

**TARIFF B.E.R.  
(Biomass Energy Rider)**

**APPLICABLE.**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D.2, S.G.S., S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Pilot K-12 School, I.G.S., C.S.-I.R.P., M.W., O.L. and S.L.

**RATE.**

1. When energy is generated and sold to the Company from the ecopower biomass facility, an additional monthly charge shall be assessed. The allocation of the revenue requirement between residential and all other customers shall be based upon their respective contribution to total retail kWh sales during the most recently available 12 month period, according to the following formula:

$$\text{Residential Allocation RA(m)} = [\text{R} * \text{P(m)}] * [\text{RS(b)} / \text{S(b)}]$$

$$\text{All Other Allocation OA(m)} = [\text{R} * \text{P(m)}] * [\text{OS(b)} / \text{S(b)}]$$

Where:

(m) = the expense month;

(b) = the most recently available calendar twelve month period.

In the above formulas "R" is the rate for the current calendar year approved by this commission in the REPA between ecopower and Kentucky Power Company, "P" is the amount of kWh purchased by Kentucky Power in the current (m) period, and "S" is the kWh sales, all defined below.

2. Rate (R) shall be the dollar per MWh as defined in the REPA between ecopower and Kentucky Power Company, including any applicable escalation factor as defined in the REPA.
3. Produced energy (P) shall be the MWh produced and sold to Kentucky Power Company.
4. Sales (S) shall be all kWh sold, excluding intersystem sales. Utility used energy shall not be excluded in the determination of sales (S). Residential Sales (RS) shall be all kWh sold to the residential class. All Other Sales (OS) shall be all kWh sold to all other classes, where (OS) = (S) - (RS).
5. The residential biomass adjustment factor (RBAF) shall be calculated to the nearest 0.0001 mil per kilowatt-hour, as set forth below.

$$\text{Residential Biomass Adjustment Factor (RBAF)} = \text{RA(m)} / \text{RS(m)}$$

(Cont'd on Sheet 23-2)

DATE OF ISSUE: June XX, 2015

DATE EFFECTIVE: Service Rendered On And After June 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

**TARIFF B.E.R.  
(Biomass Energy Rider)**

**RATE. (Cont'd)**

6. The commercial and industrial biomass adjustment factor applicable to all non-residential tariffs shall consist of two separate rate components: an energy charge per kilowatt-hour (CIBEAF) and a non-energy charge expressed as a percentage of non-fuel revenues (CIBNAF), as set forth below.

$$\text{CIBEAF} = \text{OA}(m) * \frac{\text{LMP}(b)}{\text{R}} / \text{OS}(m)$$

$$\text{CIBNAF} = \text{OA}(m) * \frac{\text{R} - \text{LMP}(b)}{\text{R}} / \text{NFR}(m)$$

Where:

(m) = the expense month;

(b) = the most recently available calendar twelve month period.

In the above formulas "R" is the rate for the current calendar year approved by this commission in the REPA between ecopower and Kentucky Power Company, "LMP" is the annual average LMP for the most recently available calendar year (b), "NFR" is the non-fuel revenue for all non-residential classes in the current (m) period, and "OS" is the kWh sales, all defined either above or below.

7. Locational Marginal Price (LMP) shall be the average day-ahead location marginal price for the AEP load zone as published by PJM Interconnection, LLC for the most recently available calendar twelve month period;
8. Non-Fuel Revenue (NFR) shall be non-fuel retail revenue for all classes other than residential for the expense month (m).
9. Any over/under recovery will be reflected in the monthly filing for the second billing month following the month the cost is incurred.
10. The monthly biomass energy rider shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustment, which shall include data, and information as may be required by the Commission.
11. 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 KRS61.870 to 61.884.

(Cont'd on Sheet 23-3)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 10 ORIGINAL SHEET NO. 23- 3  
CANCELLING P.S.C. KY. NO. 10 \_\_\_\_\_ SHEET NO. 23- 3

RESERVED FOR FUTURE USE

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