

**DECOMMISSIONING RIDER  
 (D.R.)**

**APPLICABLE.**

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

**RATE.**

- Pursuant to the final order of the Kentucky Public Service Commission in Case No. 2012-00578 and the Stipulation and Settlement Agreement dated July 2, 2013 as filed and approved by the Commission, Kentucky Power Company is to recover from retail ratepayers the coal-related retirement costs of Big Sandy Unit 1, the retirement costs of Big Sandy Unit 2 and other site-related retirement costs that will not continue in use on a levelized basis, including a weighted average cost of capital (WACC) as set in the Company’s most recent Rate Case carrying cost over a 25 year period beginning with the date rates became effective in Case No. 2014-00396. The term “Retirement Costs” are defined as and shall include the net book value, materials and supplies that cannot be used economically at other plants owned by Kentucky Power, and removal costs and salvage credits, net of related ADIT. Related ADIT shall include the tax benefits from tax abandonment losses.

The applicable rates for service rendered on and after September 28, 2022 to be applied to the revenues described in paragraph 5 of this tariff are:

Residential Adjustment Factor	=	$\frac{\$12,203,475}{\$260,106,760}$	=	4.6917%	T  D ID
All Other Classes Adjustment Factor	=	$\frac{\$14,511,306}{\$183,145,514}$	=	7.9234%	ID I

- The allocation of the actual revenue requirement (ARR) between residential and all other customers shall be based upon their respective contribution to total retail revenues for the most recent twelve month period, ending June 30 according to the following formula:

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

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

Where:

(y) = the expense year;

(b) = Most recent available twelve month period ended June 30.

(Cont’d on Sheet No. 38-2)

DATE OF ISSUE: August 12, 2022  
 DATE EFFECTIVE: Service Rendered On And After September 28, 2022  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority Of an Order of the Public Service Commission  
 In Case No. XXXX-XXXXX Dated XXXX XX, XXXX