

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

Electronic Application of Kentucky Power)	
Company For Approval of an Amended)	Case No. 2019-00389
Environmental Compliance Plan and a)	
Revised Environmental Surcharge)	

APPLICATION

Kentucky Power Company (“Kentucky Power” or “Company”) applies to the Public Service Commission of Kentucky (“Commission”) pursuant to KRS 278.183, 807 KAR 5:001, Section 14, 807 KAR 5:011, and all other applicable statutes and regulations, for an order granting: (1) approval of its 2019 Environmental Compliance Plan; (2) approval of amendments to its Tariff E.S. to reflect its 2019 Environmental Compliance Plan and amended environmental cost recovery surcharge; and (3) all other required approvals and relief. The Company states as follows in support of its Application:

A. INFORMATION REGARDING THE APPLICANT.

1. **Name and Address:** The applicant's full name and post office address is: Kentucky Power Company, 855 Central Avenue, Suite 200, Ashland, Kentucky 41101. The Company's electronic mail address is kentucky_regulatory_services@aep.com.
2. **Incorporation:** Kentucky Power is a corporation organized on July 21, 1919 under the laws of the Commonwealth of Kentucky. The Company currently is in good standing in Kentucky.¹
3. **Business:** Kentucky Power Company is a public utility principally engaged in the provision of electricity to Kentucky consumers. The Company generates and purchases electricity that it distributes and sells at retail to approximately 165,600 customers located in all, or portions of, the Counties of Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and Rowan. The Company also furnishes electric service at wholesale to the City of Olive Hill and the City of Vanceburg.
4. **Rockport Unit Power Agreement:** Kentucky Power is a party to the Federal Energy Regulatory Commission-approved unit power agreement ("Rockport Unit Power Agreement"). Kentucky Power is responsible for its contractual share of the costs associated with Rockport Plant Generating Units No. 1 and No. 2 located near Rockport, Indiana, including environmental control equipment. The Company purchases additional generating capacity of 393 MW through the Rockport Unit Power Agreement.

¹ A certified copy of the Company's Articles of Incorporation and all amendments thereto was attached to the Joint Application in *In the Matter Of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger*, P.S.C. Case No. 99-149. The Company's November 12, 2019 Certificate of Existence is filed as **EXHIBIT 1** to the Application.

B. NOTICES.

5. **Notice of Intent.** Kentucky Power filed its Notice of Intent pursuant to KRS 278.183(2) with the Commission on October 21, 2019. The Notice of Intent was filed at least thirty days prior to the filing of this Application. A copy of the Notice of Intent also was transmitted by United States mail on October 21, 2019 to the Office of the Attorney General, Office of Rate Intervention and to Counsel for Kentucky Industrial Utility Customers, Inc. A copy of the Notice of Intent is attached as **EXHIBIT 2** to this application.

6. **Customer Notices:** The Company is providing the customer notices required by law as follows:

(a) The Company will publish the Customer Notice required by 807 KAR 5:011, Section 8(2) once a week for three consecutive weeks in a prominent manner in newspapers of general circulation in Kentucky Power's service area. The Customer Notice was first published beginning the week of November 18, 2019. An affidavit verifying the contents of the published notice, that the notice was published, and the dates of publication will be filed when available. The Customer Notice complies with the requirements of 807 KAR 5:011, Section 8(4); a copy of the Customer Notice is provided in **EXHIBIT 3** to the Application;

(b) The public postings required by 807 KAR 5:011, Section 8(1)(a) were made on or before November 18, 2019 at the following locations:

- (i) Ashland Corporate Office, 855 Central Avenue, Suite 200, Ashland, Kentucky;
- (ii) Hazard Service Center, 1400 E. Main Street, Hazard, Kentucky;
and
- (iii) Pikeville Service Center, 3249 N. Mayo Trail, Pikeville, Kentucky.

The Company also is providing a copy of the Application for public inspection during regular business hours at each of the above locations. The public posting and a copy of the Application will remain available for public inspection in conformity with the requirements of 807 KAR 5:011, Section 8(1)(c) until the Commission enters a final decision in this matter; and

(c) The Company will post a copy of the public notice specified by 807 KAR 5:011, Section 8(4) and a hyperlink to the Commission's website required by 807 KAR 5:011, Section 8(1)(b) on Kentucky Power's website (www.kentuckypower.com) within five business days of filing this application. This information will remain available for public access and inspection in conformity with the requirements of 807 KAR 5:011, Section 8(1)(c) on Kentucky Power's website until the Commission enters a final decision in this matter.

(d) The Company will include a clear and concise explanation of its proposed change in the applicable rate schedule in its customer billings beginning November 26, 2019. A copy of the billing insert text is provided as **EXHIBIT 4** to the Application.

7. **Notices to the Company:** Kentucky Power waives its right to receive service of the orders of the Commission by mail for purposes of this proceeding. The Company requests that electronic copies of all orders, pleadings, and other filings relating to this proceeding be directed to the persons identified in Kentucky Power Company's October 21, 2019 Notice of Election of Use of Electronic Filing Procedures.

C. **APPLICABLE ENVIRONMENTAL REQUIREMENTS.**

8. Kentucky Power and the electric utility industry are subject to United States Environmental Protection Agency ("EPA") regulations arising under the federal Clean Air Act. Regulations under the federal Clean Air Act applicable to Kentucky Power include the Cross-State Air Pollution Rule ("CSAPR") and the Mercury and Air Toxics Standard Rule ("MATS

Rule”). The Rockport Plant also is subject to requirements imposed by the Consent Decree, and all modifications thereto, entered by the United States District Court for the Southern District of Ohio in an action arising under the Federal Clean Air Act, *United States v. American Electric Power Service Corp.*, Civil Action C2-99-1250, (the “Consent Decree”). The CSAPR, MATS Rule, and the Consent Decree are referred to collectively as the “Clean Air Act Requirements”.

9. The Consent Decree requires that Kentucky Power’s affiliate, Indiana Michigan Power Company, retrofit Unit 2 of the Rockport Plant with Selective Catalytic Reduction (“SCR”) technology by June 1, 2020 to continue operation of the unit.

10. The Rockport Plant costs of complying with the Clean Air Act Requirements, including the Consent Decree, are properly recoverable under KRS 278.183.

C. KENTUCKY POWER’S 2019 ENVIRONMENTAL COMPLIANCE PLAN.

1. Plan Components.

11. The Commission approved Kentucky Power’s current environmental compliance plan (the “2017 Environmental Compliance Plan”) by order dated January 18, 2018 in Case No. 2017-00179.²

12. Kentucky Power’s 2019 Environmental Compliance Plan consists of the items contained in the Company’s 2017 Environmental Compliance Plan plus the Rockport Unit 2 SCR system project (Project 21). A copy of Kentucky Power’s 2019 Environmental Compliance Plan is attached as **EXHIBIT 5** to this Application.

² Order, *In the Matter of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) An Order Approving Its 2017 Environmental Compliance Plan; (3) An Order Approving Its Tariffs And Riders; (4) An Order Approving Accounting Practices To Establish Regulatory Assets Or Liabilities; And (5) An Order Granting All Other Required Approvals And Relief*, Case No. 2017-00179 (Ky. P.S.C. January 18, 2018) (“2017 ECP Order”).

13. The installation of the SCR system on Rockport Unit 2 is required to permit Rockport Unit 2 to comply with the Clean Air Act Requirements. The projected in-service date for the Rockport Unit 2 SCR is May 31, 2020.

14. Kentucky Power is legally obligated under the Rockport Unit Power Agreement for its 15 percent contractual share of the Rockport environmental projects, including the Company's share of the Rockport Unit 2 SCR costs.

2. Project 21's First Year Estimated Annual Revenue Requirement.

15. The costs associated with the 2019 Environmental Compliance Plan are reasonable. The 2019 Environmental Compliance Plan and each of its components is required to comply with those environmental requirements whose costs are authorized to be recovered through the surcharge mechanism authorized by KRS 278.183(2). The costs associated with the 2019 Environmental Compliance Plan projects, including Project 21, are a cost-effective means for the Company to comply with the environmental requirements specified by KRS 278.183(1).

16. Kentucky Power is entitled to the current recovery of its environmental compliance costs, including a reasonable return on construction and other capital costs, under its Commission-approved plan for complying with environmental requirements. KRS 278.183.

17. None of the costs associated with Project 21 currently are included in Kentucky Power's base electric rates.

18. The first year estimated annual revenue requirement associated with Project 21 is \$11,877,342.

19. The return on equity for compliance-related capital expenditures at the Rockport Plant is 12.16 percent as established by the Rockport Unit Power Agreement.³

D. AMENDED TARIFF E.S. (ENVIRONMENTAL SURCHARGE).

20. The Company's proposed amended Tariff E.S. (Environmental Surcharge) pages are filed with this Application as **EXHIBIT 6**. The amendments add Project 21 (Rockport Unit 2 SCR) to the Company's existing Environmental Compliance Plan and provide for the recovery of the environmental compliance costs associated with Kentucky Power's 2019 Environmental Compliance Plan. Kentucky Power seeks to recover the costs associated with its 2019 Environmental Compliance Plan beginning with cycle 1 of the Company's July 2020 billing cycle.⁴

E. TESTIMONY.

21. The direct testimony and exhibits of Kentucky Power's witnesses in this case detail the environmental compliance requirements relevant to Project 21, and describe how Kentucky Power's 2019 Environmental Compliance Plan is a reasonable and cost-effective means of meeting those requirements. Specifically, the Company offers the following testimony and exhibits in support of the 2019 Environmental Compliance Plan:

- Debra L. Osborne, Vice President, Generating Assets, Kentucky Power Company and Appalachian Power Company
- Gary O. Spitznogle, Vice President, Environmental Services, American Electric Power Service Corporation
- Lerah M. Scott, Regulatory Consultant, Kentucky Power Company.

³ See *id.* at 66 ("Kentucky Power's ROE for environmental projects at the Rockport Plant is 12.16 percent as established by the FERC-approved Rockport Unit Power Agreement.").

⁴ The Rockport Unit 2 SCR (Project 21), although currently not in service, is anticipated to be placed in service no later than May 31, 2020.

WHEREFORE, Kentucky Power Company respectfully requests the Public Service Commission of Kentucky to enter an Order:

1. Approving the Company's 2019 Environmental Compliance Plan filed as **EXHIBIT 5** to the Application;
2. Approving the Company's revised Tariff E.S. **EXHIBIT 6** to the Application; and
3. Granting such further relief to which the Company may be entitled.

Respectfully submitted,



Mark R. Overstreet
Katie M. Glass
STITES & HARBISON PLLC
421 West Main Street
P. O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477
Facsimile: (502) 779-8349
moverstreet@stites.com
kglass@stites.com

COUNSEL FOR KENTUCKY POWER
COMPANY

EXHIBITS

EXHIBIT 1

Kentucky Power Company's November 12,
2019 Certificate of Authority

EXHIBIT 2

Kentucky Power Company's Notice of Intent

EXHIBIT 3

Kentucky Power Company's published
Customer Notice

EXHIBIT 4

Kentucky Power Company's billing insert text

EXHIBIT 5

Kentucky Power Company's 2019
Environmental Compliance Plan

EXHIBIT 6

Kentucky Power Company's proposed
amended Tariff E.S. (Environmental
Surcharge) pages

Exhibit 1

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary of State

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 222572
Visit <https://app.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

KENTUCKY POWER COMPANY

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is July 21, 1919 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 12th day of November, 2019, in the 228th year of the Commonwealth.



Alison Lundergan Grimes
Alison Lundergan Grimes
Secretary of State
Commonwealth of Kentucky
222572/0028317

Exhibit 2

421 West Main Street
Post Office Box 634
Frankfort, KY 40602-0634
(502) 223 3477
(502) 223 4124 Fax

October 21, 2019

HAND DELIVERED

Gwen R. Pinson
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Mark R. Overstreet
(502) 223-3477
(502) 779-8349 FAX
moverstreet@stites.com

RECEIVED

OCT 21 2019

**PUBLIC SERVICE
COMMISSION**

RE: **Case No. 2019-00389**

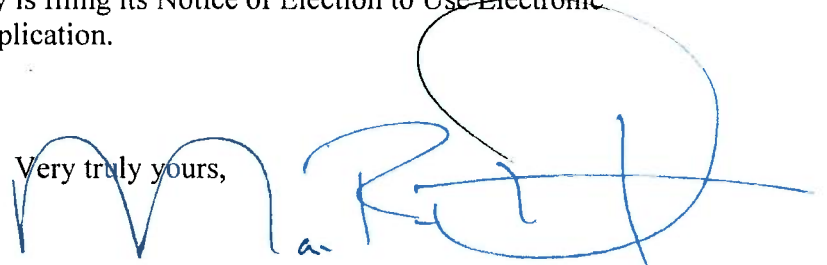
Dear Ms. Pinson:

Kentucky Power Company provides notice pursuant to KRS 278.183(2) that on or after November 21, 2019 it will file an application for approval of:

- (a) an amended environmental compliance plan and amendments to the applicable tariff sheets to reflect the amended compliance plan;
- (b) a revised environmental surcharge, including amendments to the applicable tariff sheets, to recover the costs of the amended environmental compliance plan.

Kentucky Power contemporaneously is filing its Notice of Election to Use Electronic Filing Procedures in connection with the application.

Very truly yours,



Mark R. Overstreet

MRO

cc: Rebecca Goodman
Michael L. Kurtz

Exhibit 3

**Notice of Kentucky Power Company's Application
for Approval of an Amended Environmental Compliance Plan and Recovery of Additional Costs
Through Amendment of the Company's Tariff E.S.**

PLEASE TAKE NOTICE that Kentucky Power Company will file on or after November 21, 2019 an application with the Public Service Commission of Kentucky seeking approval of its amended environmental compliance plan to add a single environmental project to Kentucky Power's existing environmental compliance plan. Kentucky Power also will seek approval of amendments to its Tariff E.S. (Environmental Surcharge) to reflect the amended plan and to implement a revised environmental surcharge to recover the costs of the amended environmental compliance plan. Kentucky Power's application has been assigned Case No. 2019-00389.

The project to be added to the Company's environmental compliance plan is the installation of a selective catalytic reduction system on Unit 2 of the Rockport plant. The additional project is required for compliance with the Federal Clean Air Act and the 2007 New Source Review Consent Decree. Kentucky Power's share of the first year cost of the installation of the project, associated upgrades to the existing plant, and allocated costs for support of the project is estimated to be \$11,877,342.

The project is forecasted to go into service beginning on May 31, 2020. If approved by the Commission, rates will become effective May 31, 2020 and reflected on customer bills beginning with the July 2020 billing cycle.

The residential environmental surcharge factor rate is estimated to increase from 5.9116% (annualized surcharge factor for the twelve-month period ended September 2019) to 8.1278% with the addition of the project. The environmental surcharge factor rate for all other customers is estimated to increase from 9.4465% (annualized surcharge factor for the twelve-month period ended September 2019) to 12.5464% with the addition of the project.

The impact on Kentucky Power's customers' total monthly bill amount is estimated to be 2.20% for residential customers and 2.07% for all non-residential customers. For a residential customer using 1,267 kWh per month, the monthly increase in the customer's total bill is expected to be \$3.32. Information regarding the effect on customer bills by customer classification is presented in the table below:

Customer Classification (1)	Average Customer Usage (kWh)* (2)	Average Customer Demand (kW)* (3)	Present Average Bill* (4)	Percent Change (5)	Average Change/ Total Bill Impact (6)	Proposed Average Bill (7)
R.S.	1,267	0	\$150.90	2.20%	\$3.32	\$154.22
S.G.S. - T.O.D.	1,064	0	\$139.22	2.07%	\$2.88	\$142.10
M.G.S. - T.O.D.	3,446	0	\$427.26	2.07%	\$8.84	\$436.11
G.S.	1,640	6	\$230.34	2.07%	\$4.77	\$235.11
L.G.S.	62,827	193	\$7,164.14	2.07%	\$148.30	\$7,312.43
I.G.S.	2,624,200	4,876	\$166,115.79	2.07%	\$3,438.60	\$169,554.39
M.W.	17,766	27	\$1,941.93	2.07%	\$40.20	\$1,982.12
O.L.	77	0	\$16.49	2.07%	\$0.34	\$16.84
S.L.	60	0	\$11.63	2.07%	\$0.24	\$11.87

* Based on 12-months ending September 2019

The changes described in this notice are proposed by Kentucky Power. The Public Service Commission may issue an order modifying or denying the relief sought in Kentucky Power's application. Such action may result in an environmental surcharge for customers of Kentucky Power other than the environmental surcharge described in this notice.

Upon filing, Kentucky Power's application, tariff filings, and any related filings will be available for public inspection at Kentucky Power's offices located at 855 Central Avenue, Suite 200, Ashland, KY 41101 with a phone number of 606-327-2600; 1400 E. Main St., Hazard, KY 41701 with a phone number of 606-436-1322; and 3249 North Mayo Trail, Pikeville, KY 41501 with a phone number of 606-437-3827. Additionally, the application and other related filings will be available for public inspection on the Company's website: www.kentuckypower.com.

The application, tariff filings, testimony, and related filings also will be available for public inspection between the hours of 8:00 a.m. to 4:30 p.m., Monday through Friday, at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky. The application, tariff filings, testimony, and related filings may also be found on the Commission's website: <http://psc.ky.gov> once filed.

Written comments on Kentucky Power's application and the proposed tariff changes may be submitted to the Commission by mail to Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602-0615 or via the Commission's website: <http://psc.ky.gov>. Comments should reference Case No. 2019-00389.

Any person, corporation, association, or body politic may submit a timely written request for intervention in this case. The motion shall be submitted to the Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602-0615, and shall establish the grounds for the request, including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Commission may take final action on the application.

Exhibit 4

Kentucky Power Company filed an application in Public Service Commission Case No. 2019-00389 to add a project to its environmental compliance plan. The environmental surcharge factor is estimated to increase to 8.1278% for residential customers and 12.5464% for all other customers with the addition of the project.

Exhibit 5

Kentucky Power Company's [Previously Approved](#) Environmental Compliance Projects

Project	Plant	Pollutant	Description	In-Service Year
1	Mitchell	NO _x , SO ₂ , and SO ₃	Mitchell Units 1 and 2 Water Injection, Low NO _x Burners, Low NO _x Burner Modification, SCR, FGD, Landfill, Coal Blending Facilities and SO ₃ Mitigation	1993-1994-2002-2007
2	Mitchell	SO ₂ , NO _x , and Gypsum	Mitchell Plant Common CEMS, Replace Burner Barrier Valves and Gypsum Material Handling Facilities	1993-2004-2007
3	Rockport	SO ₂ / NO _x	Continuous Emission Monitors (CEMS) - Rockport Plant	1994
4	Rockport	NO _x , Fly Ash, and Bottom Ash	Rockport Units 1 and 2 Low NOX Burners, Over Fire Air, and Landfill	2003-2008
5	Mitchell and Rockport	SO ₂ /NO _x /Particulates/VOC and etc.	Title V Air Emission Fees at Mitchell and Rockport Plants	Annual
6	Big Sandy, Mitchell, and Rockport	NO _x	Costs Associated with Nox Allowances	As-Needed
7	Big Sandy, Mitchell, and Rockport	SO ₂	Costs Associated with SO ₂ Allowances	As-Needed
8	Big Sandy, Mitchell, and Rockport	SO ₂ / NO _x	Costs associated with the CSAPR Allowances	As-Needed
9	Mitchell	Particulates	Precipitator Modifications - Mitchell Plant Units 1 and 2	2007-2013
10	Mitchell	Particulates	Bottom Ash and Fly Ash Handling - Mitchell Plant Units 1 and 2	2008 & 2010
11	Mitchell	Mercury	Mercury Monitoring (MATS) - Mitchell Plant Units 1 and 2	2014
12	Mitchell	Selenium	Dry Fly Ash Handling Conversion - Mitchell Plant Units 1 and 2	2015
13	Mitchell	Fly Ash, Bottom Ash, Gypsum, and WWTP Solids	Coal Combustion Waste Landfill - Mitchell Plant Units 1 and 2	2014 & 2015
14	Mitchell	Particulates	Electrostatic Precipitator Upgrade - Mitchell Plant Unit 2	2015
15	Rockport	Particulates	Precipitator Modifications - Rockport Plant Units 1 & 2	2004-2009
16	Rockport	Mercury	Activated Carbon Injection (ACI) and Mercury Monitoring - Rockport Plant Units 1 & 2	2009-2010
17	Rockport	HAPS	Dry Sorbent Injection - Rockport Plant Units 1 and 2	2015
18	Rockport	Fly Ash and Bottom Ash	Coal Combustion Waste Landfill Upgrade To Accept Type 1 Ash -- Rockport Plant	2013 and 2015
19	Rockport	NO _x	Unit 1 SCR	2017
20	Rockport and Mitchell	Consumables	Costs associated with the use of consumables used in conjunction with approved ECP projects. These costs include the return on inventory of consumables as well as consumption of consumables. These consumables include but are not limited to sodium bicarbonate, activated carbon, anhydrous ammonia, trona, lime hydrate, limestone, polymer, and urea.	As-Needed

Kentucky Power Company's [Proposed](#) Environmental Compliance Projects

Project	Plant	Pollutant	Description	In-Service Year
21	Rockport	NO _x	Unit 2 SCR	2020

Exhibit 6

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 11 ~~1st REVISED ORIGINAL~~ SHEET NO. 29-3
CANCELLING P.S.C. KY. NO. ~~1140~~ ORIGINAL SHEET NO. 29-3

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TARIFF E.S. (Cont'd)
(Environmental Surcharge)

RATE (Cont'd)

OE _{KP(C)}	=	Monthly Pollution Control Operating Expenses for Mitchell.
RB _{IM(C)}	=	Environmental Compliance Rate Base for Rockport.
ROR _{IM(C)}	=	Annual Rate of Return on Rockport Rate Base; Annual Rate divided by 12 to restate to a Monthly Rate of Return.
OE _{IM(C)}	=	Monthly Pollution Control Operating Expenses for Rockport.
AS	=	Net proceeds from the sale of Title IV and CSAPR SO ₂ emission allowances, ERCs, and NO _x emission allowances, reflected in the month of receipt.

"KP(C)" identifies components from Mitchell Units – Current Period, and "IM(C)" identifies components from the Indiana Michigan Power Company's Rockport Units – Current Period.

The Environmental Compliance Rate Base for both Kentucky Power and Rockport reflects the current cost associated with the 1997 Plan, the 2003 Plan, the 2005 Plan, the 2007 Plan, the 2015 Plan, ~~and the 2017 Plan,~~ and the 2019 Plan. The Environmental Compliance Rate Base for Kentucky Power should also include a cash working capital allowance based on the 1/8 formula approach, due to the inclusion of Kentucky Power's accounts receivable financing in the capital structure and weighted average cost of capital. The Operating Expenses for both Kentucky Power and Rockport reflects the current operating expenses associated with the 1997 Plan, the 2003 Plan, the 2005 Plan, the 2007 Plan, the 2015 Plan, ~~and the 2017 Plan,~~ and the 2019 Plan.

The Rate of Return for Kentucky Power is 9.70% rate of return on equity as authorized by the Commission in its Order Dated January 18, 2018 in Case No. 2017-00179.

The Rate of Return for Rockport should reflect the requirements of the Rockport Unit Power Agreement.

Net Proceeds from the sale of emission allowances and ERCs that reflect net gains will be a reduction to the Current Period Revenue Requirement, while net losses will be an increase.

The Current Period Revenue Requirement will reflect the balances and expenses as of the Expense Month of the filing.

(Cont'd on Sheet No. 29-4)

DATE OF ISSUE: ~~February 7 XXXX XX, 2018 XXXX~~

DATE EFFECTIVE: ~~Service Rendered On And After May 31 January 19, 202018~~

ISSUED BY: /s/ ~~Brian K. West~~ Ranie K. Wohnhas

TITLE: ~~Managing Director, Regulatory Services & Finance~~

By Authority Of an Order of the Public Service Commission

In Case No. ~~XX29XX17-XXXX00179~~ Dated ~~XXXX XX January 18, XXXX2018~~

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 11 ~~1st REVISED ORIGINAL~~ SHEET NO. 29-6
CANCELLING P.S.C. KY. NO. ~~110~~ ORIGINAL SHEET NO. 29-6

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TARIFF E.S. (Cont'd)
(Environmental Surcharge)

RATE (Cont'd)

The Company's share of costs associated with the following environmental equipment at the Rockport Plant:

- Continuous Emissions Monitors
- Air Emission Fees
- Costs Associated with the Rockport Unit Power Agreement
- Activated Carbon Injection
- Mercury Monitoring
- Precipitator Modifications
- Dry Sorbent Injection
- Coal Combustion Waste Landfill
- Low NOx burners, over Fire Air Landfill
- Selective Catalytic Reduction Technology ~~at Unit 1~~

The Company's share of costs associated with the following environmental equipment at the Mitchell Plant:

- Mitchell Unit Nos 1 and 2 Water Injection, Low NO_x burners, Low NO_x burner Modification, SCR, FGD, Landfill, Coal Blending Facilities and SO₃ Mitigation
- Mitchell Plant Common CEMS, Replace Burner Barrier Valves and Gypsum Material Handling Facilities
- Air Emission Fees
- Precipitator Modifications and Upgrades
- Coal Combustion Waste Landfill
- Bottom Ash and Fly Ash Handling
- Mercury Monitoring (MATS)
- Dry Fly Ash Handling Conversion

(Cont'd on Sheet No. 29-7)

DATE OF ISSUE: ~~XXXX XX February 7, XXXX2018~~

DATE EFFECTIVE: ~~Service Rendered On And After May 31 January 19, 202018~~

ISSUED BY: /s/ ~~Brian Ranie K. Westehnas~~

TITLE: ~~Managing Director, Regulatory Services & Finance~~

By Authority Of an Order of the Public Service Commission

In Case No. ~~XXXX2017-XXXXX00179~~ Dated ~~XXXX XX January 18, XXXX2018~~