

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., 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 leveled 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, asset retirement obligation spent, and operational and maintenance expense, net of related ADIT. Related ADIT shall include the tax benefits from tax abandonment losses.

In accordance with the January 19, 2024 and February 2, 2024 Orders of the Public Service Commission of Kentucky in Case No. 2023-00159 securitization of the entire Decommissioning Rider regulatory asset balance as of April 30, 2025 was completed in June 2025. The Retirement Costs remaining within the Decommissioning Rider after April 30, 2025, are limited to expenses incurred post-securitization related to removal costs and salvage credits, asset retirement obligation spent, and associated operational and maintenance expenses. Those costs will be recovered through this rider on a non-levelized, annual basis.

The applicable rates for service rendered on and after September 29, 2025 to be applied to the revenues described in paragraph 5 of this tariff are:

$$\begin{array}{lcl} \text{Residential Adjustment} & = & \frac{\$23,220}{\$283,117,288} = 0.0082\% \\ \text{Factor} & & \\ \\ \text{All Other Classes} & = & \frac{\$29,715}{\$220,527,022} = 0.0135\% \\ \text{Adjustment Factor} & & \end{array}$$

- 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:

$$\begin{array}{lcl} \text{Residential Allocation RA(y)} & = & \text{ARR(y)} \times \frac{\text{KY Residential Retail Revenue RR(b)}}{\text{KY Retail Revenue R(b)}} \\ \\ \text{All Other Allocation OA(y)} & = & \text{ARR(y)} \times \frac{\text{KY All Other Classes Retail Revenue OR(b)}}{\text{KY Retail Revenue R(b)}} \end{array}$$

Where:

$$\begin{array}{lcl} \text{(y)} & = & \text{the expense year;} \\ \text{(b)} & = & \text{Most recent available twelve month period ended June 30.} \end{array}$$

Continued on Sheet 33-2

DATE OF ISSUE: August 15, 2025
DATE EFFECTIVE: Services Rendered On And After September 29, 2025
ISSUED BY: /s/ Tanner S. Wolfram
TITLE: Director, Regulatory Services
By Authority of an Order of the Public Service Commission
In Case No.: XXXX-XXXXX Dated XXXX XX, XXXX