

CUSTOMER NOTICE OF RATE ADJUSTMENT

NOTICE

PLEASE TAKE NOTICE that on June 29, 2023, Kentucky Power Company (“Kentucky Power” or the “Company”) will file with the Kentucky Public Service Commission (the “Commission”) in Case No. 2023-00159 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 January 1, 2024. Kentucky Power is also seeking authority to revise the terms, conditions, and other requirements of service. Kentucky Power is not proposing any changes to miscellaneous charges. 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 January 1, 2024 to recover costs of providing service to its customers on and after that date.

Kentucky Power is requesting a financing order to securitize certain regulatory assets. Kentucky Power is proposing certain customer benefits, including changes for low-income customers, reducing rate impacts through securitization, and enhanced reliability programs. The Company also is conditionally proposing to suspend collection of the Decommissioning Rider and the Rockport Deferral component of Tariff Purchase Power Adjustment, contingent upon Commission approval the Company’s request to securitize those items and the Company’s ability to successfully issue securitized bonds to collect their costs, from January 1, 2024, until the date the securitized bonds are issued. Kentucky Power also proposes to discontinue cost-tracking of PJM LSE OATT costs through Tariff Purchase Power Adjustment.

Kentucky Power proposes to create a new Distribution Reliability Rider and a new Securitization Financing Rider. Kentucky Power also proposes non-substantive global formatting and reorganization changes to its tariff book.

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

5. Payments

Kentucky Power is extending time period for which bills are due and payable by specifying all bills are due and payable within 21 days after their mailing date.

Kentucky Power is modifying the language concerning the delayed payment charge and specifying that an additional five percent charge on unpaid amounts will be added for non-residential accounts.

Kentucky Power is modifying the line items included on each sample bill as follows: removing Capacity Charge line item; renaming Federal Tax Cut Credit line item to Federal Tax Change; renaming Franchise Tax line item to City's Franchise Fee; adding Distribution Reliability Rider line item; and adding Securitization Financing Rider line item.

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:

Residential Energy Assistance	Sheet No. 26
Demand-Side Management Adjustment Clause	Sheet No. 28
System Sales Clause	Sheet No. 29
Fuel Adjustment Clause	Sheet No. 30
Purchase Power Adjustment	Sheet No. 31
Environmental Surcharge	Sheet No. 32
Decommissioning Rider	Sheet No. 33
Distribution Reliability Rider	Sheet No. 34
Securitization Financing Rider	Sheet No. 35
Federal Tax Change	Sheet No. 36
City's Franchise Fee	Sheet No. 37
School Tax	Sheet No. 38

**Tariff R.S.
(Residential Service)**

Rate. (Tariff Codes 015, 017, 022, 024)

Service Charge.....~~\$17.50~~ \$20.00 per month

Energy Charge:

All KWH:~~10.799¢~~ 12.947¢ per KWH

Kentucky Power is proposing to delete the payment due date provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

Kentucky Power is proposing a new optional seasonal provision:

OPTIONAL SEASONAL PROVISION

For residential customers desiring to take seasonal rate service. Service under this provision shall be for a minimum of 12 consecutive billing months.

Rate. (Tariff Code XXX)

Service Charge.....\$20.00 per month

Energy Charge:

All KWH used during winter billing months (December - March):11.947¢ per KWH

All KWH used during all other months (April - November):.....13.762¢ per KWH

This provision is subject to the Service Charge, and the adjustment clauses as stated in the Adjustment Clause section.

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 ~~7.888¢~~ 8.603¢ per KWH.

013 (b) For Minimum Capacity of 100 gallons, the last 400 KWH of use in any month shall be billed at ~~7.888¢~~ 8.603¢ 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 ~~7.888¢~~ 8.603¢ 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 ~~7.888¢~~ 8.603¢ per KWH.

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

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

Service Charge.....\$ ~~21.00~~ 23.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~14.534¢~~ 18.646¢ per KWH

All KWH used during off-peak billing period..... ~~7.888¢~~ 8.603¢ per KWH

Kentucky Power is proposing to delete the payment due date provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

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

Rate. (Tariff Codes 036)

Service Charge.....\$ ~~21.00~~ 23.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~14.534¢~~ 18.646¢ per KWH

All KWH used during off-peak billing period..... ~~7.888¢~~ 8.603¢ per KWH

Kentucky Power is proposing to delete the payment due date provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

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

Rate. (Tariff Code 027)

Service Charge.....\$ ~~21.00~~ 23.00 per month

Energy Charge:

All KWH used during Summer on-peak billing period...~~18.849¢~~ 18.921¢ per KWH

All KWH used during Winter on-peak billing period.....~~16.352¢~~ 13.642¢ per KWH

All KWH used during off-peak billing period..... ~~9.085¢~~ 12.277¢ per KWH

Kentucky Power is proposing to delete the payment due date provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

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

Rate. (Tariff Code 018)

Service Charge.....\$ ~~21.00~~ 23.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~12.354¢~~ 11.843¢ per KWH

All KWH used during off-peak billing period..... ~~7.888¢~~ 8.603¢ per KWH

Demand Charge.....~~\$3.90~~ \$6.77 per month

Kentucky Power is proposing to delete the payment due date provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

**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.-I.R.P., and 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:

Kentucky Economic Development Surcharge	Sheet No. 27
Demand-Side Management Adjustment Clause	Sheet No. 28
System Sales Clause	Sheet No. 29
Fuel Adjustment Clause	Sheet No. 30
Purchase Power Adjustment	Sheet No. 31
Environmental Surcharge	Sheet No. 32
Decommissioning Rider	Sheet No. 33
Distribution Reliability Rider	Sheet No. 34
Securitization Financing Rider	Sheet No. 35
Federal Tax Change Tariff	Sheet No. 36
City's Franchise Fee	Sheet No. 37
School Tax	Sheet No. 38

**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	6.61 8.82	10.907 12.292	10.201 10.813	25.00 28.00
217, 220	Primary	6.01 8.03	9.574 10.790	8.993 9.533	100.00 120.00
236	Subtransmission	4.68 6.38	8.663 9.763	8.141 8.629	400.00 460.00

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

RECREATIONAL LIGHTING SERVICE PROVISION

Rate. (Tariff Code 214)

Service Charge.....\$ ~~25.00~~ 28.00 per month

Energy Charge ~~10.838¢~~ 13.336¢ per KWH

LOAD MANAGEMENT TIME-OF-DAY PROVISION

Rate. (Tariff Codes 223, 225)

Service Charge.....\$ ~~25.00~~ 28.00 per month

Energy Charge:

All KWH used during on-peak billing period..... ~~15.908¢~~ 18.567¢ per KWH

All KWH used during off-peak billing period..... ~~7.915¢~~ 8.558¢ per KWH

OPTIONAL UNMETERED SERVICE PROVISION

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

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

Energy Charge:

First 4,450 KWH per month..... ~~10.907¢~~ 12.292¢ per KWH

All Over 4,450 KWH per month..... ~~10.201¢~~ 10.813¢ per KWH

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

Rate. (Tariff Code 227)

Service Charge.....\$ ~~25.00~~ 28.00 per month

Energy Charge:

All KWH used during Summer on-peak billing period... ~~20.846¢~~ 19.545¢ per KWH

All KWH used during Winter on-peak billing period.....~~18.172¢~~ 13.784¢ per KWH
 All KWH used during off-peak billing period..... ~~11.279¢~~ 12.349¢ per KWH

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

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

Rate. (Tariff Code 229)

Service Charge.....\$ ~~25.00~~ 28.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~15.908¢~~ 18.567¢ per KWH

All KWH used during off-peak billing period..... ~~7.915¢~~ 8.558¢ per KWH

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

**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 \$97.00	\$127.50 \$145.00	\$660.00 \$750.00	\$660.00 \$750.00
Demand Charge per KW	\$8.77 \$10.39	\$7.90 \$8.95	\$6.61 \$5.39	\$6.16 \$5.25
Excess Reactive Charge				
per KVA:	\$3.46	\$3.46	\$3.46	\$3.46
Energy Charge per KWH	8.432¢ 8.796¢	7.356¢ 7.867¢	5.230¢ 5.975¢	5.085¢ 5.874¢

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

LOAD MANAGEMENT TIME-OF-DAY PROVISION

Rate. (Tariff Code 251)

Service Charge.....\$ ~~85.00~~ \$97.00 per month

Energy Charge:

All KWH used during on-peak billing period.....~~14.426¢~~ 14.934¢ per KWH

All KWH used during off-peak billing period..... ~~7.888¢~~ 8.695¢ per KWH

**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 \$97.00	\$127.50 \$145.00	\$660.00 \$750.00	\$660.00 \$750.00
Demand Charge per KW	\$10.92 \$9.13	\$8.17 \$7.76	\$1.77 \$4.40	\$1.75 \$4.33
Excess Reactive Charge per KVA:	\$3.46	\$3.46	\$3.46	\$3.46
Energy Charge:				
On-Peak Energy Charge per KWH	10.284¢ 11.793¢	10.142¢ 11.238¢	10.055¢ 11.075¢	9.969¢ 10.938¢
Off-Peak Energy Charge per KWH	5.360¢ 6.194¢	5.318¢ 6.021¢	5.293¢ 5.970¢	5.267¢ 5.927¢

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

**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	\$25.88 \$27.32	\$22.96 \$25.31	\$16.33 \$17.89	\$16.08 \$17.52
Of monthly off-peak billing demand	\$1.80 \$1.84	\$1.78	\$1.76 \$1.75	\$1.75 \$1.73
Energy Charge per KWH:	2.698¢ 3.214¢	2.660¢ 3.063¢	2.635¢ 3.018¢	2.612¢ 2.981¢

Minimum demand charge.

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

<u>Secondary</u>	<u>Primary</u>	<u>Subtransmission</u>	<u>Transmission</u>
\$28.77 \$26.01/KW	\$25.81 \$24.05/KW	\$19.17 \$16.64/KW	\$18.88 \$16.29/KW

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

**Tariff M.W.
(Municipal Waterworks)**

Rate. (Tariff Code 540)

Service Charge.....\$ ~~25.00~~ 28.00 per month

Energy Charge:

All KWH Used Per Month ~~9.800¢~~ 10.506¢ per KWH

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the sum of the service charge plus ~~\$9.78~~ \$9.55 per KVA as determined from customer’s total connected load.

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

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:

System Sales Clause	Sheet No. 29
Fuel Adjustment Clause	Sheet No. 30
Purchase Power Adjustment	Sheet No. 31
Environmental Surcharge	Sheet No. 32
Decommissioning Rider	Sheet No. 33
Distribution Reliability Rider	Sheet No. 34
Securitization Financing Rider	Sheet No. 35
Federal Tax Change Tariff	Sheet No. 36
City’s Franchise Fee	Sheet No. 37
School Tax	Sheet No. 38

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

Availability of Service

Kentucky Power is proposing to add language regarding the accessibility of the lighting location.

Rate.

A. OVERHEAD LIGHTING SERVICE

Tariff code

1. High Pressure Sodium

- 094 100 watts (9,500 Lumens)... ~~\$ 9.06~~ \$10.53 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff
- 113 150 watts (16,000 Lumens)... ~~\$10.33~~ \$12.01 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff
- 097 200 watts (22,000 Lumens)... ~~\$12.52~~ \$14.55 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff
- 103 250 watts (28,000 Lumens)... ~~\$17.84~~ \$20.74 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff
- 098 400 watts (50,000 Lumens)... ~~\$19.78~~ \$22.99 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff

Tariff code

2. Mercury Vapor

- 093 175 watts (7,000 Lumens)... ~~\$ 11.55~~ \$13.43 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff
- 095 400 watts (20,000 Lumens)... ~~\$19.88~~ \$23.11 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff

Tariff code

3. LED

- 150 6,000-8,500 10,000 Lumens..... ~~\$6.62~~ \$7.70 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff

B. POST-TOP LIGHTING SERVICE

Tariff code

1. High Pressure Sodium

- 111 100 watts (9,500 Lumens)... ~~\$ 16.42~~ \$19.09 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff
- 122 150 watts (16,000 Lumens)... ~~\$25.83~~ \$30.03 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff
- ~~121 100 watts (9,500 Lumens)... \$30.00 per lamp + 0.02612 x KWH in Sheet No. 14-5 in Company's tariff~~
- 120 250 watts (19,000 Lumens)... ~~\$30.07~~ \$34.96 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff
- 126 400 watts (40,000 Lumens)... ~~\$39.47~~ \$45.88 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's tariff

Tariff code

2. Mercury Vapor

- 099 175 watts (7,000 Lumens)... ~~\$13.25~~ \$15.40 per lamp + 0.02612 x KWH in Sheet No. 14-5 10-4 in Company's

tariff

Tariff code

3. LED

160 ~~4,300-6,300~~ 6,000-10,000 Lumens..... ~~\$19.05~~ \$22.15 per lamp + 0.02612 x KWH in Sheet No. ~~14-5 10-4 in~~ Company's tariff

C. FLOOD LIGHTING SERVICE

Tariff code

1. High Pressure Sodium

107 200 watts (22,000 Lumens)... ~~\$14.38~~ \$16.72 per lamp + 0.02612 x KWH in Sheet No. ~~14-5 10-4 in~~ Company's tariff

109 400 watts (50,000 Lumens)... ~~\$21.00~~ \$24.41 per lamp + 0.02612 x KWH in Sheet No. ~~14-5 10-4 in~~ Company's tariff

Tariff code

2. Metal Halide

110 250 watts (20,500 Lumens)... ~~\$17.45~~ \$20.29 per lamp + 0.02612 x KWH in Sheet No. ~~14-5 10-4 in~~ Company's tariff

116 400 watts (36,000 Lumens)... ~~\$21.98~~ \$25.55 per lamp + 0.02612 x KWH in Sheet No. ~~14-5 10-4 in~~ Company's tariff

131 1000 watts (110,000 Lumens)... ~~\$40.01~~ \$46.51 per lamp + 0.02612 x KWH in Sheet No. ~~14-5 10-4 in~~ Company's tariff

130 250 watts Mongoose (20,500 Lumens)... ~~\$22.76~~ \$26.46 per lamp + 0.02612 x KWH in Sheet No. ~~14-5 10-4 in~~ Company's tariff

136 400 watts Mongoose (36,000 Lumens)... ~~\$27.78~~ \$32.29 per lamp + 0.02612 x KWH in Sheet No. ~~14-5 10-4 in~~ Company's tariff

Tariff code

3. LED

165 ~~19,500-21,500~~ 17,500-22,500 Lumens..... ~~\$24.75~~ \$28.77 per lamp + 0.02612 x KWH in Sheet No. ~~14-5 10-4 in~~ Company's tariff

166 ~~36,500-38,500~~ 42,500-47,500 Lumens..... ~~\$30.40~~ \$35.34 per lamp + 0.02612 x KWH in Sheet No. ~~14-5 10-4 in~~ Company's tariff

D. LED Lamp Conversion Charge

Wood pole.....	\$3.61 \$4.20 per month
Overhead wire span not over 150 feet.....	\$ 2.00 \$2.33 per month
Underground wire lateral not over 50 feet	\$6.77 \$7.87 per month

E. Flexible Lighting Option (Tariff Code 175 (Unmetered) and Tariff Code 201(Metered))

Rate.

Monthly Lamp Charge* = IC x MLFCR

Where:

IC = Installed Cost of System

MLFCR = Monthly Levelized Fixed Cost Rate of ~~1.36%~~ 1.43% which is inclusive of return, depreciation, income taxes, property taxes and A&G expense components

Monthly maintenance charge is \$0.80 per lamp per month

Monthly non-fuel charge is ~~0.0519~~ .08698 \$/kWh

Base fuel charge is 0.02612 \$/kWh

Kentucky Power is updating Lumen values for LED in the kWh value table.

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

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

Availability of Service

Kentucky Power is proposing to add language regarding the accessibility of the lighting location.

Rate. (Tariff Code 528)

A. Overhead Service on Existing Distribution Poles

1. High Pressure Sodium

100 watts (9,500 Lumens)... ~~\$7.61~~ \$8.49 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in Company's~~
tariff

150 watts (16,000 Lumens)... ~~\$8.36~~ \$9.32 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in Company's~~
tariff

200 watts (22,000 Lumens)... ~~\$9.90~~ \$11.04 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in Company's~~
tariff

400 watts (50,000 Lumens)... ~~\$13.00~~ \$14.50 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in Company's~~
tariff

2. LED

~~7,900-9,900~~ 8,000-11,000 Lumens... ~~\$8.71~~ \$9.71 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in~~
Company's tariff

~~10,500-12,500~~ 10,000-14,000 Lumens... ~~\$11.19~~ \$12.48 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in~~
Company's tariff

~~24,000-26,000~~ 30,000 Lumens... ~~\$13.34~~ \$14.87 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in~~

Company's tariff

Post Top ~~4,300-6,300~~ 6,000-10,000 Lumens... ~~\$9.05~~ \$10.09 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~
in Company's tariff

Post Top ~~7,300-9,300~~ 8,000-12,000 Lumens... ~~\$20.07~~ \$22.38 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~
in Company's tariff

Flood ~~19,500-21,500~~ 17,500-22,500 Lumens... ~~\$14.69~~ \$16.38 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~
in Company's tariff

B. Service on New Wood Distribution Poles

1. High Pressure Sodium

100 watts (9,500 Lumens)... ~~\$11.90~~ \$13.27 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~ in Company's
tariff

150 watts (16,000 Lumens)... ~~\$12.75~~ \$14.22 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~ in Company's
tariff

200 watts (22,000 Lumens)... ~~\$14.30~~ \$15.94 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~ in Company's
tariff

400 watts (50,000 Lumens)... ~~\$18.35~~ \$20.46 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~ in Company's
tariff

2. LED

~~7,900-9,900~~ 8,000-11,000 Lumens... ~~\$14.36~~ \$16.01 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~ in
Company's tariff

~~10,500-12,500~~ 10,000-14,000 Lumens... ~~\$16.85~~ \$18.79 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~ in
Company's tariff

~~24,000-26,000~~ 30,000 Lumens... ~~\$19.00~~ \$21.19 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~ in
Company's tariff

Post Top ~~4,300-6,300~~ 6,000-10,000 Lumens... ~~\$14.70~~ \$16.39 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~
in Company's tariff

Post Top ~~7,300-9,300~~ 8,000-12,000 Lumens... ~~\$25.73~~ \$28.69 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~
in Company's tariff

Flood ~~19,500-21,500~~ 17,500-22500 Lumens... ~~\$20.35~~ \$22.69 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~
in Company's tariff

C. Service on New Metal or Concrete Poles

1. High Pressure Sodium

100 watts (9,500 Lumens)... ~~\$24.80~~ \$27.65 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3~~ in Company's
tariff

150 watts (16,000 Lumens)... ~~\$25.70~~ \$28.66 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in Company's~~
tariff

200 watts (22,000 Lumens)... ~~\$27.25~~ \$30.38 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in Company's~~
tariff

400 watts (50,000 Lumens)... ~~\$30.35~~ \$33.84 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in Company's~~
tariff

2. LED

~~7,900-9,900~~ 8,000-11,000 Lumens... ~~\$25.10~~ \$27.99 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in~~
Company's tariff

~~10,500-12,500~~ 10,000-14,000 Lumens... ~~\$26.78~~ \$29.86 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in~~
Company's tariff

24,000-26,000 30,000 Lumens... ~~\$28.11~~ \$31.34 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-3 in~~
Company's tariff

Post Top ~~4,300-6,300~~ 6,000-10,000 Lumens... ~~\$25.85~~ \$28.82 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-~~
3 in Company's tariff

Post Top ~~7,300-9,300~~ 8,000-12,000 Lumens... ~~\$36.74~~ \$40.97 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-~~
3 in Company's tariff

Flood ~~19,500-21,500~~ 17,500-22,500 Lumens... ~~\$29.42~~ \$32.80 per lamp + 0.02612 x KWH in Sheet No. ~~15-4 11-~~
3 in Company's tariff

E. Flexible Lighting Option (Tariff Code 525 (Unmetered) and Tariff Code 526 (Metered))

Rate.

Monthly Lamp Charge* = IC x MLFCR

Where:

IC = Installed Cost of System

MLFCR = Monthly Levelized Fixed Cost Rate of ~~0.97%~~ 1.04% which is inclusive of return, depreciation,
income taxes, property taxes and A&G expense components

Monthly maintenance charge is \$2.52 per lamp per month

Monthly non-fuel charge is ~~0.4393~~ .05261 \$/kWh

Base fuel charge is 0.02612 \$/kWh

Kentucky Power is updating Lumen values for LED in the kWh value table.

Kentucky Power is proposing to delete the payment due date provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

Tariff T.S.
(Temporary Service)

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

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

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

Rider R.P.O.
(Renewable Power Option Rider)

Rate.

Option A

	Block Purchase Charge (\$ per 100 kWh block)	All Usage Purchase Charge per kWh consumed
A1. Solar RECs	\$1.00/month \$0.50/month	\$0.010 \$0.005
A2. Wind RECs	\$1.00/month \$0.50/month	\$0.010 \$0.005
A3. Hydro & Other RECs	\$0.30/month \$0.50/month	\$0.003 \$0.005

Tariff N.U.G.
(Non-Utility Generator)

Kentucky Power is proposing to make this tariff unavailable to new participants and to remove all provisions related to Commissioning Power Service and Startup Power Service.

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

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. | 2020/2021 \$2.81
2023/2024 \$3.48
2021/2022 \$3.37
2024/2025 \$3.72
2022/2023 \$3.29
2025/2026 \$3.25 | kW/month

kW/month

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.	2020/2021	\$6.74	kW/month
	2023/2024	\$8.36	
	2021/2022	\$8.09	kW/month
	2024/2025	\$8.92	
	2022/2023	\$7.89	kW/month, times the lowest
	2025/2026	\$7.79	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.

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

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.	2020/2021	\$2.81	kW/month
	2023/2024	\$3.48	
	2021/2022	\$3.37	kW/month
	2024/2025	\$3.72	
	2022/2023	\$3.29	kW/month, times the lowest
	2025/2026	\$3.25	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.	2020/2021	\$6.74	kW/month
	2023/2024	\$8.36	
	2021/2022	\$8.09	kW/month
	2024/2025	\$8.92	
	2022/2023	\$7.89	kW/month, times the lowest
	2025/2026	\$7.79	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.

**Tariff C.S.-I.R.P.
(Contract Service – Interruptible Power)**

Kentucky Power is proposing to delete the payment due date and delayed payment charge provisions, which are now addressed in Terms and Conditions of Service, Section 5, Payments.

**Tariff R.E.A.
(Residential Energy Assistance)**

Rate.

Customer Charge.....~~\$0.30~~ \$0.40 per month per residential account

**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: ~~\$7,326,879~~ \$1,935,350.

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

Kentucky Power is modifying the Fuel Adjustment Clause tariff to provide for the recovery of all Commission approved financial power hedging program-related contract settlements, and related contract costs.

Kentucky deleted the provision providing for a temporary reduction in the FAC rate that expired after July 28, 2022.

**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.

Kentucky Power deleted all provisions related to the recovery of OATT costs through this tariff.

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, ~~\$98,165,699~~
\$6,554,678.

- 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 *above or below the \$1,269,331 included in BPP*. All new purchase power agreements shall be approved by the Commission to the extent required by KRS 278.300.
- b. CSIRP = The net annual cost of any credits provided to customers under Tariff C.S.-I.R.P., Tariff D.R.S., Tariff V.C.S. and special contracts for interruptible service *above or below the \$454,997 \$1,165,983 included in BPP*.
- ~~c. OATT = 100% The net annual PJM load serving entity Open Access Transmission Tariff Charges above or below the \$96,896,495 included in BPP, less the transmission return difference pursuant to the Commission approved Settlement agreement in Case No. 2017-00179.~~
- ~~d.c.~~ RKP = Rockport related items includable in Tariff PPA pursuant to the Commission approved Settlement agreement in Case No. 2017-00179:
 - ~~1. Increase in Rockport collection resulting from reduction in base rate deferral;~~
 - ~~2.1. Rockport deferral amount to be recovered;~~
 - ~~3. Rockport fixed cost savings; and~~
 - ~~4.2. Rockport offset estimate and true-up.~~
 - ~~5.3. Final (over)/under recovery associated with tariff CC following its expiration~~
- ~~e.d.~~ RP = The cost of fuel related to substitute generation less the cost of fuel which would have been used in plants suffering forced generation or transmission outages *above or below the \$814,208 \$4,119,364 included in BPP*.

Kentucky Power proposes to update the Coincident Peak/kWh ratio for applicable tariff classes, and the Uncollectible Accounts Expense and KPSC Maintenance Fee.

Tariff Class	BE _{Class}	CP/kWh Ratio	CP _{Class}
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.		0.02428% 0.022970%	
S.G.S.-T.O.D.		0.01962% 0.018187%	
M.G.S.-T.O.D.		0.01962% 0.018187%	
G.S.		0.01962% 0.018187%	
L.G.S., L.G.S.-T.O.D.		0.01798% 0.016146%	
L.G.S.-L.M.-T.O.D.		0.01798% 0.016146%	
I.G.S. and C.S.-I.R.P.		0.01232% 0.011832%	
M.W.		0.01326% 0.012350%	

O.L.		0.00263% 0.005294%	
S.L.		0.00262% 0.005375%	

8. The factors as computed above are calculated to allow the recovery of Uncollectible Accounts Expense of ~~0.41%~~0.40% and the KPSC Maintenance Fee of ~~0.1956%~~ 0.1493% and other similar revenue based taxes or assessments occasioned by the Purchase Power Adjustment Rider revenues.

Tariff E.S.
(Environmental Surcharge)

Kentucky Power has updated the Base Revenue Requirement. Kentucky Power deleted all references to the Capacity Charge, and all references to Rockport, including by updating the Current Period Revenue Requirement definition and the definition of “environmental costs.” The Company proposes adding revenues from the proposed Distribution Reliability Rider to which the Environmental Surcharge factor is applied. The Company also 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 Environmental Costs</u>
January	\$ 3,503,207 3,022,418
February	3,961,295 2,558,332
March	3,695,547 2,621,611
April	4,652,708 2,519,828
May	4,476,891 2,514,284
June	3,896,996 2,644,974
July	4,132,198 2,594,563
August	3,932,695 2,741,097
September	3,687,618 2,508,995
October	3,775,108 2,376,639
November	3,816,807 2,423,992
December	<u>\$ 3,814,390 2,597,739</u>
	<u>\$ 47,345,460 31,124,472</u>

3. Current Period Revenue Requirement, CRR

$$CRR = [((RB_{KP(c)}) (ROR_{KP(c)}) / 12) + OE_{KP(c)} + [((RB_{IM(e)}) (ROR_{IM(e)}) / 12) + OE_{IM(e)}] (-15) - AS]$$

Where:

RB_{KP(c)} = Environmental Compliance Rate Base for Mitchell.

ROR = Annual Rate of Return on Mitchell Environmental Compliance Rate Base;

- KP(c) Annual Rate divided by 12 to restate to a Monthly Rate of Return.
- OE_{KP(c)} = Monthly Pollution Control Operating Expenses for Mitchell.
- ~~RB_{IM(c)} = Environmental Compliance Rate Base for Rockport.~~
- ~~ROR_{IM(c)} = Annual Rate of Return on Rockport Rate Base; Annual Rate divided by 12 to restate to a Monthly Rate of Return.~~
- ~~OE_{IM(c)} = Monthly Pollution Control Operating Expenses for Rockport.~~
- AS = Net proceeds from the sale of Title IV and CSAPR SO₂ emission allowances, ERCs, and NO_x emission allowances, reflected in the month of receipt.

~~“KP(C)” identifies components from Mitchell Units – Current Period, and “IM(C)” identifies components from the Indiana Michigan Power Company’s Rockport Units – Current Period.~~

The Environmental Compliance Rate Base for ~~both~~ Kentucky Power and Rockport reflects the current cost associated with the 1997 Plan, the 2003 Plan, the 2005 Plan, the 2007 Plan, the 2015 Plan, the 2017 Plan, the 2019 Plan, and the 2021 Plan. The Environmental Compliance Rate Base for Kentucky Power should also include construction work in progress until assets are placed in service. The Operating Expenses for ~~both~~ Kentucky Power and Rockport reflects the current operating expenses associated with the 1997 Plan, the 2003 Plan, the 2005 Plan, the 2007 Plan, the 2015 Plan, the 2017 Plan, the 2019 Plan, and the 2021 Plan.

The Rate of Return for Kentucky Power is ~~9.10%~~ 9.90% rate of return on equity as authorized by the Commission in its Order Dated ~~January 13, 2021 XXXX XX, 20XX~~, Case No. ~~2020-00174 2023-00159~~.

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

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

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

Decommissioning Rider (D.R.)

Kentucky Power deleted all references to the Capacity Charge. The Company proposes adding revenues from the proposed Distribution Reliability Rider to which the Decommissioning Rider factor is applied.

Distribution Reliability Rider (D.R.R.)

Kentucky Power is proposing a new rider to implement the distribution reliability projects proposed in its Distribution Reliability Rider Work Plan.

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. Secondary and Primary, S.G.S.-T.O.D., M.G.S.-T.O.D., L.G.S. Secondary and Primary, L.G.S.-T.O.D. Secondary and Primary, I.G.S. Secondary and Primary, C.S. – I.R.P. Secondary and Primary, and M.W.

Rate

The Distribution Reliability Rider will apply to all customers served at secondary and primary voltages excluding customers receiving service under Tariffs O.L. and S.L. The Annual Distribution Reliability Net Costs to be recovered through this rider will be calculated on a per bill basis using the following formula:

1. Annual Distribution Reliability Net Costs (ADRNC)

$$\text{ADRNC} = \text{ERW} + \text{ATL} + \text{DACRR} + \text{ANDSS} + \text{ARSHR}$$

Where:

- a. ERW = targeted widening of primary distribution circuits.
 - b. ATL = the cost of constructing primary lines to tie two circuits together to permit electrical load to be transferred.
 - c. DACRR = the costs of installing automation equipment to allow for the isolation of a fault and reconfiguration of the circuit to close other devices to re-energize the non-impacted areas of original circuit impacted by the initial fault and the recloser devices upgrade from three-phase to single-phase to allow for future DACR implementation, closure via electronics, event recordings and power quality investigations, and more precise coordination with other devices.
 - d. ANDSS = the costs of new distribution substations in remote areas with associated transmission lines in and out to reduce the number of radial distribution circuits and reduce outage times.
 - e. ARSHR = the costs of targeted facilities projects to renew and improve cable, conductor, hardware, and equipment to reduce feeder-level outages.
 - f. Subparts a through e include the capital expenditure and operations and maintenance to support that capital to enhance customer reliability.
2. Pursuant to the final order of the Kentucky Public Service Commission in Case No. 2021-00159 dated _____ as filed and approved by the Commission, Kentucky Power Company is to recover from its retail customers the costs associated with the Distribution Reliability Work Plan including vegetation management and other targeted investments to maintain and improve reliability.
3. The allocation of the ADRNC between residential and all other customers shall be based upon their respective contribution to total non-fuel retail revenues for the most recent twelve-month period, ending December 31 according to the following formula:

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

$$\text{All Other Classes Allocation}(y) = \frac{\text{KY All Other Classes Non-Fuel Retail Revenue OR}(b)}{\text{KY Retail Revenue R}(b)}$$

Where:

- (y) = the expense year;
- (b) = most recent available twelve month period ended December 31;
- RR = \$XXX;
- OR = \$XXX; and

$$R = \$XXX.$$

4. The rate will be calculated according to the following formula:

$$\text{Residential Factor} = \frac{\text{Residential Allocation} \times \text{ADRNC}}{\text{Number of Residential Bills}}$$

$$\text{All Other Classes Factor} = \frac{\text{All Other Classes Allocation} \times \text{ADRNC}}{\text{Number of All Other Classes Bills}}$$

5. The applicable rates for service rendered on and after _____, calculated in accordance with the above, is:

$$\text{Residential Factor} = \frac{\$XXX}{XXX} = \$X/\text{bill}$$

$$\text{All Other Classes Factor} = \frac{\$XXX}{XXX} = \$X/\text{bill}$$

All Other Classes excludes Tariffs O.L. and S.L. and all customers receiving service at subtransmission and transmission voltage levels.

6. The annual Distribution Reliability Rider adjustments shall be filed with the Commission no later than February 15th of each year before it is scheduled to go into effect Cycle 1 of April billing, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.
7. 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.

Securitization Financing Rider (S.F.R)

Kentucky Power is proposing a new rider to implement the securitization surcharge resulting from the financing of certain regulatory assets through securitized bonds.

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., M.W., O.L., and S.L..

Rate

1. Pursuant to the final order of the Kentucky Public Service Commission in Case No. 2023-00159, Kentucky Power Company is to recover from retail ratepayers the costs approved for securitization by the Commission.

This rider is designed to recover from customers the amounts necessary to service, repay and administer customer-backed bonds associated with the approved securitized costs pursuant to the terms of the financing order of the Kentucky Public Service Commission in Case No. 202#-#####.

This rider shall remain in effect until the complete repayment and retirement of any customer-backed bonds, or refunding bonds, associated with the approved securitized costs. This schedule is irrevocable and nonbypassable for

the full term during which it applies.

The applicable rates for service rendered on and after XXXXXXXXXX ##, 202# to be applied to the revenues described in paragraph 5 of this tariff are:

$$\text{Residential Adjustment Factor} = \frac{\$X}{\$X} = X.X\%$$

$$\text{All Other Classes Adjustment Factor} = \frac{\$X}{\$X} = X.X\%$$

- 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 December 31 or 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 December 31 or June 30.

- The Residential S.F.R. Adjustment shall provide for annual adjustments based on a percent of total revenues, according to the following formula:

$$\text{Residential S.F.R. Adjustment Factor} = \frac{\text{Net Annual Residential Allocation NRA(y)}}{\text{Residential Retail Revenue RR(b)}}$$

Where:

- Net Annual Residential Allocation NRA(y) = Annual Residential Allocation RA(y), net of Over/(Under) Recovery Adjustment;
- Residential Retail Revenue RR(b) = Annual Retail Revenue for all KY residential classes for the year (b).

- The All Other Classes S.F.R. Adjustment shall provide for annual adjustments based on a percent of non-fuel revenues, according to the following formula:

$$\text{All Other Classes S.F.R. Adjustment Factor} = \frac{\text{Net Annual All Other Allocation NOA(y)}}{\text{All Other Classes Non-Fuel Retail Revenue ONR(b)}}$$

Where:

- Net Annual All Other Allocation NOA(y) = Annual All Other Allocation OA(y), net of Over/(Under) Recovery Adjustment;
- All Other Classes Non-Fuel Retail Revenue ONR(b) = Annual Non-Fuel Retail Revenue for all classes other than residential for the year (b).

5. The Revenues to which the residential Securitization Financing Rider factor are applied is the sum of the customer's Service Charge, Demand Charge, Energy Charge(s), Fuel Adjustment Clause, System Sales Clause, Demand-Side Management Adjustment Clause, Federal Tax Change, Residential Energy Assistance, Purchase Power Adjustment and Distribution Reliability Rider.

The Revenues to which the all other customer Securitization Financing Rider factor are applied is the sum of the customer's Service Charge, Demand Charge, Energy Charge(s) less Base Fuel, Minimum Charge, Reactive Charge, System Sales Clause, Demand-Side Management Adjustment Clause, Federal Tax Change, Kentucky Economic Development Surcharge, Purchase Power Adjustment and Distribution Reliability Rider.

6. The initial Securitization Financing Rider rates shall be file on the day following the pricing of the bonds and shall become effective the first billing cycle following the closing of the bonds. All subsequent Rider rate adjustments shall be semi-annual (every six months).

The semi-annual Securitization Financing Rider adjustments shall be filed with the Commission no later than February 15 and August 15th of each year before it is scheduled to go into effect on Cycle 1 of the April and October billing cycles, respectively, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.

Interim Securitization Financing Rider adjustments may be filed with the Commission outside of the standard semi-annual timeframe in order to correct for over- or under-collection to be submitted no later than 10 days before the rate is to be effective.

7. 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.

Federal Tax Cut Tariff (F.T.C.)

Kentucky Power proposes to change the name of this tariff to "Federal Tax Change Tariff." Kentucky Power proposes revisions to reflect the ending of the rate credits associated with returning the unprotected accumulated deferred federal income taxes owed to customers as a result of the 2018 Tax Cuts and Jobs Act. Kentucky Power also proposes to make several changes with respect to the collection of accumulated deferred federal income taxes and corporate alternative minimum tax through this tariff, and to perform over/under accounting in connection with this tariff. The Company also is updating residential and all other Dollar per kWh rates. Kentucky Power also proposes to make an annual filing reflecting annual Federal Tax Change adjustments.

Rate.

1. Pursuant to the final order of the Kentucky Public Service Commission in Case No. ~~2020-00174~~ 2023-00159, Kentucky Power Company is to credit to retail ratepayers the approved annual amount of excess accumulated deferred federal income taxes (ADIT) beginning January ~~XX14~~, 2021-2024 ~~at the rates set forth below and continue to do so until the Company's base rates are re-set in a future base rate proceeding.~~
2. The Company shall amortize the calendar year retail Generation and Distribution related ~~ARAM~~ of Protected Excess ADIT of \$1,678,164 ~~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~~-tariff.

3. Beginning with the October 2024 Federal Tax Change Tariff adjustment filing, the actual Corporate Alternative Minimum Tax (CAMT) expense and credits for the prior calendar/tax year shall be included in the Annual Revenue Requirement based on the Company's actual 2023 federal income tax return. This methodology will continue on a year to year basis.
4. For purposes of computing over or under-recovery under this tariff, the Company shall include the actual CAMT expense and the actual CAMT credits at the time that the credits can be used.
5. The Company shall include a final reconciliation of the retail Generation and Distribution related Unprotected Excess ADIT as part of the over or under-recovery computation in the October 2024 Federal Tax Change Tariff adjustment filing.
6. The applicable rates Residential rate credits and All Other rate credits shall be credited to customers on a kWh basis are as follows:

	Residential (\$/kWh)	All Other (\$/kWh)
January March and December	\$0.02187 \$(0.00053)	\$0.00672 \$(0.00037)
April November	\$0.00010	\$0.00672

The Residential rate credit will end the earlier of December 31, 2023 or the billing month when the \$30 million credit for Residential customers is calculated to be distributed in full. The All Other rate credit will end the earlier of December 31, 2023 or the billing month when the \$10 million credit for All Other customers is calculated to be distributed in full. The rates set forth above may be adjusted in their final billing month to reconcile the amounts distributed to the \$30 million credit available for distribution to Residential customers and the \$10 million credit available for distribution to All Other customers.

7. The allocation of the Annual Revenue Requirement (ARR) which consists of the actual retail Generation and Distribution related ARAM of Protected Excess ADIT, the actual CAMT expenses and credits and any over or under-recovery based upon actual information for prior periods 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:

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

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

Where:

(y) = the credit year;
 RR = \$248,770,246 \$301,523,011;
 OR = \$279,559,942 \$392,479,515; and
 R = \$528,330,188 \$694,002,526.

8. The annual Federal Tax Change Tariff adjustments shall be filed with the Commission no later than October 15th of each year before it is scheduled to go into effect on Cycle 1 of the December billing cycle, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.
9. 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.T.
(Franchise Tariff)

Kentucky Power proposes to change the name of this tariff to “Tariff City’s Franchise Fee.”

Tariff K.F.R.F.
(Eastern Kentucky Fuel Relief Fund)

Kentucky Power proposes to cancel and delete this tariff.

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 13.6%. 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 as detailed above.

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	\$54,999,804	18.3%
Residential Load Management Time-of-Day	\$74,963	17.2%
Residential Service Time-of-Day	\$3,459	20.7%
Experimental Residential Service Time-of-Day	NA	NA
Residential Demand-Meter Electric Service	NA	NA
<u>General Service</u>		
General Service	\$13,346,543	12.8%
Recreational Lighting Service	\$45,372	19.6%
Load Management TOD	\$36,291	13.3%
Unmetered Service	\$66,876	9.0%
Small General Service TOD	\$96,857	6.4%
Medium General Service TOD	\$165,593	12.8%
Large General Service	\$6,308,543	8.9%
L.G.S. Load Management TOD	\$21,037	8.0%
Large General Service TOD	\$92,859	9.5%
<u>Industrial Service</u>		
Industrial General Service	\$17,068,044	8.6%
<u>All Other</u>		
Municipal Waterworks	\$18,624	7.4%
Outdoor Lighting	\$1,516,832	14.8%
Street Lighting	\$218,086	11.3%
Pole Attachments	NA	NA
COGEN/SPP I	NA	NA
COGEN/SPP II	NA	NA
NMS	NA	NA
NMS II - Residential	NA	NA
NMS II – Non-Residential	NA	NA

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 Bills Increase	Monthly Bill% Increase
<u>Residential Service</u>			
Residential Service	14,783	\$35	18.3%
Residential Load Management Time-of-Day	19,971	\$43	17.2%
Residential Service Time-of-Day	23,596	\$48	20.7%
Experimental Residential Service Time-of-Day	NA	NA	NA
Residential Demand-Meter Electric Service	NA	NA	NA
<u>General Service</u>			
General Service	20,542	\$38	12.8%
Recreational Lighting Service	16,458	\$44	19.6%
Load Management TOD	27,673	\$47	13.3%
Unmetered Service	3,351	\$6	9.0%
Small General Service TOD	15,991	\$16	6.4%
Medium General Service TOD	59,998	\$97	12.8%
Large General Service	850,014	\$908	8.9%
L.G.S. Load Management TOD	249,567	\$250	8.0%
Large General Service TOD	1,185,583	\$1,105	9.5%
<u>Industrial Service</u>			
Industrial General Service	30,810,612	\$20,033	8.6%
<u>All Other</u>			
Municipal Waterworks	205,857	\$194	7.4%
Outdoor Lighting	693	\$2	14.8%
Street Lighting	700	\$2	11.3%
Pole Attachments	NA	NA	NA
COGEN/SPP I	NA	NA	NA
COGEN/SPP II	NA	NA	NA
NMS	NA	NA	NA
NMS II - Residential	NA	NA	NA
NMS II – Non-Residential	NA	NA	NA

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.

The Company's 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. 2023-00159.

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. 2023-00159.

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. 2023-00159. 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.