended on June 15, 2018, alleged that the DSTs have been harmed as a result of purported misconduct or omissions by the defendants concerning administration of the trusts and special servicing of the Student Loans. Since the filing of the NCMSLT Action, certain Student Loan borrowers have made assertions against U.S. Bank concerning special servicing that appear to be based on certain allegations made on behalf of the DSTs in the NCMSLT Action.

U.S. Bank has filed a motion seeking dismissal of the operative complaint in its entirety with prejudice pursuant to Chancery Court Rules 12(b)(1) and 12(b)(6) or, in the alternative, a stay of the case while other prior filed disputes involving the DSTs and the Student Loans are litigated. On November 7, 2018, the Court ruled that the case should be stayed in its entirety pending resolution of the first-filed cases. On January 21, 2020, the Court entered an order consolidating for pretrial purposes the NCMSLT Action and three other lawsuits pending in the Delaware Court of Chancery concerning the DSTs and the Student Loans, which remains pending.

U.S. Bank denies liability in the NCMSLT Action and believes it has performed its obligations as indenture trustee and special servicer in good faith and in compliance in all material respects with the terms of the agreements governing the DSTs and that it has meritorious defenses. It has contested and intends to continue contesting the plaintiffs’ claims vigorously.

Item 1119. Affiliations and Certain Relationships and Related Transactions.

Appalachian Consumer Rate Relief Funding LLC is a wholly-owned subsidiary of Appalachian Power Company.

Item 1122 of Regulation AB. Compliance with Applicable Servicing Criteria.

The Report on Assessment of Compliance With Servicing Criteria for Asset-Backed Securities and the related attestation report for Appalachian Power Company included as Exhibits 33.1 and 34.1, respectively, to this Form 10-K identified no material instances of noncompliance by Appalachian Power Company with the servicing criteria set forth in Item 1122 of Regulation AB.

The Report on Assessment of Compliance With Servicing Criteria for Asset-Backed Securities and the related attestation report for U.S. Bank National Association included as Exhibits 33.2 and 34.2, respectively, to this Form 10-K identified no material instances of noncompliance by U.S. Bank National Association with the servicing criteria set forth in Item 1122 of Regulation AB.

See Exhibits 33.1, 33.2, 34.1 and 34.2 to this Form 10-K.

Item 1123 of Regulation AB. Servicer Compliance Statement.

See Exhibit 35.1 to this Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, this 24th day of March, 2023.

Appalachian Consumer Rate Relief Funding LLC
(Issuing Entity)

By: Appalachian Power Company, as Servicer

Julie A. Sherwood
Treasurer and Senior Officer in Charge of
the Servicing Function

SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED PURSUANT TO SECTION 15(d) OF THE ACT BY REGISTRANTS WHICH HAVE NOT REGISTERED SECURITIES PURSUANT TO SECTION 12 OF THE ACT.

No such annual report, proxy statement, form of proxy or other soliciting material has been sent to Noteholders. The registrant will not be sending an annual report or proxy material to its Noteholders subsequent to the filing of this form.