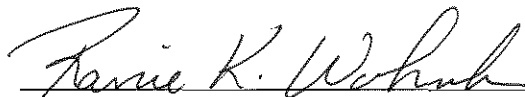


VERIFICATION

The undersigned, Ranie K. Wohnhas being duly sworn, deposes and says he is the Managing Director Regulatory and Finance for Kentucky Power Company, that he has personal knowledge of the matters set forth in the forgoing testimony and the information contained therein is true and correct to the best of his information, knowledge, and belief.



Ranie K. Wohnhas

COMMONWEALTH OF KENTUCKY)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Ranie K. Wohnhas, this the 12th day of May 2015.



Judy K. Requist 481393
Notary Public

My Commission Expires: January 23, 2017

TARIFF C.C.
(Capacity Charge) Cont'd

RATE CALCULATION. (Cont'd)

7. The capacity charge will be adjusted annually to recover amounts authorized by the Commission.

The annual adjustment shall be determined as follows:

- A. Calculate the revenue over / under collection for the previous 12 month period, $REV_{billed} - REV_{settlement} = REV_{diff}$
- B. Calculate the revenue requirement for the upcoming 12 month period, $REV_{settlement} + REV_{diff} = REV_{authorized}$
- C. Calculate Capacity Charge Rates for the upcoming 12 month period,

$$IGS \text{ Capacity Charge} = \frac{REV_{authorized} \times (REV_{IGS} / REV_{Total})}{kWh_{IGS}}$$

$$All \text{ Other Capacity Charge} = \frac{REV_{authorized} \times (REV_{All \text{ Other}} / REV_{Total})}{kWh_{All \text{ Other}}}$$

Where:

“REVTotal” is the total revenue billed during the most recently available 12 month period.

“REVIGS” is the total IGS customer class revenue billed during the most recently available 12 month period.

“REVAI Other” is the revenue billed from all other customer classes during the most recently available 12 month period.

“kWhIGS” is the IGS customer class total kWh billed during the most recently available 12 month period.

“kWhAll Other” is the total kWh billed to all customer classes other than IGS during the most recently available 12 month period.

“REVBilled” is the total capacity charge revenue billed during the most recently available 12 month period.

“REVsettlement” is the \$6.2 million amount authorized to be billed during the 12 month period.

“REVdiff” is the difference between capacity charge revenues billed and what the Company is authorized to collect in a 12 month period.

“REVauthorized” is the capacity charge amount to be billed over the upcoming 12 month period.

8. The annual Capacity Charge Adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.

Copies of all documents required to be filed with the Commission shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.

DATE OF ISSUE: June XX, 2015

DATE EFFECTIVE: Service Rendered On And After Jue 30, 2015

ISSUED BY: JOHN A. ROGNESS III

TITLE: Director Regulatory Services

By Authority Of An Order By The Public Service Commission

In Case No. 2014-00396 Dated XXXXXXXX