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August 14, 2026

FILED VIA ELECTRONIC TARIFF FILING SYSTEM

RECEIVED
AUG 14 2026
PUBLIC SERVICE COMMISSION

Justin M. McNeil
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RE: **Kentucky Power Company's First Revised Tariff Sheet 29-1 (Tariff S.S.C.)**

Dear Mr. McNeil:

Kentucky Power Company files redline and annotated versions of P.S.C. KY. NO. 14 1st Revised Tariff Sheet 29-1 to reflect the updated Tariff S.S.C. (System Sales Clause) rate.

Support for the updated Tariff S.S.C. rate is provided as "System_Sales_Annual_Update_2026."

The revised Tariff S.S.C. rate is effective for service rendered on and after September 29, 2026.

The revised tariff sheet and supporting files also are being filed in Case No. 2025-00257.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

STITES & HARBISON PLLC

Kenneth J. Gish Jr.

KMG

Tariff S.S.C.
(System Sales Clause)

Applicable
To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D.2, G.S., S.G.S.-T.O.D., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., I.G.S., C.S.- I.R.P., M.W., O.L. and S.L.

Rate

1. When the annual net revenues from system sales are above or below the annual base net revenues from system sales, as provided in paragraph 2 below, an additional credit or charge equal to the product of the KWHs and a system sales adjustment factor (A) shall be made, where "A", calculated to the nearest 0.0001 mill per kilowatt-hour, is defined as set forth below.

   Annual System Sales Adjustment Factor (A) = (1.0 [Ta –Tb+U/a])/Sa

   In the above formula "T" is Kentucky Power Company's (KPCo) annual net revenues from system sales in the current annual (a), base (b) periods, and "S" is the KWH sales in the current annual (a) period, all defined below. "U/a" represents any under-or-over recovery from the prior period.

   The applicable rate for service rendered on and after September 29, 2026, calculated in accordance with the above T
   formula, is $(0.00014) per kWh. I

2. The net revenue from KPCo's sales to non-associated companies as reported in the FERC Energy Regulatory Commission's Uniform System of Accounts under Account 447, Sales for Resale, shall consist of and be derived as follows:

   a. KPCo's total revenues from system sales as recorded in Account 447, less b. and c. below.

   b. KPCo's total out-of-pocket costs incurred in supplying the power and energy for the sales in a. above.

      The out-of-pocket costs include all operating, maintenance, tax, transmission losses and other expenses that would not have been incurred if the power and energy had not been supplied for such sales, including demand and energy charges for power and energy supplied by Third Parties.

   c. KPCo's environmental costs allocated to non-associated utilities in the Company's Environmental Surcharge Report.

3. The base annual net revenues from system sales are: $4,425,300.

4. Sales (S) shall be equated to the sum of (a) generation (including energy produced by generating plant during the construction period), (b) purchase, and (c) interchange-in, less (d) energy associated with pumped storage operations, less (e) inter-system sales and less (f) total system losses.

5. The system sales adjustment factor shall be based upon actual annual revenues and costs for system sales, subject to subsequent adjustment upon final determination of actual revenues and costs.

Continued on Sheet 29-2

Tariff S.S.C.
(System Sales Clause)

Applicable
To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D.2, G.S., S.G.S.-T.O.D., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., I.G.S., C.S.- I.R.P., M.W., O.L. and S.L.

Rate

1. When the annual net revenues from system sales are above or below the annual base net revenues from system sales, as provided in paragraph 2 below, an additional credit or charge equal to the product of the KWHs and a system sales adjustment factor (A) shall be made, where "A", calculated to the nearest 0.0001 mill per kilowatt-hour, is defined as set forth below.

   Annual System Sales Adjustment Factor (A) = (1.0 [Ta –Tb+U/a])/Sa

   In the above formula "T" is Kentucky Power Company's (KPCo) annual net revenues from system sales in the current annual (a), base (b) periods, and "S" is the KWH sales in the current annual (a) period, all defined below. "U/a" represents any under-or-over recovery from the prior period.

   The applicable rate for service rendered on and after September 29, ~~2025~~2026, calculated in accordance with the above formula, is $(~~0.00029~~0.00014) per kWh.

2. The net revenue from KPCo's sales to non-associated companies as reported in the FERC Energy Regulatory Commission's Uniform System of Accounts under Account 447, Sales for Resale, shall consist of and be derived as follows:

   a. KPCo's total revenues from system sales as recorded in Account 447, less b. and c. below.

   b. KPCo's total out-of-pocket costs incurred in supplying the power and energy for the sales in a. above.

      The out-of-pocket costs include all operating, maintenance, tax, transmission losses and other expenses that would not have been incurred if the power and energy had not been supplied for such sales, including demand and energy charges for power and energy supplied by Third Parties.

   c. KPCo's environmental costs allocated to non-associated utilities in the Company's Environmental Surcharge Report.

3. The base annual net revenues from system sales are: $4,425,300.

4. Sales (S) shall be equated to the sum of (a) generation (including energy produced by generating plant during the construction period), (b) purchase, and (c) interchange-in, less (d) energy associated with pumped storage operations, less (e) inter-system sales and less (f) total system losses.

5. The system sales adjustment factor shall be based upon actual annual revenues and costs for system sales, subject to subsequent adjustment upon final determination of actual revenues and costs.

Continued on Sheet 29-2

DATE OF ISSUE: ~~May 8, 2026~~August 14, 2026
DATE EFFECTIVE Services Rendered On And After ~~March 1, 2026~~September 29, 2026
ISSUED BY: /s/ Amy J. Elliott
TITLE: Vice President, Regulatory & External Affairs
By Authority of an Order of the Public Service Commission
In Case No.: ~~2025-00257~~XXXX-XXXXX Dated ~~February 28, 2026~~XXXX XX, XXXX

Bostrom, Peter (PSC)

From:	Michelle Caldwell <mmcaldwell@aep.com>
Sent:	Thursday, August 20, 2026 2:21 PM
To:	Bostrom, Peter (PSC)
Cc:	Hinton, Daniel E (PSC); Riley, Kayleigh (PSC); Rogness, Benjamin (PSC); Lerah M Kahn; Amy J Elliott; J.D. Cullop; Gish, Kenneth; Brandon Finley
Subject:	RE: KY-PSC Electronic Filing Center NotificationTFS2026-00407
Attachments:	KPCO_R_KPSC_SSC.xlsx

Please see the response below to Commission Staff's questions regarding the System Sales Clause 2026 Update.

Question: Explain how the regulatory asset/liability associated with the over/under recovery of the system sales clause is calculated. Provide the calculation for the twelve-month period ended June 30, 2026, in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: The Company understands the question to ask for the accounting deferral methodology for establishing the monthly SSC regulatory asset/liability. Accordingly, the calculation is:

Net revenue from sales to non-associated companies (as defined in the Company's Commission approved tariff sheet P.S.C. KY. NO. 14 Sheet 29-1 paragraph 2) *less* base amount *divided* by 12 *less* rider revenue for the month *plus* the prior month's cumulative balance.

Please see KPCO_R_KPSC_SSC for the requested calculation – specifically rows 59-65 on tab "Form 3.0."

The over/under recovery for the SSC mechanism (or element "U/a" within the Tariff S.S.C. formula on P.S.C. KY. NO. 14 Sheet No. 29-1) is the difference between line 5 (row13) and line 6 (row 15) on tab "Form 1.0." For the twelve-months ended June 30, 2026 this over/under was $(1,245,930). The mechanisms over/under is not associated with a regulatory asset/liability.

KENTUCKY POWER
An AEP Company
MICHELLE CALDWELL | **REGULATORY CASE COORDINATOR SR**
MMCALDWELL@AEP.COM | D:606.327.2652
1645 WINCHESTER AVENUE, ASHLAND, KY 41101

From: Bostrom, Peter (PSC) <peter.bostrom@ky.gov>
Sent: Friday, August 14, 2026 1:09 PM
To: Michelle Caldwell <mmcaldwell@aep.com>
Cc: Hinton, Daniel E (PSC) <dehinton@ky.gov>; Riley, Kayleigh (PSC) <kayleigh.riley@ky.gov>; Rogness, Benjamin (PSC) <benjamin.rogness@ky.gov>
Subject: [EXTERNAL] RE: KY-PSC Electronic Filing Center NotificationTFS2026-00407

Hello Ms. Caldwell,

Staff has the following request regarding the System Sales Clause 2026 Update:

1. Explain how the regulatory asset/liability associated with the over/under recovery of the system sales clause is calculated. Provide the calculation for the twelve-month period ended June 30, 2026, in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

You can email your responses to us at the addresses above.

Thanks,

Peter Bostrom
Public Utilities Financial Analyst I
Kentucky Public Service Commission

From: PSC Tariffs <psc.tariffs@ky.gov>
Sent: Friday, August 14, 2026 11:16 AM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>; Riley, Kayleigh (PSC) <kayleigh.riley@ky.gov>; Rogness, Benjamin (PSC) <benjamin.rogness@ky.gov>; Bostrom, Peter (PSC) <peter.bostrom@ky.gov>
Subject: FW: KY-PSC Electronic Filing Center NotificationTFS2026-00407

From: KY Public Service Commission <psc.tariffs@ky.gov>
Sent: Friday, August 14, 2026 11:15:28 AM (UTC-05:00) Eastern Time (US & Canada)
To: mmcaldwell@aep.com <mmcaldwell@aep.com>
Cc: PSC Tariffs <psc.tariffs@ky.gov>
Subject: KY-PSC Electronic Filing Center NotificationTFS2026-00407

This notification has been sent to you regarding your recent Tariff filing : TFS2026-00407
file(s) have been transmitted successfully.
Documents received for Tariff filing: TFS2026-00407 for Kentucky Power Company
8/14/2026 11:14:32 AM

File Summary:
File Name: Cover_Letter.pdf
Description: Cover Letter
File Name: KPCO_Revised_Tariff_Sheet_SSC_29_1_Annotated.pdf
Description: Tariff
File Name: KPCO_Revised_Tariff_Sheet_SSC_29_1_Redline.pdf
Description: Tariff
File Name: System_Sales_Annual_Update_2026.xlsx
Description: Support Document

Thank you.