

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

In the Matter of:

Electronic Application Of Kentucky Power Company)	
For (1) A General Adjustment Of Its Rates For Electric)	
Service; (2) Approval Of Tariffs And Riders; (3))	
Approval Of Accounting Practices To Establish)	Case No. 2020-00174
Regulatory Assets And Liabilities; (4) Approval Of A)	
Certificate Of Public Convenience And Necessity;)	
And (5) All Other Required Approvals And Relief)	

Kentucky Power Company's Response To July 1, 2020 Deficiency Notice

Kentucky Power Company for its response to the Commission's July 1, 2020 Deficiency Notice states:

Kentucky Power is filing as **EXHIBIT 1** to this filing its "Supplemental Section II Filing Requirements (Volume 1 of 1)" in response to items one through three of the Commission's July 1, 2020 deficiency letter. **EXHIBIT 2** to this filing is the Company's supplemental notice in response to item four of the Commission's July 1, 2020 deficiency letter. **EXHIBIT 3** to this filing is the full notice in response to item four of the Commission's July 1, 2020 deficiency letter.

1. *"807 KAR 5:001, Section 16(4)(n): A summary of the utility's latest depreciation schedule by major plant accounts If the required information has been filed in another commission case, a reference to that case's number shall be sufficient; the specific filing deficiency is that the Application referred to the Orders entered by the Commission and not to the specific schedules that contain the required information set forth in this regulation."*

Response: Page S-1 of “Supplemental Section II Filing Requirements (Volume 1 of 1)” replaces page 49 of 86 of Section II – Application Filing Requirements previously filed by the Company. Page S-1 provides the information responsive to 807 KAR 5:001, Section 16(4)(n).

2. *“807 KAR 5:001 Section 16(5) (d): The operating budget for each month of the period encompassing the pro forma adjustments; the specific filing deficiency is that the Application did not include this information.”*

Response: Page S-2 of “Supplemental Section II Filing Requirements (Volume 1 of 1),” and new Exhibit X to Section II of “Supplemental Section II Filing Requirements (Volume 1 of 1), provide the information responsive to 807 KAR 5:001, Section 16(5)(d).

3. *“807 KAR 5:001 Section 16(5)(e): The number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers; The specific filing deficiency is that the Application did not include this information.”*

Response: The requested information does not exist. Page S-3 of “Supplemental Section II Filing Requirements (Volume 1 of 1),” further explains the basis for the absence of information responsive to 807 KAR 5:001, Section 16(5)(e).

4. *807 KAR 5:001, Section 17(4)(c): The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply; The specific filing deficiency is that both the abbreviated and full notice provided the impact on average monthly bill for each customer class with annual and monthly increase in dollar amounts and percentage change, which is consistent with 807 KAR 5:001, Section 17(4)(d), but does not contain the information required by 807 KAR 5:001, Section 17(4)(c).*

Response: Kentucky Power is publishing a supplemental abbreviated notice for three consecutive weeks in each newspaper of general circulation in the Company's service territory to provide the omitted information beginning July 9, 2020. The text of the supplemental notice is attached as **EXHIBIT 2** to this filing.

The supplemental notice provides both the amount of change requested in dollar amounts and percentage change for each customer classification to which the proposed rates will apply, along with the average usage and the effect on the average bill for each customer classification to which the proposed rates will apply. The information is provided in a single table for ease of use. Kentucky Power is informed by the Kentucky Press Service that the first cycle of the weekly publication of the supplemental notice will be completed no later than July 15, 2020. Kentucky Power was permitted to publish a supplemental notice in Case No. 2017-00179 to address deficiencies in its original published notice in that case.

The revised full notice containing the omitted information is attached as **EXHIBIT 3** to this response and will be posted and distributed in the same manner as the original full notice and in conformity with all applicable posting and distribution requirements.

Kentucky Power respectfully requests that the Commission issue an order finding that, with the actions described above, the Company's application is deemed to meet the minimum filing requirements, and that the Commission accept the application for filing no later than July 15, 2020.

Respectfully submitted,



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COUNSEL FOR KENTUCKY POWER
COMPANY

EXHIBIT 1

**COMMONWEALTH OF KENTUCKY
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Service; (2) Approval Of Tariffs And Riders; (3))
Approval Of Accounting Practices To Establish)
Regulatory Assets And Liabilities; (4) Approval Of A)
Certificate Of Public Convenience And Necessity;)
And (5) All Other Required Approvals And Relief)

Case No. 2020-00174

**SECTION II
SUPPLEMENTAL FILING REQUIREMENTS**

VOLUME 1 OF 1

July 8, 2020

Case No. 2020-00174
Section II
Supplemental Table of Contents

Requirement	Subject	Page Number	Exhibit
807 KAR 5:001 Section 16(4)(n)	Depreciation Study	S-1	
807 KAR 5:001 Section 16 (5)(d)	Operating Budget(s)	S-2	X
807 KAR 5:001 Section 16 (5)(e)	No. of Customers to be Added to Test Year	S-3	

Filing Requirement
807 KAR 5:001 Section 16(4)(n)

Filing Requirement:

A summary of the utility's latest depreciation study with schedules by major plant accounts, except that telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and test period depreciation rates used by major plant accounts. If the required information has been filed in another commission case, a reference to that case's number shall be sufficient;

Response:

A summary of the Company's most recent depreciation study and a copy of the study itself for Transmission, Distribution and General were included in the testimony and exhibits of Company Witness Davis in Case No. 2014-00396.

A summary of the Company's most recent depreciation study and a copy of the study itself for Steam Production (Big Sandy Unit 1) were included in the testimony and exhibits of Company Witness Cash in Case No. 2017-00179.

Filing Requirement
807 KAR 5:001 Section 16(5)(d)

Filing Requirement:

The operating budget for each month of the period encompassing the pro forma adjustments;

Response:

Kentucky Power's operating budget for each month of the period encompassing the pro forma adjustments is included as Exhibit X to Section II of the Application.

Filing Requirement
807 KAR 5:001 Section 16(5)(e)

Filing Requirement:

The number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.

Response:

The requested information does not exist. Kentucky Power's customer count is declining and there are no customers to be added to the test period end level of customers; nor is there any related revenue requirement impact to any pro forma adjustments resulting from adding customers to the test period end level of customers. Please see Application, Section II, Exhibit J, p. 2 ("Customer Specific Revenue" and "Customer Annualization Revenue" Columns).

Income Stmt. - Detail
2020 Control Budget
(\$000)

2020 Control Budget	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Year 2020
<i>Kentucky Power</i>													
REVENUES													
Revenue - Retail Sales	53,551	48,738	46,740	37,749	41,164	40,041	43,464	45,452	40,012	40,516	46,804	51,111	535,341
Revenue - Transmission	1,726	1,580	1,672	1,620	1,669	768	1,679	1,689	1,600	1,657	1,601	1,661	18,922
Revenue - Sales for Resale	5,159	5,852	1,934	3,006	4,999	4,770	8,350	6,225	2,201	4,368	2,361	3,931	53,157
Revenue - Other Operating	1,368	1,405	1,372	1,314	1,294	1,241	1,281	1,345	1,295	1,399	1,190	1,273	15,776
TOTAL OPERATING REVENUES	61,805	57,575	51,718	43,689	49,125	46,821	54,774	54,712	45,108	47,939	51,955	57,976	623,196
FUEL & PURCHASED POWER EXPENSES													
Total Fuel for Electric Generation	13,819	12,177	9,283	9,403	11,381	11,909	13,989	12,452	7,182	10,358	8,226	11,841	132,021
Total Purchased Power	9,834	10,909	9,737	8,363	7,398	9,553	11,220	10,863	11,307	9,372	11,139	11,735	121,429
Total Cost of Sales	23,653	23,086	19,020	17,767	18,779	21,461	25,209	23,316	18,489	19,729	19,365	23,575	253,450
GROSS MARGIN													
	38,152	34,489	32,699	25,922	30,346	25,359	29,565	31,396	26,619	28,210	32,590	34,400	369,747
OPERATING EXPENSES													
Total Operational and Maintenance Expenses	13,725	13,523	13,802	14,211	13,786	13,388	13,928	14,404	14,487	13,751	13,806	13,355	166,166
Depreciation & Amortization	8,313	8,401	8,540	8,680	8,686	8,847	8,593	8,910	9,132	9,170	9,196	9,120	105,587
Taxes Other Than Income Taxes	2,546	2,542	2,542	2,545	2,546	2,548	2,543	2,542	2,542	2,543	2,543	2,543	30,524
TOTAL OPERATING EXPENSES	24,584	24,466	24,885	25,436	25,017	24,782	25,064	25,856	26,162	25,463	25,544	25,017	302,277
OPERATING INCOME	13,568	10,023	7,814	486	5,329	577	4,501	5,540	458	2,746	7,046	9,383	67,470
NON-OPERATING INCOME/(EXPENSES)													
Total Interest & Dividend Income	5	8	6	3	5	75	2	2	4	2	2	3	116
Interest & Dividend Carrying Charges	1	(1)	(1)	(2)	1	(1)	2	2	(7)	(5)	(3)	3	(11)
Other Pension Components	296	296	296	296	296	296	296	296	296	296	296	296	3,555
AFUDC Equity		73	305	324	310	297	275	255	263	267	265	249	2,884
INTEREST EXPENSE													
Total Interest Charges	3,143	3,148	3,201	3,186	3,322	2,957	3,699	3,333	3,379	3,317	3,294	3,393	39,372
INCOME BEFORE INCOME TAXES and EQUITY EARNINGS	10,727	7,252	5,219	(2,079)	2,619	(1,713)	1,377	2,762	(2,365)	(11)	4,312	6,541	34,642
INCOME TAXES and EQUITY EARNINGS													
Total Income Taxes	(1,044)	(709)	(513)	191	(262)	156	(142)	(276)	218	(8)	(425)	(640)	(3,454)
Equity Earnings of Subs													
INCOME AFTER INCOME TAXES and EQUITY EARNINGS	11,771	7,961	5,732	(2,270)	2,881	(1,868)	1,520	3,038	(2,583)	(2)	4,737	7,181	38,096
Extraordinary Income / (Expenses)													
NET INCOME	11,771	7,961	5,732	(2,270)	2,881	(1,868)	1,520	3,038	(2,583)	(2)	4,737	7,181	38,096

EXHIBIT 2

SUPPLEMENTAL NOTICE

Please Take Notice that on June 29, 2020 Kentucky Power Company (“Kentucky Power” or “Company”) filed with the Kentucky Public Service Commission (“Commission”) in Case No. 2020-00174 an application pursuant to Chapter 278 of the Kentucky Revised Statutes for authorization to adjust the rates it charges its customers on or after December 30, 2020. The Company is supplementing and amending its notice previously published beginning the week of June 22, 2020 (“Original Notice”) as shown below. Please consult the Original Notice for additional rates, charges, and terms and conditions of service that may affect, apply to, or supplement those described below.

The Original Notice remains effective except that the table below, and description of its contents, are substituted for the description and table that appeared in the original notice.

The amount of change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply, are displayed in the table below:

Electric Rate Class	Annual \$ Increase	Annual % Increase
Residential Service		
Residential Service	37,128,492	16.0
Residential Load Management Time-of-Day Energy (TOD)	57,856	17.1
Residential Service Time-of-Day	2,189	20.5
Experimental Residential Service Time-of-Day	N/A	N/A
Residential Demand-Metered Electric Service	N/A	N/A
General Service		
General Service	8,495,543	10.7
Recreational Lighting Service	18,945	11.2
Load Management TOD	24,944	18.1
Optional Unmetered Service	48,384	7.3
Small General Service TOD	347,058	36.7
Medium General Service TOD	46,603	9.6
Large General Service		
Large General Service	6,691,106	10.3
Large General Service Load Management TOD	26,085	12.8
Large General Service TOD	107,280	11.7
Industrial Service		
Industrial General Service	10,903,684	7.6
All Other		
Municipal Waterworks	18,104	9.1
Outdoor Lighting	957,688	10.8
Street Lighting	131,876	8.1
C.A.T.V. 2 User	N/A	N/A
C.A.T.V. 3 User	N/A	N/A
COGEN/SPP I	N/A	N/A
COGEN/SPP II	N/A	N/A

A detailed notice of all proposed revisions and a complete copy of the proposed tariffs containing the proposed text changes and rates may be obtained by submitting a written request by e-mail to kentucky_regulatory_services@aep.com or by mail to Kentucky Power Company, ATTN: Regulatory Services, 1645 Winchester Avenue, Ashland, Kentucky, 41101, or by visiting Kentucky Power’s website at www.Kentuckypower.com.

A person may examine Kentucky Power’s application at the offices of Kentucky Power located at 1645 Winchester Avenue, Ashland, Kentucky, at Kentucky Power’s local offices, and at Kentucky Power’s website at www.Kentuckypower.com. When the Commission’s offices reopen to the public, a person may also examine the application at the Public Service Commission’s offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or may view and download the application through the Commission’s Web site at <http://psc.ky.gov>.

Comments regarding the application may be submitted to the Public Service Commission by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, or by sending an email to the Commission’s Public Information Officer at psc.info@ky.gov. All comments should reference Case No. 2020-00174.

The Company is not proposing to modify other rates and charges not included in the Original Notice. The rates contained in the Original Notice are the rates proposed by Kentucky Power, but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing 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 after the initial publication or mailing of the notice, the Commission may take final action on the application.

Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101
800-572-1113

Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602
502-564-3940

EXHIBIT 3

NOTICE

PLEASE TAKE NOTICE that on or before June 29, 2020, Kentucky Power Company (“Kentucky Power” or the “Company”) will file with the Kentucky Public Service Commission (the “Commission”) in Case No. 2020-00174 an application pursuant to Chapter 278 of the Kentucky Revised Statutes for authorization to adjust the rates it charges its customers for services rendered on and after December 30, 2020. Kentucky Power is also seeking authority to revise the terms, conditions, and other requirements of service. If approved and not suspended, Kentucky Power will apply the new rates and terms and conditions of service to all customer bills rendered on and after December 30, 2020 to recover costs of providing service to its customers on and after that date.

Kentucky Power proposes to create a new Grid Modernization Rider, a new Demand Response Service Rider, a new Flex Pay Tariff, and a new Net Metering Service II Tariff.

In addition to the rate changes described below, Kentucky Power has made changes to the text of certain tariffs. Where the text changes to the tariff are substantive in nature, the proposed language change is described below.

Tariff Changes

Terms and Conditions of Service

7. Underground Service

Kentucky Power has added new language that explains how the cost difference between underground and overhead facilities is to be collected from customers:

When the Company is required to install underground facilities or relocate existing overhead facilities underground pursuant to a municipal or other governmental requirement or directive, the difference between the cost of the underground facilities installed and the cost of the overhead facilities that would ordinarily be installed, or in the case of the relocation of existing overhead facilities, the entire cost of the relocation underground, shall be recovered from customers within the boundary of the municipality or governmental entity requiring or directing the installation or relocation of the facilities underground.

19. Special Charge.

Kentucky Power has added language to the D. Meter Test Charge section to allow customers to verbally request a meter test.

21. Alerts and Subscriptions.

Kentucky Power has added language to further instruct customers who wish to subscribe to mobile alerts:

Customers interested in receiving mobile alerts from Kentucky Power may sign up for the service through the Company’s website at www.kentuckypower.com. The full terms and conditions of participating in the Kentucky Power Mobile Alert Service are included on the Company’s website. Customers wishing to

participate in Kentucky Power’s Mobile Alert Service and to receive alerts via e-mail should add communications@kentuckypower-mail.com to the customer’s email address book or spam filter to avoid alert communications from Kentucky Power being directed to spam. Customers are advised to contact their e-mail service provider for instructions on how to add addresses to an address book or spam filter if needed.

Email addresses from which alerts are sent through the Mobile Alert Service are used for sending e-mails only. Any e-mails sent to those addresses will not be received by the Company and the Company will not respond. Any communication to the Company should be sent to Communications@kentuckypower-mail.com.

Kentucky Power has added a sample customer statement for customers who sign up for Flex Pay Program.

**TARIFF F.A.C.
(Fuel Adjustment Clause)**

Kentucky Power is modifying the Fuel Adjustment Clause tariff to provide for the recovery of fuel-related PJM billing line item 1999 for PJM Customer Payment Defaults.

CHANGES APPLICABLE TO TARIFF R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D.2., AND R.S.D.

Kentucky Power has replaced summary descriptions of each applicable surcharge and rider with the following table referring customers to their respective tariff sheets, which describe each surcharge or rider in detail:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management Adjustment Clause	Sheet No. 22
Federal Tax Cut Tariff	Sheet No. 23
Residential Energy Assistance	Sheet No. 25
Environmental Surcharge	Sheet No. 29
Capacity Charge	Sheet No. 30
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38
Grid Modernization Rider	Sheet No. 39

(Residential Service)

Rate. (Tariff Codes 015, 017, 022)

Service Charge.....~~\$14.00~~ \$17.50 per month

Energy Charge:

March through November:

All KWH:~~9.810¢~~ 12.265¢ per KWH

December, January & February:

First 1,100 KWH:.....12.265¢ per KWH

All KWH Over 1,100.....6.265¢ per KWH

STORAGE WATER HEATING PROVISION.

Tariff Code

012 (a) For Minimum Capacity of 80 gallons, the last 300 KWH of use in any month shall be billed at ~~6.212¢~~ 8.251¢ per KWH.

013 (b) For Minimum Capacity of 100 gallons, the last 400 KWH of use in any month shall be billed at ~~6.212¢~~ 8.251¢ per KWH.

014 (c) For Minimum Capacity of 120 gallons or greater, the last 500 KWH of use in any month shall be billed at ~~6.212¢~~ 8.251¢ per KWH.

LOAD MANAGEMENT WATER-HEATING PROVISION. (Tariff Code 011)

For residential customers who install a load management water-heating system which consumes electrical energy during off-peak hours specified by the Company and stores hot water for use during on-peak hours, of minimum capacity of 80 gallons, the last 250 KWH of use in any month shall be billed at ~~6.212¢~~ 8.251¢ per KWH.

Kentucky Power has added a provision to allow for electric vehicle charging:

ELECTRIC VEHICLE CHARGING PROVISION. (Tariff Code 059)

Available to customers for use charging electric vehicles primarily during off-peak hours specified by the Company. Electric vehicle charging load shall be separately wired to a time-of-day meter and the general-use load to a standard meter. Customers will receive service for both under the appropriate provision of this tariff.

Energy Charge:

All KWH used during on-peak billing period 15.737¢ per KWH

All KWH used during off-peak billing period 8.251¢ per KWH

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

**TARIFF R.S. – L.M. – T.O.D.
(Residential Service Load Management Time-of-Day)**

Rate. (Tariff Codes 028, 030, 032, 034)

Service Charge.....\$ ~~16.00~~ 21.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~14.504¢~~ 15.737¢ per KWH

All KWH used during off-peak billing period..... ~~6.212¢~~ 8.251¢ per KWH

SEPARATE METERING PROVISION.

Customers who use electric thermal storage space heating and water heaters which consume energy only during off-peak hours specified by the Company, or other automatically controlled load management devices such as space and/or water heating equipment that use energy only during off-peak hours specified by the Company, shall have the option of having these approved load management devices separately metered. The service charge for the separate meter shall be ~~\$3.75~~ \$4.30 per month.

**TARIFF R.S. – T.O.D.
(Residential Service Time-of-Day)**

Rate. (Tariff Codes 036)

Service Charge.....\$ ~~16.00~~ 21.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~14.550¢~~ 15.737¢ per KWH

All KWH used during off-peak billing period..... ~~6.212¢~~ 8.251¢ per KWH

TARIFF R.S. – T.O.D.2
(Experimental Residential Service Time-of-Day 2)

Rate. (Tariff Codes 027)

Service Charge.....\$ ~~16.00~~ 21.00 per month

Energy Charge:

All KWH used during Summer on-peak billing period...~~18.005¢~~ 19.580¢ per KWH

All KWH used during Winter on-peak billing period.....~~15.508¢~~ 17.083¢ per KWH

All KWH used during off-peak billing period..... ~~8.241¢~~ 9.816¢ per KWH

TARIFF R.S.D.
(Residential Demand-Metered Electric Service)

Rate. (Tariff Codes 018)

Service Charge.....\$ ~~17.50~~ 21.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~9.890¢~~ 14.374¢ per KWH

All KWH used during off-peak billing period..... ~~7.174¢~~ 8.251¢ per KWH

Demand Charge.....\$~~4.02~~ \$4.18 per month

CHANGES APPLICABLE TO TARIFF G.S., G.S.-L.M.-T.O.D., S.G.S.-T.O.D., M.G.S.-T.O.D., L.G.S., L.G.S.-L.M.-T.O.D., L.G.S.-T.O.D., I.G.S., C.S.- Coal, C.S.-I.R.P., M.W.

Kentucky Power has replaced summary descriptions of each applicable surcharge and rider with the following table referring to customers to their respective tariff sheets, which describe each surcharge or rider in detail:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
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Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38
Grid Modernization Rider	Sheet No. 39

**TARIFF G.S.
(General Service)**

Rate.

Tariff Code	Service Voltage	Demand Charge (\$/kW)	First 4,450 KWH (¢/KWH)	Over 4,450 KWH (¢/KWH)	Monthly Service Charge (\$)
211,212,215,216,218	Secondary	6.00 8.65	9.952 11.146	9.943 10.440	22.50 25.00
217, 220	Primary	7.18 8.01	8.762 9.813	8.792 9.232	75.00 100.00
236	Subtransmission	5.74 6.63	7.948 8.902	7.981 8.380	364.00 400.00

RECREATIONAL LIGHTING SERVICE PROVISION

Rate. (Tariff Codes 214)

Service Charge.....\$ ~~22.50~~ 25.00 per month

Energy Charge~~10.118¢~~ 11.474¢ per KWH

LOAD MANAGEMENT TIME-OF-DAY PROVISION

Rate. (Tariff Codes 223, 225)

Service Charge.....\$ ~~22.50~~ 25.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~14.620¢~~ 16.860¢ per KWH

All KWH used during off-peak billing period..... ~~6.212¢~~ 8.246¢ per KWH

Kentucky Power has added language for electric vehicle charging if separately metered.

OPTIONAL UNMETERED SERVICE PROVISION

Rate. (Tariff Codes 204 (Metered), 213 (Unmetered))

Customer Charge.....\$ ~~14.00~~ 15.00 per month

Energy Charge:

First 4,450 KWH per month.....~~9.952¢~~ 11.146¢ per KWH

All Over 4,450 KWH per month..... ~~9.943¢~~ 10.440¢ per KWH

TARIFF S.G.S.-T.O.D.
(Small General Service Time-of-Day Service)

Rate. (Tariff Codes 227)

Service Charge.....\$ ~~22.50~~ 25.00 per month

Energy Charge:

All KWH used during Summer on-peak billing period...~~17.238¢~~ 21.476¢ per KWH

All KWH used during Winter on-peak billing period.....~~14.564¢~~ 18.802¢ per KWH

All KWH used during off-peak billing period..... ~~7.671¢~~ 11.909¢ per KWH

TARIFF M.G.S.-T.O.D.
(Medium General Service Time-of-Day)

Rate. (Tariff Codes 229)

Service Charge.....\$ ~~22.50~~ 25.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~16.888¢~~ 16.860¢ per KWH

All KWH used during off-peak billing period..... ~~6.212¢~~ 8.246¢ per KWH

TARIFF L.G.S.
(Large General Service)

Rate.

	<u>Service Voltage</u>			
	Secondary	Primary	Subtransmission	Transmission
Tariff Code	240, 242, 260	244, 246, 264	248, 268	250, 270
Service Charge per Month	\$85.00	\$127.50	\$660.00	\$660.00
Demand Charge per KW	\$7.97 \$8.77	\$7.18 \$7.90	\$5.74 \$6.63	\$5.60 \$6.54
Excess Reactive Charge				
per KVA:	\$3.46	\$3.46	\$3.46	\$3.46
Energy Charge per KWH	7.853¢ 9.010¢	6.853¢ 7.922¢	5.253¢ 5.668¢	5.139¢ 5.585¢

LOAD MANAGEMENT TIME-OF-DAY PROVISION

Rate. (Tariff Codes 251)

Service Charge.....\$ 85.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~14.211¢~~ 15.237¢ per KWH

All KWH used during off-peak billing period..... ~~6.223¢~~ 8.218¢ per KWH

Kentucky Power has added language for electric vehicle charging if separately metered.

TARIFF L.G.S.-T.O.D.
(Large General Service – Time-of-Day)

Rate.

	<u>Service Voltage</u>			
	Secondary	Primary	Subtransmission	Transmission
Tariff Code	256	257	258	259
Service Charge per Month	\$85.00	\$127.50	\$660.00	\$660.00
Demand Charge per KW	\$10.87 \$11.23	\$7.84 \$8.39	\$1.52 \$1.82	\$1.49 \$1.80
Excess Reactive Charge per KVA:	\$3.46	\$3.46	\$3.46	\$3.46
Energy Charge:				
On-Peak Energy				
Charge per KWH	9.816¢ -10.935¢	9.445¢ 10.787¢	9.321¢ 10.696¢	9.194¢ -10.607¢
Off-Peak Energy				
Charge per KWH	4.266¢ -5.709¢	4.145¢ 5.666¢	4.104¢ 5.639¢	4.062¢ -5.613¢

TARIFF I.G.S.
(Industrial General Service)

Rate.

	<u>Service Voltage</u>			
	Secondary	Primary	Subtransmission	Transmission
Tariff Code	356	358/370	359/371	360/372
Service Charge per month	\$276.00	\$276.00	\$794.00	\$1,353.00
Demand Charge per KW				
Of monthly on-peak billing demand	\$24.13 \$26.99	\$20.57 \$23.98	\$13.69 \$17.16	\$13.26 \$16.90
Of monthly off-peak billing demand	\$1.60 \$1.85	\$1.55 \$1.83	\$1.51 \$1.81	\$1.49 \$1.80
Energy Charge per KWH:	3.060¢ -2.937¢	2.945¢ 2.899¢	2.896¢ 2.874¢	2.857¢ -2.851¢

Reactive Demand Charge for each kilovar of maximum leading or lagging reactive demand in excess of 50 percent of the KW of monthly metered demand\$0.69/KVAR

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

Minimum demand charge.

The minimum demand charge shall be equal to the minimum billing demand times the following minimum demand rates:

<u>Secondary</u> \$25.83 \$29.52/KW	<u>Primary</u> \$22.21 \$26.47/KW	<u>Subtransmission</u> \$15.30 \$19.65/KW	<u>Transmission</u> \$14.86 \$19.35/KW
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TARIFF C.S.-I.R.P.
(Contract Service – Interruptible Power)

CONDITIONS OF SERVICE.

Kentucky Power added language so the tariff would be consistent with PJM’s Load Management Resource Product – Capacity Performance Demand Response requirement.

SPECIAL PROVISIONS FOR COAL MINING CUSTOMERS

Kentucky Power has removed this provision from the tariff.

SPECIAL TERMS AND CONDITIONS

Kentucky Power has removed language making this tariff available to customers having other sources of energy supply.

TARIFF M.W.
(Municipal Waterworks)

Rate. (Tariff Codes 540)

Service Charge.....\$ ~~22.90~~ 25.00 per month

Energy Charge:

All KWH Used Per Month ~~9.267¢~~ 10.304¢ per KWH

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the sum of the service charge plus ~~\$8.89~~ \$9.78 per KVA as determined from customer’s total connected load.

Kentucky Power added language for delayed payment charge.

DELAYED PAYMENT CHARGE.

Bills under this tariff are due and payable within fifteen (15) days of mailing date. All accounts not paid in full by the next billing date will be assessed an additional charge of 5% of the outstanding unpaid balance.

CHANGES APPLICABLE TO TARIFFS O.L. AND S.L.

Kentucky Power has replaced summary descriptions of each applicable surcharge and rider with the following table referring to customers to their respective tariff sheets, which describe each surcharge or rider in detail:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Federal Tax Cut Tariff	Sheet No. 23
Environmental Surcharge	Sheet No. 29

Capacity Charge
School Tax
Purchase Power Adjustment
Decommissioning Rider
Grid Modernization Rider

Sheet No. 30
Sheet No. 33
Sheet No. 35
Sheet No. 38
Sheet No. 39

Kentucky Power shall cease offering High Pressure Sodium, Mercury Vapor, and Metal Halide lamps on January 1, 2021.

Kentucky Power has added Light Emitting Diodes (LED) as a customer option.

**TARIFF O.L.
(Outdoor Lighting)**

Rate.

A. OVERHEAD LIGHTING SERVICE

Tariff code

1. High Pressure Sodium

094 100 watts (9,500 Lumens)... ~~\$ 8.54~~ \$9.30 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
113 150 watts (16,000 Lumens)... ~~\$9.31~~ \$10.65 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
097 200 watts (22,000 Lumens)... ~~\$10.90~~ \$13.20 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
103 250 watts (28,000 Lumens)... ~~\$15.04~~ \$18.80 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
098 400 watts (50,000 Lumens)... ~~\$16.04~~ \$20.85 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff

Tariff code

2. Mercury Vapor

093* 175 watts (7,000 Lumens)... ~~\$ 9.04~~ \$11.85 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
095* 400 watts (20,000 Lumens)... ~~\$14.64~~ \$20.40 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff

Tariff code

3. LED

150 55 watts (5,400 Lumens)..... \$6.66 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
151 100 watts (10,500 Lumens)... \$9.26 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
152 175 watts (18,430 Lumens)... \$11.74 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
153 300 watts (30,230 Lumens)... \$18.13 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff

B. POST-TOP LIGHTING SERVICE

Tariff code

1. High Pressure Sodium

111 100 watts (9,500 Lumens)... ~~\$ 14.05~~ \$16.85 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff

- 122 150 watts (16,000 Lumens)... ~~\$23.30~~ \$27.65 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
- 121 100 watts (9,500 Lumens)... ~~\$29.50~~ \$30.60 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
- 120 250 watts (28,000 Lumens)... ~~\$24.99~~ \$30.85 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
- 126 400 watts (50,000 Lumens)... ~~\$36.16~~ \$42.00 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff

Tariff code

2. Mercury Vapor

- 099* 175 watts (7,000 Lumens)... ~~\$10.59~~ \$13.60 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff

Tariff code

3. LED

- 160 65 watts (7,230 Lumens)..... \$19.09 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff

C. FLOOD LIGHTING SERVICE

Tariff code

1. High Pressure Sodium

- 107 200 watts (22,000 Lumens)... ~~\$13.10~~ \$15.15 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
- 109 400 watts (50,000 Lumens)... ~~\$17.06~~ \$22.10 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff

Tariff code

2. Metal Halide

- 110 250 watts (20,500 Lumens)... ~~\$15.27~~ \$17.90 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
- 116 400 watts (36,000 Lumens)... ~~\$18.39~~ \$22.55 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
- 131 1000 watts (110,000 Lumens)... ~~\$30.94~~ \$41.50 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
- 130 250 watts Mongoose (20,500 Lumens)... ~~\$20.57~~ \$24.15 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
- 136 400 watts Mongoose (36,000 Lumens)... ~~\$23.59~~ \$29.40 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff

Tariff code

3. LED

- 165 175 watts (21,962 Lumens)..... \$24.87 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff
- 166 265 watts (32,000 Lumens)..... \$30.58 per lamp + 0.02851 x KWH in Sheet No. 14-5 in Company's tariff

Kentucky Power has added language for Customers that would like to convert their existing lamps to LEDs and the charges associated with the upgrade.

D. LED Lamp Conversion Charge

Existing outdoor lighting customers that wish to convert from non-LED lamps to a new LED fixture shall pay a monthly charge of \$3.33 per lamp replaced, per month for 84 months.

All lumen figures are based upon manufacturer estimates and may vary.

When new or additional facilities, other than those specified in Paragraphs A, B, and C, are to be installed by the Company, the customer in addition to the monthly charges, shall pay in advance the installation cost (labor and material) of such additional facilities extending from the nearest or most suitable pole of the Company to the point designated by the customer for the installation of said lamp, except that customer may, for the following facilities only, elect, in lieu of such payment of the installation cost to pay:

Wood pole.....	\$3.40-\$3.70 per month
Overhead wire span not over 150 feet.....	\$ 2.00 per month
Underground wire lateral not over 50 feet	\$7.40 \$6.95 per month

Kentucky Power has added a Flexible Lighting Option for customers.

E. FLEXIBLE LIGHTING OPTION (Tariff Code 175)

Applicable for the installation of any outdoor area lighting system (System) on a private or public property and owned by the Company. The customer must be adjacent to an electric power line of the Company that is adequate for supplying the necessary electric service. Service for the System under this tariff shall require a contract addendum agreed to and signed by the customer. The System shall comply with the Company's terms and conditions unless otherwise noted in this section. Included in the contract addendum shall be the installed capital cost of the System and the monthly amount of KWH the System will use if it is not metered. The Company reserves the right to refuse service under this provision based on customer's creditworthiness.

Customers shall pay the monthly lamp charge for the System, a monthly maintenance charge, a non-fuel energy charge, a base fuel charge, and all applicable adjustment clauses.

Monthly Lamp Charge = IC x MLFCR

Where: IC = Installed Cost of System

MLFCR = Monthly Levelized Fixed Cost Rate of 1.43% which is inclusive of return, depreciation, income taxes, property taxes and A&G expense components

Monthly maintenance charge is \$1.20 per lamp per month

Monthly non-fuel charge is .05677 \$/KWH

Base fuel charge is .02851 \$/KWH

Customers selecting this flexible lighting option to replace existing lamps shall also be subject to the LED Lamp Conversion Charge.

**TARIFF S.L.
(Street Lighting)**

RATE. (Tariff Code 528)

A. Overhead Service on Existing Distribution Poles

1. High Pressure Sodium

100 watts (9,500 Lumens)... ~~\$7.03~~ \$7.90 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
150 watts (16,000 Lumens)... ~~\$7.55~~ \$8.45 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
200 watts (22,000 Lumens)... ~~\$8.95~~ \$10.05 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
400 watts (50,000 Lumens)... ~~\$11.71~~ \$13.15 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

2. LED

55 watts OH (5,400 Lumens)... \$8.74 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
100 watts OH (10,500 Lumens)... \$11.25 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
175 watts OH (18,430 Lumens)... \$13.44 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
65 watts Post Top (7,230 Lumens)... \$9.09 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
90 watts Post Top (7,038 Lumens)... \$20.11 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
175 watts Flood (21,962 Lumens)... \$14.79 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

B. Service on New Wood Distribution Poles

1. High Pressure Sodium

100 watts (9,500 Lumens)... ~~\$10.80~~ \$12.10 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
150 watts (16,000 Lumens)... ~~\$11.55~~ \$12.95 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
200 watts (22,000 Lumens)... ~~\$12.95~~ \$14.55 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
400 watts (50,000 Lumens)... ~~\$16.61~~ \$18.65 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

2. LED

55 watts OH (5,400 Lumens)... \$14.83 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
100 watts OH (10,500 Lumens)... \$17.34 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
175 watts OH (18,430 Lumens)... \$19.53 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
65 watts Post Top (7,230 Lumens)... \$15.18 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
90 watts Post Top (7,038 Lumens)... \$26.20 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
175 watts Flood (21,962 Lumens)... \$20.89 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

C. Service on New Metal or Concrete Poles

1. High Pressure Sodium

100 watts (9,500 Lumens)... ~~\$27.45~~ \$26.75 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
150 watts (16,000 Lumens)... ~~\$28.15~~ \$27.65 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff
200 watts (22,000 Lumens)... ~~\$26.70~~ \$29.30 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

400 watts (50,000 Lumens)... ~~\$27.14~~ \$30.40 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

2. LED

55 watts OH (5,400 Lumens)... \$26.44 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

100 watts OH (10,500 Lumens)... \$28.12 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

175 watts (18,430 Lumens)... \$29.49 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

65 watts Post Top (7,230 Lumens)... \$27.23 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

90 watts Post Top (7,038 Lumens)... \$38.12 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

175 watts Flood (21,962 Lumens)... \$30.81 per lamp + 0.02851 x KWH in Sheet No. 15-4 in Company's tariff

Kentucky Power has added language for Customers that would like to convert their existing lamps to LEDs.

D. LED Lamp Conversion Charge

Existing street lighting customers that wish to convert from non-LED lamps to a new LED fixture shall pay a monthly charge of \$2.18 per lamp replaced, per month for 84 months.

Kentucky Power has added language for a Flexible Lighting Option for customers.

E. FLEXIBLE LIGHTING OPTION (Tariff Code 525)

Applicable for the installation of any street lighting system (System) on a private or public property and owned by the Company. The customer must be adjacent to an electric power line of the Company that is adequate for supplying the necessary electric service. Service for the System under this tariff shall require a contract addendum agreed to and signed by the customer. The System shall comply with the Company's terms and conditions unless otherwise noted in this section. Included in the contract addendum shall be the installed capital cost of the System and the monthly amount of KWH the System will use unless the system is separately metered. The Company reserves the right to refuse service under this provision based on customer's credit worthiness.

Customers shall pay the monthly lamp charge for the System, a monthly maintenance charge, a non-fuel energy charge, a base fuel charge, and all applicable adjustment clauses.

Monthly Lamp Charge = IC x MLFCR

Where: IC = Installed Cost of System

MLFCR = Monthly Levelized Fixed Cost Rate of 1.05% which is inclusive of return, depreciation, income taxes, property taxes and A&G expense components

Monthly maintenance charge is \$2.23 per lamp per month

Monthly non-fuel charge is .04533 \$/KWH

Base fuel charge is .02851 \$/KWH

Customers selecting this flexible lighting option to replace existing lamps shall also be subject to the LED Lamp Conversion Charge.

TARIFF COGEN/SPP I
(Cogeneration and/or Small Power Production-100 KW or Less)

MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES.

Energy Credit

The following credits or payments from the Company to the customer shall apply for the electrical energy delivered to the Company:

Standard Meter - All KWH	3.24¢ 2.61¢
KWH	
T.O.D. Meter	
On-Peak KWH	3.86¢ 3.06¢
KWH	
Off-Peak KWH	2.79¢ 2.28¢ KWH

Capacity Credit

If the customer contracts to deliver or produce a specified excess or total average capacity during the monthly billing period (monthly contract capacity), or a specified excess or total average capacity during the on-peak monthly billing period (on-peak contract capacity), then the following capacity credits or payment from the Company to the customer shall apply:

If standard energy meters are used,

- A. ~~\$3.11~~ \$3.12 KW/month, times the lowest of:
 - (1) monthly contract capacity, or
 - (2) current month metered average capacity, i.e., KWH delivered to the Company or produced by COGEN/SPP facilities divided by 730, or
 - (3) lowest average capacity metered during the previous two months if less than monthly contract capacity. If T.O.D. energy meters are used,
- B. ~~\$7.47~~ \$7.49 KW/month, times the lowest of:
 - (1) on-peak contract capacity, or
 - (2) current month on-peak metered average capacity, i.e., on-peak KWH delivered to the Company or produced by COGEN/SPP facilities divided by 305 or
 - (3) lowest on-peak average capacity metered during the previous two months, if less than on-peak contract capacity.

The above energy and capacity credit rates are subject to revisions from time to time as approved by the Commission.

TARIFF COGEN/SPP II
(Cogeneration and/or Small Power Production-Over 100 KW)

Energy Credit

The following credits or payments from the Company to the customer shall apply for the electrical energy delivered to the Company:

Standard Meter - All KWH	3.24¢ 2.61¢ KWH
T.O.D. Meter	
On-Peak KWH	3.86¢ 3.06¢ KWH
Off-Peak KWH	2.79¢ 2.28¢ KWH

Capacity Credit

If the customer contracts to deliver or produce a specified excess or total average capacity during the monthly billing period (monthly contract capacity), or a specified excess or total average capacity during the on-peak monthly billing period (on-peak contract capacity), then the following capacity credits or payment from the Company to the customer shall apply:

If standard energy meters are used,

- A. ~~\$3.11~~ \$3.12 KW/month, times the lowest of:
 - (1) monthly contract capacity, or
 - (2) current month metered average capacity, i.e., KWH delivered to the Company or produced by COGEN/SPP facilities divided by 730, or
 - (3) lowest average capacity metered during the previous two months if less than monthly contract capacity. If T.O.D. energy meters are used,

- B. ~~\$7.47~~ \$7.49 KW/month, times the lowest of:
 - (1) on-peak contract capacity, or
 - (2) current month on-peak metered average capacity, i.e., on-peak KWH delivered to the Company or produced by COGEN/SPP facilities divided by 305 or
 - (3) lowest on-peak average capacity metered during the previous two months, if less than on-peak contract capacity.

The above energy and capacity credit rates are subject to revisions from time to time as approved by the Commission.

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

Kentucky Power is modifying the base annual net revenues.

RATE.

3. The base annual net revenues from systems sales are: ~~\$7,650,360.~~ \$7,343,330.

**TARIFF F.T.
(Franchise Tariff)**

Kentucky Power has added language explaining how costs shall be recovered if the city or town requires the Company to install underground instead of overhead facilities.

**TARIFF T.S.
(Temporary Service)**

Kentucky Power added language for delayed payment charge.

**TARIFF D.S.M.C.
(Demand-Side Management Adjustment Clause)**

Kentucky Power has removed pages there were not in use due to programs being closed and the being held for future DSM program use.

**FEDERAL TAX CUT TARIFF
(F.T.C)**

Kentucky Power has proposed to maintain rates at their 2020 levels through 2021, and the Company explains how rates will be calculated after 2021.

RATE.

2. ~~The Annual Total Rate Credit Amount (AC) was calculated as follows:~~ *Company proposes to maintain the same rates in calendar year 2021 as are in effect in calendar year 2020.*

~~AC—the sum of~~ *The Company shall amortize the (1/18th of estimated retail Generation and Distribution related Unprotected Excess ADIT) + calendar year estimated retail Generation and Distribution related ARAM of Protected Excess ADIT and the amount of retail Generation and Distribution related Unprotected Excess ADIT needed to support the remainder of the actual calendar year rate credits provided to customers through this rider.*

3. ~~The allocation of the actual Annual Tax Credit Amount between residential and all other customers shall be based upon their respective contribution to total retail revenues, according to the following formula:~~

$$\text{Residential Allocation RA}(y) = \frac{\text{AC}(y)}{\text{KY Retail Revenue R}} \times \frac{\text{KY Residential Retail Revenue RR}}{\text{KY Retail Revenue R}}$$

$$\text{All Other Allocation } OA(y) = \frac{AC(y)}{R} \times \frac{\text{KY All Other Classes Retail Revenue } OR}{\text{KY Retail Revenue } R}$$

Where:

(y) = the credit year;

RR = \$236,006,728;

OR = \$316,554,577; and

R = \$552,561,305.

3. The Residential Allocation rate credits and All Other Allocation rate credits shall be credited to customers on a KWH basis as follows:

	Residential (\$/KWH)	All Other (\$/KWH)
July – December 2018	\$0.004803	\$0.003188
January – March and December 2019	\$0.003593	\$0.001604
April – November 2019	\$0.001000	\$0.001604
January – March and December 2020*	\$0.003686	\$0.001635
April – November 2020*	\$0.001000	\$0.001635
January – March and December 2021	\$0.003686	\$0.001635
April – November 2021	\$0.001000	\$0.001635

* And continuing thereafter for the applicable months until the Company's rates are changed as part of a base rate proceeding, but not to exceed a period longer than 18 years total from January 1, 2018.

Post 2021:

4. ~~3.~~The allocation of the actual Annual Tax Credit Amount retail Generation and Distribution related ARAM of Protected Excess ADIT and any Commission authorized amount of Unprotected Excess ADIT, between residential and all other customers shall be based upon their respective contribution to total retail revenues, according to the following formula:

$$\text{Residential Allocation } RA(y) = \frac{AC(y)}{R} \times \frac{\text{KY Residential Retail Revenue } RR}{\text{KY Retail Revenue } R}$$

$$\text{All Other Allocation } OA(y) = \frac{AC(y)}{R} \times \frac{\text{KY All Other Classes Retail Revenue } OR}{\text{KY Retail Revenue } R}$$

Where:

(y) = the credit year;

RR = \$236,006,728 \$269,181,515;

OR = \$316,554,577 \$328,960,189; and

R = \$552,561,305 \$598,141,704.

**TARIFF N.U.G.
(Non-Utility Generator)**

Kentucky Power is proposing to make this tariff unavailable to new participants and to remove the provision for Commissioning Power Service and Startup Power Service

**TARIFF N.M.S.
(Net Metering Service)**

Kentucky Power is proposing to close this tariff to new customers beginning January 1, 2021.

TARIFF N.M.S. II (Net Metering Service II)

Kentucky Power is proposing a new tariff based upon the current Tariff N.M.S., participation in which is proposed to be closed to new customers.

AVAILABILITY OF SERVICE.

Net Metering is available to eligible customer-generators in the Company's service territory, upon request, and on a first-come, first-served basis up to a cumulative capacity of one percent (1%) of the Company's single hour peak load in Kentucky during the previous year. If the cumulative generating capacity of net metering systems reaches 1% of the Company's single hour peak load during the previous year, upon Commission approval, the Company's obligation to offer net metering to a new customer-generator may be limited. An eligible customer-generator shall mean a retail electric customer of the Company with a generating facility that:

- (1) Generates electricity using solar energy, wind energy, biomass or biogas energy, or hydro energy;
- (2) Has a rated capacity of not greater than forty-five (45) kilowatts;
- (3) Is located on the customer's premises;
- (4) Is owned and operated by the customer;
- (5) Is connected in parallel with the Company's electric distribution system; and
- (6) Has the primary purpose of supplying all or part of the customer's own electricity requirements.

At its sole discretion, the Company may provide Net Metering to other customer-generators not meeting all the conditions listed above on a case-by-case basis.

The term "Customer" hereinafter shall refer to any customer requesting or receiving Net Metering services under this tariff.

METERING.

Net energy metering shall be accomplished using a time of use ("TOU") kilowatt-hour meter capable of measuring the flow of electricity in two (2) directions. If the existing electrical meter installed at the customer's facility is not capable of measuring the flow of electricity in two directions, the Company will provide the customer with the appropriate metering at no additional cost to the customer. If the customer requests any additional meter or meters or if distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.

BILLING/MONTHLY CHARGES.

For determining monthly billing KWH and excess customer generation KWH, two TOU netting periods will be used:

1. TOU period 1 shall be from 8:00 AM to 6:00 PM all days of the week and holidays
2. TOU period 2 shall be from 6:00 PM to 8:00 AM all days of the week and holidays

All net billing KWH and kW in each netting period, accumulated for the billing period, shall be charged at the rates applicable under the Company's standard service tariff under which the customer would otherwise be served, absent the customer's electric generating facility.

Energy charges under the customer's standard tariff shall be applied to the customer's net energy for the billing period to the extent that the net energy exceeds zero. If the customer's net energy is zero or negative during the billing period, the customer shall pay only the non-energy charge portions of the standard tariff bill.

All excess customer generation, (net negative energy or "NNE"), in each netting period, accumulated for the billing period, shall be credited at the avoided cost rate of .03659 \$/KWH each month.

Bill credits to customers for NNE at the avoided cost rate each month is a purchased power expense and shall be recovered from all customers through the Company's Purchased Power Adjustment Rider. If the NNE credit exceeds the customer's

billed charges that month, the amount in excess of the billed charges will be carried over for use in subsequent billing periods.

APPLICATION AND APPROVAL PROCESS.

The Customer shall submit an Application for Interconnection and Net Metering (“Application”) and receive approval from the Company prior to connecting the generator facility to the Company’s system.

Applications will be submitted by the Customer and reviewed and processed by the Company according to either Level 1 or Level 2 processes defined below.

The Company may reject an Application for violations of any code, standard, or regulation related to reliability or safety; however, the Company will work with the Customer to resolve those issues to the extent practicable.

Customers may contact the Company to check on the status of an Application or with questions prior to submitting an Application. Company contact information can be found on Kentucky Power Company’s Application Form or on the Company’s website.

LEVEL 1 AND LEVEL 2 DEFINITIONS

LEVEL 1

A Level 1 Application shall be used if the generating facility is inverter-based and is certified by a nationally recognized testing laboratory to meet the requirements of Underwriters Laboratories Standard 1741 “Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources” (UL 1741).

The Company will approve the Level 1 Application if the generating facility also meets all of the following conditions:

- (1) For interconnection to a radial distribution circuit, the aggregated generation on the circuit, including the proposed generating facility, will not exceed 15% of the Line Section’s most recent annual one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.
- (2) If the proposed generating facility is to be interconnected on a single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed generating facility, will not exceed the smaller of 20 kVA or the nameplate rating of the transformer.
- (3) If the proposed generating facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
- (4) If the generating facility is to be connected to three-phase, three wire primary Company distribution lines, the generator shall appear as a phase-to-phase connection at the primary Company distribution line.
- (5) If the generating facility is to be connected to three-phase, four wire primary Company distribution lines, the generator shall appear to the primary Company distribution line as an effectively grounded source.
- (6) The interconnection will not be on an area or spot network.
- (7) The Company does not identify any violations of any applicable provisions of IEEE 1547, “Standard for Interconnecting Distributed Resources with Electric Power Systems.”
- (8) No construction of facilities by the Company on its own system will be required to accommodate the generating facility.

If the generating facility does not meet all of the above listed criteria, the Company, in its sole discretion, may either: 1) approve the generating facility under the Level 1 Application if the Company determines that the generating facility can

be safely and reliably connected to the Company's system; or 2) deny the Application as submitted under the Level 1 Application.

The Company shall notify the customer within 20 business days whether the Application is approved or denied, based on the criteria provided in this section.

If the Application lacks complete information, the Company shall notify the customer that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the time to process the Application.

When approved, the Company will indicate by signing the approval line on the Level 1 Application Form and returning it to the customer. The approval will be subject to successful completion of an initial installation inspection and witness test if required by the Company. The Company's approval section of the Application will indicate if an inspection and witness test are required. If so, the customer shall notify the Company within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with the Company to occur within 10 business days of completion of the generator facility installation or as otherwise agreed to by the Company and the customer. The customer may not operate the generating facility until successful completion of such inspection and witness test, unless the Company expressly permits operational testing not to exceed two hours. If the installation fails the inspection or witness test due to noncompliance with any provision in the Application and Company approval, the customer shall not operate the generating facility until any and all noncompliance is corrected and re-inspected by the Company.

If the Application is denied, the Company will supply the customer with reasons for denial. The customer may resubmit under Level 2 if appropriate.

LEVEL 2

A Level 2 Application is required under any of the following:

- (1) The generating facility is not inverter based;
- (2) The generating facility uses equipment that is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741; or
- (3) The generating facility does not meet one or more of the additional conditions under Level 1.

The Company will approve the Level 2 Application if the generating facility meets the Company's technical interconnection requirements, which are based on IEEE 1547. The Company shall make its technical interconnection requirements available online and upon request.

The Company will process the Level 2 Application within 30 business days of receipt of a complete Application. Within that time the Company will respond in one of the following ways:

- (1) The Application is approved and the Company will provide the customer with an Interconnection Agreement to sign.
- (2) If construction or other changes to the Company's distribution system are required, the cost will be the responsibility of the customer. The Company will give notice to the customer and offer to meet to discuss estimated costs and construction timeframe. Should the customer agree to pay for costs and proceed, the Company will provide the customer with an Interconnection Agreement to sign within a reasonable time.
- (3) The Application is denied. The Company will supply the customer with reasons for denial and offer to meet to discuss possible changes that would result in Company approval. Customer may resubmit Application with changes.

If the Application lacks complete information, the Company shall notify the customer that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the 30-business-day target to process the Application.

The Interconnection Agreement will contain all the terms and conditions for interconnection consistent with those specified in this tariff, inspection and witness test requirements, description of and cost of construction or other changes to the Company's distribution system required to accommodate the generating facility, and detailed documentation of the generating facilities which may include single line diagrams, relay settings, and a description of operation.

The customer may not operate the generating facility until an Interconnection Agreement is signed by the customer and Company and all necessary conditions stipulated in the agreement are met.

APPLICATION, INSPECTION AND PROCESSING FEES.

The Company will require each customer to submit with each level 1 Application a non-refundable application, inspection and processing fee of \$150.

The Company will require each customer to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$150. In the event the Company determines an impact study is necessary with respect to a Level 2 Application, the customer shall be responsible for any reasonable costs for the initial impact study. The Company shall provide documentation of the actual cost of the impact study. Any other studies requested by the customer shall be at the customer's sole expense.

TERMS AND CONDITIONS FOR INTERCONNECTION

To interconnect to the Company's distribution system, the customer's generating facility shall comply with the following terms and conditions:

- (1) The Company shall provide the customer net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the customer requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.
- (2) The customer shall install, operate, and maintain, at customer's sole cost and expense, any control, protective, or other equipment on the customer's system required by the Company's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with Company's electric system. Customer shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from the Company, the customer shall demonstrate generating facility compliance.
- (3) The generating facility shall comply with, and the customer shall represent and warrant its compliance with:
 - (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories;
 - (b) the NEC as may be revised from time to time;
 - (c) Company's rules, regulations, and Company's Terms and Conditions of Service as contained in Company's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission);
 - (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and
 - (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, customer shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- (4) Any changes or additions to the Company's system required to accommodate the generating facility shall be considered excess facilities. Customer shall agree to pay Company for actual costs incurred for all such excess facilities prior to construction.
- (5) Customer shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. At all times when the generating facility is being operated in parallel with Company's electric system, customer shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service

quality rendered by Company to any of its other customers or to any electric system interconnected with Company's electric system. Customer shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Company's ability to meet its primary responsibility of furnishing reasonably adequate service to its customers.

(6) Customer shall be responsible for protecting, at customer's sole cost and expense, the generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that the Company shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of the Company.

(7) After initial installation, Company shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.

(8) For Level 1 and 2 generating facilities, where required by the Company, an eligible customer shall furnish and install on customer's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the customer's energy generating equipment from Company's electric service under the full rated conditions of the customer's generating facility. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the customer shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Company personnel at all times. The Company may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under the Company's safety and operating protocols.

The Company shall establish a training protocol for line workers on the location and use of the EDS, and shall require that the EDS be used when appropriate, and that the switch be turned back on once the disconnection is no longer necessary.

(9) Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require the customer to discontinue operation of the generating facility if Company believes that: (a) continued interconnection and parallel operation of the generating facility with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or customer's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Company's electric system; or (c) the generating facility interferes with the operation of Company's electric system. In non-emergency situations, Company shall give customer notice of noncompliance including a description of the specific noncompliance condition and allow customer a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when the Company is unable to immediately isolate or cause the customer to isolate only the generating facility, the Company may isolate the customer's entire facility.

(10) Customer shall agree that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity are allowed without approval.

(11) To the extent permitted by law, the customer shall protect, indemnify, and hold harmless the Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the customer or the customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the customer's generating facility or any related equipment or any facilities

owned by the Company except where such injury, death or damage was caused or contributed to by the fault or negligence of the Company or its employees, agents, representatives, or contractors.

The liability of the Company to the customer for injury to person and property shall be governed by the tariff(s) for the class of service under which the customer is taking service.

(12) The customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. Customer shall, upon request, provide Company with proof of such insurance at the time that application is made for net metering.

(13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.

(14) A customer's generating facility is transferable to other persons or service locations only after notification to the Company has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, customer, or location, the Company will verify that the installation is in compliance with this tariff and provide written notification to the customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, the Company will notify the customer in writing and list what must be done to place the facility in compliance.

(15) The customer shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

TERM OF CONTRACT

Any contract required under this tariff shall become effective when executed by both parties and shall continue in effect until terminated. The contract may be terminated as follows: (a) Customer may terminate the contract at any time by giving the Company at least sixty (60) days' written notice; (b) Company may terminate upon failure by the customer to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the contract or the rules or any rate schedule, tariff, regulation, contract, or policy of the Company, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) the Company may terminate by giving the customer at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service and all provisions of the standard service tariff under which the customer takes service. This tariff is also subject to the applicable provisions of the Company's Technical Requirements for Interconnection.

TARIFF E.S. (Environmental Surcharge)

Kentucky Power has updated the Base Revenue Requirement. The Company also added the 2019 Environmental Compliance Plan reference and is proposing an updated Rate of Return on Equity.

RATE.

2. Base Period Revenue Requirement, BRR

BRR = The Following Monthly Amounts:

<u>Billing Month</u>	<u>Base Net</u>	<u>Environmental Costs</u>
January	\$ 3,664,681	3,582,591
February	3,581,017	4,039,633
March	3,353,024	3,773,820
April	3,661,574	4,730,906
May	3,595,145	4,557,625
June	3,827,332	3,974,845
July	3,747,320	4,209,729
August	3,888,262	4,009,897
September	3,636,247	3,764,203
October	3,824,697	3,851,218
November	3,717,340	3,896,838
December	\$ 3,882,677	3,894,298
	\$ 44,379,316	48,285,602

3. Current Period Revenue Requirement, CRR

The Rate of Return for Kentucky Power is ~~9.70%~~ 10.00% rate of return on equity as authorized by the Commission in its Order Dated ~~January XXXX XX, 2020~~ 18, 2018 in Case No. ~~2017-00179~~ 2020-00174.

TARIFF C.C. (Capacity Charge)

Kentucky Power is proposing to reduce the Energy Charge to zero, conditioned upon Commission approval of the Company's requested rate increase.

RATE.

	<u>All Other</u>	<u>I.G.S.</u>
Energy Charge per KWH per month	\$0.0013380000	\$0.000681000

RIDER A.F.S. (Alternate Feed Service Rider)

Kentucky Power has updated rates.

TRANSFER SWITCH PROVISION.

Existing AFS customers, who receive basic service at primary voltage and are served via a Company-owned transfer switch and control module, may elect for the Company to continue ownership of the transfer switch. When the Company-owned transfer switch and/or control module requires replacement, and the customer desires to continue the AFS, the customer shall pay the Company the total cost to replace such equipment which shall be grossed up for federal and state taxes, assessment fees and gross receipts taxes. In addition, the customer shall pay a monthly rate of ~~\$14.67~~ \$15.75 for the Company to annually test the transfer switch / control module and the customer shall reimburse the Company for the actual costs involved in maintaining the Company-owned transfer switch and control module.

MONTHLY AFS CAPACITY RESERVATION DEMAND CHARGE.

The Monthly AFS Capacity Reservation Demand Charge for the reservation of distribution station and primary lines is ~~6.29~~ \$6.57 per kW.

**TARIFF P.P.A
(Purchase Power Adjustment)**

Kentucky Power has updated the Base Purchase Power cost. The Company updated the definition for Annual Purchase Power adjustment formula and Coincident Peak estimates.

RATE.

The annual purchase power adjustment factor will be computed using the following formula:

1. Annual Purchase Power Net

Costs (PPANC)

$$PPANC = N + CSIRP + OATT + RKP + RP - BPP$$

Where:

BPP = The annual amount of purchase power costs included in base rates, ~~\$74,453,085~~ \$96,896,495.

- a. N = The annual cost of power purchased by the Company through new Purchase Power Agreements and purchased power expense from avoided cost payments to net metering customers under tariff N.M.S.II. All new purchase power agreements shall be approved by the Commission to the extent required by KRS 278.300.
- c. OATT = ~~80%~~ 100% The net annual PJM load-serving entity Open Access Transmission Tariff Charges above or below the ~~\$74,453,085~~ \$96,896,495 included in BPP, less the transmission return difference pursuant to the Commission approved Settlement agreement in Case No. 2017-00179.

Where:

5. "CPClass" is the coincident peak demand for each tariff class estimated as follows:

Tariff	BEClass	CP/KWH Ratio	CPClass
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.		0.0240909% 0.02428%	
S.G.S.-T.O.D.		0.0196553% 0.01962%	
M.G.S.-T.O.D.		0.0196553% 0.01962%	
G.S.		0.0196553% 0.01962%	
L.G.S., L.G.S.-T.O.D		0.0170480% 0.01798%	
L.G.S.-L.M.-T.O.D.		0.0170480% 0.01798%	
I.G.S. and C.S.-I.R.P.		0.0118222% 0.01232%	
M.W.		0.0135480% 0.01326%	
O.L.		0.0000000% 0.00263%	
S.L.		0.0000000% 0.00262%	

8. The factors as computed above are calculated to allow the recovery of Uncollectible Accounts

Expense of ~~0.34%~~0.41% and the KPSC Maintenance Fee of ~~0.1996%~~ 0.1956% and other similar revenue based taxes or assessments occasioned by the Purchase Power Adjustment Rider revenues.

RIDER D.R.S. (Demand Response Service)

Kentucky Power is proposing a new rider for a Demand Response program.

AVAILABILITY OF SERVICE

Available for Demand Response Service (“DRS”) to customers that take firm service from the Company under a standard demand-metered rate schedule and that have the ability to curtail load under the provisions of this Schedule. Each customer electing service under this Schedule shall contract, via a Contract Addendum, for a definite amount of firm and interruptible capacity agreed to by the Company and the customer. The interruptible capacity amount shall not exceed the Customer’s average on-peak demand for the past 12 months. The Company reserves the right to limit the aggregate amount of interruptible capacity contracted for under this Schedule. The Company will take Customer DRS requests in the order received. Customers taking service under this Schedule shall not participate in any PJM demand response program for Capacity.

CONDITIONS OF SERVICE

1. The Company, in its sole discretion, reserves the right to call for curtailments of the Customer’s interruptible load at any time. Such interruptions shall be designated as “Discretionary Interruptions” and shall not exceed sixty (60) hours of interruption during any Interruption Year. The “Interruption Year” shall be defined as the consecutive twelve (12) month period commencing on June 1 and ending on May 31. Should this Schedule become effective on a date other than June 1, the period from the effective date of this Schedule until the next May 31 after such effective date shall be referred to as the “Initial Partial Interruption Year.” In any Initial Partial Interruption Year, Discretionary Interruptions shall not exceed a number of hours equal to the product of the number of full calendar months during the Initial Partial Interruption Year and the annual interruption hours divided by 12.
2. The monthly Interruptible Demand Credit Rate shall be \$5.50/kW-month, credited to participating Customers’ bills for standard tariff service.
3. The Company will endeavor to provide the Customer with as much advance notice as possible of a Discretionary Interruption. The Company shall provide notice at least 90 minutes prior to the commencement of a Discretionary Interruption. Such notice shall include both the start and end time of the Discretionary Interruption. For any Discretionary Interruption, the Customer shall be permitted to choose not to interrupt and to continue to operate during the event, provided that the Customer pays the DRS Event Failure Charge. Discretionary Interruptions shall begin and end on the clock hour.
4. Discretionary Interruption events shall be three (3) consecutive hours and there shall not be more than six (6) hours of Discretionary Interruption per day.
5. The Company will inform the Customer regarding the communication process for notices to curtail. The Customer is ultimately responsible for receiving and acting upon a curtailment notification from the Company.
6. The minimum interruptible capacity contracted for under this Schedule will be 500 kW. Customers with multiple electric service accounts at a single location may aggregate those individual accounts to meet the 500 kW minimum interruptible capacity requirement under this Schedule; however, the interruptible capacity committed for each individual account shall not be less than 100 kW.
7. All Customer meter data required under this Schedule shall be determined from 15- or 30-minute integrated metering, as applicable based on the Customer’s rate schedule, with remote interrogation capability and demand recording equipment. Such metering equipment shall be owned, installed, operated, and maintained by the Company.
8. **NO RESPONSIBILITY OR LIABILITY OF ANY KIND SHALL ATTACH TO OR BE INCURRED BY THE COMPANY FOR, OR ON ACCOUNT OF, ANY LOSS, COST, EXPENSE, OR DAMAGE CAUSED BY OR RESULTING FROM, EITHER DIRECTLY OR INDIRECTLY, ANY CURTAILMENT OF SERVICE UNDER THE PROVISIONS OF THIS SCHEDULE.**

INTERRUPTIBLE CAPACITY RESERVATION

The Customer shall have established a total Capacity Reservation under its Contract for Service under the applicable demand-metered rate schedule. In a Contract Addendum, the Customer shall designate a set amount of kW of that total Capacity Reservation as the Firm Service Capacity Reservation, which is not subject to interruption under this

Schedule. The Interruptible Capacity Reservation shall be the Customer's average on-peak demand over the past 12 months in excess of the Firm Service Capacity Reservation.

The Interruptible Capacity Reservation is subject to annual review and adjustment by the Company and the Customer.

MONTHLY INTERRUPTIBLE DEMAND CREDIT

The monthly Interruptible Demand Credit shall be equal to the product of Demand Credit per kW-month and the Customer's Interruptible Capacity Reservation kW.

INTERRUPTION EVENT COMPLIANCE

A Customer will be determined to have failed a DRS interruption event if the Customer has not achieved at least ninety (90) percent of their agreed upon interruptible capacity reservation during the duration of a DRS event.

DRS EVENT FAILURE CHARGE

A Customer that fails one or more DRS interruption events shall repay a portion of the Customer's total annual DRS Interruptible Demand Credit per the following table:

Number of Failures	Penalty Payment %
Failure 1	5%
Failure 2	10%
Failure 3	10%
Failure 4	15%
Failure 5	15%
Failure 6	20%
Failure 7	25%
Totals	100%

The DRS Event Failure Charge equals the Customer's Interruptible Capacity Reservation kW, times the DRS Interruptible Demand Credit Rate, times 12, times the corresponding DRS Event Failure Charge Penalty Payment % set forth in the table above. Under no circumstance will a Customer be charged for DRS interruption event failures in an amount greater than the annual amount of DRS Interruptible Demand Credits the Customer would have or has received in an Interruption Year.

SETTLEMENT

The net amount of the monthly Interruptible Demand Credit and any DRS Event Failure Charge will be included in the Customer's monthly bill for electric service under its demand-metered rate schedule.

TERM

A Contract Addendum term under this Schedule shall be at least one (1) Interruption Year and shall continue for each subsequent Interruption Year until either party provides written notice no later than April 2 of its intention to discontinue service effective June 1 under the terms of this Schedule. Any participating Customer must participate for at least one full Interruption Year, therefore a Customer that begins service under this rider during the Initial Partial Interruption Year must then also participate in the subsequent full Interruption Year.

TARIFF E.D.R.
(Economic Development Rider)

Kentucky Power is proposing to give customers flexibility over the order in which economic development discounts under this tariff are applied.

DETERMINATION OF INCREMENTAL BILLING DEMAND DISCOUNT.

Customers meeting all Availability of Service and Terms and Conditions above may contract for service for a period of up to ten (10) years, with a commensurate discount period of up to five (5) years. *The qualifying incremental billing demand charge shall be reduced by 50%, 40%, 30%, 20%, 10% in the order of the Customer's choosing at the time of the contract filing. A sample illustration of an (IBDD) for a ten (10) year contract follows: ~~The (IBDD) for a ten (10) year contract follows:~~*

DETERMINATION OF SUPPLEMENTAL BILLING DEMAND DISCOUNT.

At the Company's discretion, a (SBDD) which is applicable to the monthly incremental billing demand charge is available to customers meeting all Availability of Service and Terms and Conditions above, and that create at least twenty five (25) new permanent job opportunities in the facility and that maintain those job opportunities in each discount year. The amount of additional discount is determined by the actual number of jobs maintained in each year. *The order in which the SBDD is applied will follow the same order selected by the Customer for the IBDD contract. A sample illustration of the SBDD for a ten (10) year contract follows ~~The SBDD for a ten (10) year contract follows:~~*

TARIFF G.M.R.
(Grid Modernization Rider)

Kentucky Power is proposing a new rider to update the electric grid.

APPLICABLE.

To all Tariff Schedules.

RATE.

The annual grid modernization factor will be a combination of estimated costs of Commission-approved distribution grid modernization projects and a true up of prior period estimated vs. actual costs and collected revenues.

Grid modernization rider costs shall include the following incremental costs associated with Commission approved distribution grid modernization projects included in the rider:

1. Return on capital invested using the Company's last Commission-approved pre-tax weighted average cost of capital.
2. Depreciation expense resulting from capital invested.
3. Operations and Maintenance expenses.
4. Property tax expense.

Revenue Requirement = Return + Depreciation + O&M + Property Tax + True-up Component

Grid modernization rider cost allocation and rate design may differ based upon each Commission approved project. Such calculation details shall be included in the annual Grid Modernization Rider filing forms.

The annual G.M.R. factors shall be filed with the Commission by June 15 of each year, with rates to begin with the September billing period, along with all necessary supporting data to justify the rates,

which shall include data and information as may be required by the Commission. The following table shows G.M.R. rates for year 1 of the rider.

Tariff Class	\$/Bill/Month	
RS	\$	0.31
GS-SEC	\$	1.24
GS-PRI	\$	1.24
GS-SUB	\$	1.24
LGS/PS-SEC	\$	12.21
LGS/PS-PRI	\$	12.21
LGS-SUB	\$	12.21
LGS-TRA	\$	12.21
IGS-SEC	\$	78.43
IGS-PRI	\$	78.43
IGS-SUB	\$	78.43
IGS-TRA	\$	78.43
MW	\$	10.60
OL	\$	-
SL	\$	-

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.

**TARIFF F.P.
(Flex Pay Program)**

Kentucky Power is proposing a new rider that enables customers to prepay for electric service.

AVAILABILITY OF SERVICE.

This tariff is available on a voluntary basis to all residential customers who have an Advanced Metering Infrastructure (AMI) meter rated up to 200 amps installed at their residence, except those residential customers taking metered service under the Company’s Tariff R.S.D.

This tariff is not available to residential customers taking metered service under Tariff R.S.D. or customers with medical, life threatening, or life support conditions; customers having on-site generation operated in parallel with the Company’s system; or customers on the Average Monthly Payment (AMP) plan or Equal Payment Plan (Budget). This tariff also is not available to customers without a valid and operable electronic communication method (*i.e.*, text messaging or electronic mail). This tariff also is not available to any customer scheduled for a disconnection of service for nonpayment and who has initiated the process for enrollment in this tariff two or more times within a thirty (30) day period without completing all of the requirements for enrollment.

PROGRAM DESCRIPTION.

Kentucky Power’s Flex Pay Program, is a voluntary payment option that allows customers to prepay for electric service.

TERMS AND CONDITIONS.

1. Service under the Flex Pay Program will be offered to customers under the customer’s otherwise applicable standard residential rate schedule. Billing will be based on a customer’s actual daily usage, the effective base rate, the tax rate, and all applicable riders and fees. Fixed charges will be applied to the account on a daily basis

based on 1/30 of the total fixed charges and will be subtracted daily from the customer's Flex Pay account balance.

2. To enroll in the Flex Pay Program, a customer must make an initial payment of at least \$40.00. Any deposit that an existing customer has previously paid to the Company will be applied to the customer's current account balance, with the remaining credit/debit balance from the customer's existing account, if any, transferred to the customer's Flex Pay account balance. A customer with an outstanding current balance or final account balance from a previous account may carry-over up to \$1,500 of the account balance to their Flex Pay account balance to be paid off through the Flex Pay Program. Any payments to the Flex Pay account will first have a 20% portion of the payment applied to the arrears balance, with the remaining portion of the payment credited to the customer's Flex Pay account until the arrears balance is fully paid.
3. The customer is responsible for monitoring usage under this program and ensuring that the account balance is sufficient to continue electric service. The customer must maintain an account balance greater than zero, not including any arrears amount carried over from another account, to continue electric service under this program. The customer will be notified when the account reaches the customer-selected low balance amount or the amount of \$25.00, whichever is greater. Notification will occur through the customer's selected form of communication, including email, and/or text message. A customer web portal will be available to view the customer's usage information.
4. Should a customer's balance reach zero, the customer will be notified via the customer's chosen communication method. The customer will have until the beginning of the next business day to reestablish a positive balance or the customer's meter will automatically be disconnected during normal business hours regardless of weather or temperature as the customer is responsible for ensuring that the Flex Pay account is adequately funded. Normal business hours are 8:00 a.m. to 5:00 p.m. ET, Monday through Friday, excluding Company-observed holidays and moratoriums. Customers will be required to pay in full any accrued balance for usage during weekends, holidays and moratoriums before service will be restored. Once the customer's payment is received and accepted, and the customer's Flex Pay account balance is greater than zero, service will be restored by the Company in a timely manner.
5. Financial assistance received for a Flex Pay account will be credited to the balance of the Flex Pay account upon receipt of the funds.
6. Customers presenting a Winter Hardship Reconnect, Certificate of Need, or Medical Certificate as provided in 807 KAR 5:006, Sections 14, 15, and 16 will be removed from the Flex Pay Program and placed on the tariff that is otherwise applicable to the customer's service.
7. No deposit, reconnect, or late fee charges shall be assessed to customers enrolled in the Flex Pay Program.
8. When the Company receives a dishonored negotiable instrument (i.e. returned check), any account credits associated with that instrument will be removed from the customer's account. If the removal of the credits results in the customer's balance reaching zero, the customer will be notified and will have until the beginning of the next business day to reestablish a positive balance or the customer's meter will automatically be disconnected during normal business hours.
9. Actual billing will continue to be based upon the applicable rate and meter readings obtained to determine consumption. Flex Pay customers are required to participate in and receive their information through the Company's paperless billing program. Customers will continue to receive an online monthly statement summary containing all of the charges, usage and payments applied during their normal 30-day billing cycle.
10. Customer accounts must be funded through a Company authorized payment channel, including immediate payment via telephone or website using electronic check, debit or credit cards, or any in-person pay station. Each authorized payment method is subject to Company guidelines. Timing of payments to accounts cannot be guaranteed if payment is made through an unauthorized pay agent or by mail.
11. The customer may cancel service under this tariff at any time and will be returned to the applicable traditional post-pay billing option in accordance with Kentucky Power's Commission approved tariffs.

12. Account settlement shall occur when participation in the plan is terminated. Termination occurs when an account is final billed or if the customer requests termination. If the account terminates off-cycle during the billing period, the remaining monthly fixed charges and fees that have not yet been collected will be applied to the final bill. After settlement of the Flex Pay account, any remaining unused balance will be transferred to the customer's other active account(s), if any. If the customer does not have any other active accounts the Company shall refund the remaining unused balance by one of the following means: a prepaid card, a check or electronic funds transfer (EFT).

EFFECT ON PROPOSED CHANGE IN CUSTOMER RATES

If approved as filed, the Company's proposed changes to its rates will result in a proposed annual increase in electric revenues for Kentucky Power of approximately 12.2%. Changes in associated rates for affected customer classes are listed in the tables below. Kentucky Power is also proposing changes in the text of some of its rate schedules and other tariff provisions, including its terms and conditions for electric service and miscellaneous charges.

The estimated amount of the annual change for each electric customer class is as follows:

Electric Rate Class	Annual \$ Increase	Annual % Increase
<u>Residential Service</u>		
Residential Service	37,128,492	16.0
Residential Load Management Time-of-Day Energy (TOD)	57,856	17.1
Residential Service Time-of-Day	2,189	20.5
Experimental Residential Service Time-of-Day	N/A	N/A
Residential Demand-Metered Electric Service	N/A	N/A
<u>General Service</u>		
General Service	8,495,543	10.7
Recreational Lighting Service	18,945	11.2
Load Management TOD	24,944	18.1
Optional Unmetered Service	48,384	7.3
Small General Service TOD	347,058	36.7
Medium General Service TOD	46,603	9.6
<u>Large General Service</u>		
Large General Service	6,691,106	10.3
Large General Service Load Management TOD	26,085	12.8
Large General Service TOD	107,280	11.7
<u>Industrial Service</u>		

Electric Rate Class	Annual \$ Increase	Annual % Increase
Industrial General Service	10,903,684	7.6
<u>All Other</u>		
Municipal Waterworks	18,104	9.1
Outdoor Lighting	957,688	10.8
Street Lighting	131,876	8.1
C.A.T.V. 2 User	N/A	N/A
C.A.T.V. 3 User	N/A	N/A
COGEN/SPP I	N/A	N/A
COGEN/SPP II	N/A	N/A

The average monthly usage and the amount of the proposed increase in the monthly bill for the average customer in each electric customer class is as follows:

Electric Rate Class	Average Usage (kWh)	Monthly Bill \$ Increase	Monthly Bill % Increase
<u>Residential Service</u>			
Residential Service	14,890	23.16	16.0
Residential Load Management Time-of-Day Energy (TOD)	19,146	30.15	17.1
Residential Service Time-of-Day	19,065	30.40	20.5
Experimental Residential Service Time-of-Day	N/A	N/A	N/A
Residential Demand-Metered Electric Service	N/A	N/A	N/A
<u>General Service</u>			
General Service	19,779	24.74	10.7
Recreational Lighting Service	15,063	18.57	11.2
Load Management TOD	15,286	28.48	18.1
Optional Unmetered Service	2,521	2.92	7.3
Small General Service TOD	16,282	58.90	36.7
Medium General Service TOD	39,349	38.07	9.6
<u>Large General Service</u>			
Large General Service	732,483	744.12	10.3
Large General Service Load Management TOD	257,935	310.53	12.8
Large General Service TOD	993,906	1,051.76	11.7
<u>Industrial Service</u>			
Industrial General Service	29,509,663	13,767.28	7.6
<u>All Other</u>			

Electric Rate Class	Average Usage (kWh)	Monthly Bill\$ Increase	Monthly Bill% Increase
Municipal Waterworks	203,647	167.63	9.1
Outdoor Lighting	768	1.48	10.8
Street Lighting	708	0.92	8.1
C.A.T.V. 2 User	N/A	N/A	N/A
C.A.T.V. 3 User	N/A	N/A	N/A
COGEN/SPP I	N/A	N/A	N/A
COGEN/SPP II	N/A	N/A	N/A

Kentucky Power’s application and exhibits in this case are available for public inspection, during normal business hours, at Kentucky Power’s offices located at 1645 Winchester Avenue, Ashland, Kentucky 41101; Cannonsburg (Ashland) Service Center, 12333 Kevin Avenue, Ashland, Kentucky; Hazard Service Center, 1400 E. Main Street, Hazard, Kentucky; and Pikeville Service Center, 3249 N. Mayo Trail, Pikeville, Kentucky. Additionally, the application and exhibits in this case are available for public inspection on the Company’s website: www.kentuckypower.com.

When the Commission’s offices reopen to the public, the application, testimony and other related filings are also available for public inspection between the hours of 8:00 a.m. to 4:30 p.m., Monday through Friday, at the Public Service Commission’s offices located at 211 Sower Boulevard, Frankfort, Kentucky and may be found on the Commission’s Web site at <http://psc.ky.gov> at [Case No. 2020-00174](#).

Written comments on Kentucky Power’s application and the proposed rates may be submitted to the Public Service Commission by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602-0615, or via the Commission’s website: <http://psc.ky.gov>. All comments should reference Case No. 2020-00174.

The Company is not proposing to modify other rates and charges not included in this Notice. The rates contained in this notice are the rates proposed by Kentucky Power. The Public Service Commission may order rates to be charged that differ from the proposed rates contained in this Notice. Such action by the Commission may result in rates for customers other than the rates contained in this Notice.

Any person may submit a timely written request for intervention in Case No. 2020-00174. The motion shall be submitted to the Public Service Commission, Post Office 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.