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**Kentucky Power Company** 

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. COMMISSION

## REQUEST

Explain how the Tariff CS-IRP credit is calculated.

## RESPONSE

The \$3.68 kW/month credit is paid with respect to the difference between each customer's monthly on-peak billing demand and the customer's firm service capacity reservation. The monthly on-peak billing is the highest single 15 minute integrated peak in kW as registered by a demand meter during the on-peak periods. No credit is paid during a month in which the customer's monthly on-peak billing demand does not exceed the customer's firm service capacity reservation.

By way of example, assume a customer with total contract demand of 5,000 kW. Further assume the customer has designated 1,000 kW as interruptible and 4,000 kW as its firm service capacity reservation. The customer would receive a credit of \$368 (\$3.68 kW/month x 100 kW) in a month in which the customer's monthly on-peak billing demand is 4,100 kW and thus exceeds its firm service capacity reservation by 100 kW. The customer would not receive a credit in a month in which its monthly on-peak billing demand is 3,900 kW because no credit is paid for capacity the customer has not agreed to interrupt.

WITNESS: John A Rogness

## **VERIFICATION**

The undersigned, John A. Rogness III, being duly sworn, deposes and says he is the Director Regulatory Services for Kentucky Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his/her information, knowledge and belief.

John A. Rogness III

COMMONWEALTH OF KENTUCKY )
Case No. 2017-00099
COUNTY OF FRANKLIN )

Subscribed and sworn to before me, a Notary Public in and before said County and State, by John A. Rogness III, this the day of March 2017.

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My Commission Expires: Juliary 13, 201