							KPS	C Case No. 2019-00410			
								Exhibit 4 Page 1 of 5			
I	KENTUCKY POWER COMPANY					P.S.C. K	(Y. NO. 11 <del>1<sup>st</sup>-<u>2</u>nd</del> Revis	ed SHEET NO. 22-1	_	Formatted: Superscript	]
							. KY. NO. 11 ORIGINAL			Formatted: Superscript	
						NO. 22-1					
				(5	TARIFF D		,				
	APPLIC	ABI F.		(Dem	and-Side Managem	ent Adjustment Clause	•)				
				M TOD RS TOD	Exporimontal P.S.		0.D., M.G.ST.O.D., L.G.S., I				
			Coal, and M.		, experimental K.S	1.0.0. 2, 0.3., 3.0.31.0	0.D., M.G.S1.O.D., L.G.S., I				
	RATE.										
	1.				•		per KWH of sales equal to t	he			
		DSM	costs per KWF	H by customer sector a	iccording to the follo	owing formula:					
			Adj	ustment Factor =	<u>DSM (c)</u> S(c)						
							, net lost revenues, incentiv	ves,			
		and sector	•	er recovery balances;	(c) is customer secto	or; and S is the adjusted	I KWH sales by customer				
	2.			agement (DSM) costs at the end of the prev		cent forecasted cost plu	us any over/under recovery				
	<ul> <li>Program costs are any costs the Company the Kentucky Power Company DSM Colla promotion, expenses, evaluation, lease exp</li> </ul>					Examples of costs to	-				
		b.	Net lost re programs.		ated net lost revenue	es by customer sector r	esulting from the implement	ntation of the DSM			
		c.	is defined a based on t	as 15 percent of the e he California Standard	stimated net savings Practice Manual's o	s associated with the pr definition of the Total R	wing elements: The <u>efficien</u> rograms. Estimated net sav Resources Cost (TRC) test, o rogram savings cannot be n	ings are calculated r the <u>maximizing</u>			
		d.	Over/ Und	er recovery balances	are the total of the d	lifferences between the	e following:				
			(i)	the actual program	n costs incurred vers	us the program costs re	ecovered through DSM adju	stment clause, and			
			(ii)	the calculated net adjustment clause		ed versus the net lost re	evenues recovered through	the DSM			
			(iii)	the calculated ince clause.	ntive to be recovere	ed versus the incentive	recovered through the DSN	1 adjustment			
	3.			he total ultimate KWH ustomer sector.	I sales by customer s	ector less non-meterec	d, opt-out and lost revenue				
	DATE OF ISSU	IE: XXX	<u>x, xx, xxxx</u>								
I	DATE EFFECT	IVE: <u>Se</u>	rvice Rendere	ed On And After Janua	ry 1, 20 <mark>20<del>19</del></mark>						
I	ISSUED BY: /	s/ <u>Briar</u>	n K. West <mark>Matt</mark>	hew A. Horeled							
	TITLE: Directo	or, Regu	ulatory Service	<u>es</u>							
	By Authority	Of an O	order of the Pu	ublic Service Commiss	<u>on</u>						

In Case No. 2019-004102018-00377 Dated XXXX, XX, XXXX

Exhibit 4 Page 2 of 5 4. The provisions of the Demand-Side Management Adjustment Clause will be effective for the period ending December 31, 2020-2019. (Cont'd on Sheet No. 22-2) Ι

KPSC Case No. 2019-00410

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DATE OF ISSUE: XXXX, XX, XXXX

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DATE EFFECTIVE: Service Rendered On And After January 1, 202019

ISSUED BY: /s/ Brian K. WestMatthew A. Horeled

TITLE: Director, Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2019-004102018 00377 Dated XXXX, XX, XXXX 1

			KPS	C Case No. 2019-00410 Exhibit 4 Page <b>3</b> of <b>5</b>	
KENTUCKY POWER COMPAN	/	PSCK	'. NO. 11 <u>2<sup>nd</sup> 1<sup>st</sup>-Revise</u>	e e	Formatted: Superscript
KENTOCKTTOWER COMPAN			KY. NO. 11 <u>1<sup>st</sup> Revise</u>		Formatted: Superscript
		NO. 22-2	<u></u>	<u></u>	
	1	TARIFF D.S.M.C.			
	(DEMAND-SIDE MANAG	EMENT ADJUSTMENT CLAUSE) (	Cont'd.)		
<u>RATE</u> . (Cont'd.)					
all the necessar		Commission ten (10) days befor the amount of the adjustments, '			
	cuments required to be filed ction at the office of the Pub				
7. The resulting ra Management Pl	nge for each customer secto an is as follows:	ide			
	<u>CUST</u>	<u>OMER SECTOR</u>			
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL*		
<u>DSM (c)</u>	\$ <u>361,342<del>(1,044,787)</del></u>	\$163,226 <del>(27,213)</del>	- 0 -	Т	Formatted: Font: Bold
S (c)	1,937,062,073 <del>1,996,6</del>	1,221,884,520 <del>1,248,708,</del>	- 0 -	-	Formatted Table
	4 <del>9,216</del>	<del>779</del> 779	Ŭ	т	Formatted: Font: Bold
Adjustment Factor	\$ <del>(</del> 0.000 <u>187</u> 523)	\$ <del>(</del> 0.000 <u>134<del>022)</del></u>	- 0 -	<u> </u>	Formatted: Font: Bold
* The Industrial Sector has bee	n discontinued pursuant to	the Commission's Order dated Se	ptember 28, 1999.		
PROGRAM DESCRIPTIONS.					
The D.S.M.C. program ava	ilability, program, rate, and	equipment descriptions follow:			

(Cont'd on Sheet No. 22-3)

DATE OF ISSUE: XXXX, XX, XXXX

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DATE EFFECTIVE: Service Rendered On And After January 19, 202019

ISSUED BY: /s/ Brian K. WestMatthew A. Horeled

TITLE: Director, Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2019-004102017-00377 Dated XXXX, XX, XXXX

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### KENTUCKY POWER COMPANY

# P.S.C. KY. NO. 11 2<sup>nd</sup> Revised SHEET NO. 22-1 CANCELLING P.S.C. KY. NO. 11 1<sup>st</sup> Revised SHEET NO. 22-1

#### TARIFF D.S.M.C.

### (Demand-Side Management Adjustment 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., C.S.-Coal, and M.W.,

### RATE.

1. The Demand-Side Management (DSM) clause shall provide for periodic adjustment per KWH of sales equal to the DSM costs per KWH by customer sector according to the following formula:

		<u>DSM (c)</u>
Adjustment Factor	=	S(c)

Where DSM is the cost by customer sector of demand-side management programs, net lost revenues, incentives, and any over/under recovery balances; (c) is customer sector; and S is the adjusted KWH sales by customer sector.

- 2. Demand-Side Management (DSM) costs shall be the most recent forecasted cost plus any over/under recovery balances recorded at the end of the previous period.
  - a. Program costs are any costs the Company incurred associated with demand-side management which were approved by the Kentucky Power Company DSM Collaborative. Examples of costs to be included are contract services, allowances, promotion, expenses, evaluation, lease expense, etc. by customer sector.
  - b. Net lost revenues are the calculated net lost revenues by customer sector resulting from the implementation of the DSM programs.
  - c. Incentives are a shared-savings incentive plan consisting of one of the following elements: The <u>efficiency incentive</u>, which is defined as 15 percent of the estimated net savings associated with the programs. Estimated net savings are calculated based on the California Standard Practice Manual's definition of the Total Resources Cost (TRC) test, or the <u>maximizing incentive</u> which is defined as 5 percent of actual program expenditures if program savings cannot be measured.
  - d. Over/ Under recovery balances are the total of the differences between the following:
    - (i) the actual program costs incurred versus the program costs recovered through DSM adjustment clause, and
    - (ii) the calculated net lost revenues realized versus the net lost revenues recovered through the DSM adjustment clause, and
    - (iii) the calculated incentive to be recovered versus the incentive recovered through the DSM adjustment clause.
- 3. Sales (S) shall be the total ultimate KWH sales by customer sector less non-metered, opt-out and lost revenue impact KWHs by customer sector.
- 4. The provisions of the Demand-Side Management Adjustment Clause will be effective for the period ending December 31,

2020. (Cont'd on Sheet No. 22-2)

DATE OF ISSUE: XXXX, XX, XXXX

DATE EFFECTIVE: Service Rendered On And After January 1, 2020

ISSUED BY: /s/ Brian K. West

TITLE: Director, Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2019-00410 Dated XXXX, XX, XXXX

# KENTUCKY POWER COMPANY

# TARIFF D.S.M.C. (DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE) (Cont'd.)

### RATE. (Cont'd.)

- 5. The DSM adjustment 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 adjustments, which shall include data, and information as may be required by the Commission.
- 6. Copies of all documents required to be filed with the Commission under this regulation 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.
- 7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

## CUSTOMER SECTOR

	RESIDENTIAL	COMMERCIAL	INDUSTRIAL*	
<u>DSM (c)</u>	\$361,342	\$163,226	- 0 -	т
S (c)	1,937,062,073	1,221,884,520	- 0 -	т

Adjustment Factor	\$ 0.000187	\$ 0.000134	- 0 -	

\* The Industrial Sector has been discontinued pursuant to the Commission's Order dated September 28, 1999.

### PROGRAM DESCRIPTIONS.

The D.S.M.C. program availability, program, rate, and equipment descriptions follow:

(Cont'd on Sheet No. 22-3)

DATE OF ISSUE: XXXX, XX, XXXX

DATE EFFECTIVE: Service Rendered On And After January 1, 2020

ISSUED BY: /s/ Brian K. West

TITLE: Director, Regulatory Services

- By Authority Of an Order of the Public Service Commission
- In Case No. 2019-00410 Dated XXXX, XX, XXXX