

**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 )  
Regulatory Assets And Liabilities; (4) A )  
Securitization Financing Order; And (5) All Other )  
Required Approvals And Relief )

Case No. 2023-00159

**SECTION II**  
**FILING REQUIREMENTS**  
**AND**  
**EXHIBITS A THROUGH R**

**VOLUME 1 OF 4**

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**Filing Requirement  
KRS 278.180**

**Filing Requirement:**

*Changes in rates, how made.*

- (1) Except as provided in subsection (2) of this section, no change shall be made by any utility in any rate except upon thirty (30) days' notice to the commission, stating plainly the changes proposed to be made and the time when the changed rates will go into effect. However, the commission may, in its discretion, based upon a showing of good cause in any case, shorten the notice period from thirty (30) days to a period of not less than twenty (20) days. The commission may order a rate change only after giving an identical notice to the utility. The commission may order the utility to give notice of its proposed rate increase to that utility's customers in the manner set forth in its regulations.*
- (2) The commission, upon application of any utility, may prescribe a less time within which a reduction of rates may be made.*

**Response:**

**Kentucky Power Company ("Kentucky Power" or "Company") has complied with the requirements established in KRS 278.180.**

**Filing Requirement  
KRS 278.2205 (6)**

**Filing Requirement:**

*The CAM shall be filed as part of the initial filing requirement in a proceeding involving an application for an adjustment in rates pursuant to KRS 278.190.*

**Response:**

**The Company's Cost Allocation Manual is attached as Exhibit A to Section II of the Application.**

**Filing Requirement  
807 KAR 5:001 Section 4(1)**

**Filing Requirement:**

*Address of the Commission*

*All communications shall be addressed to: Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.*

**Response:**

**Kentucky Power is filing its application using electronic filing procedures pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085. The Company filed its Notice of Election to use Electronic Filing Procedures Form on May 12, 2023.**

**To the extent requested, Kentucky Power will provide any written communications pursuant to 807 KAR 5:001 Section 4(1).**

**Filing Requirement**  
**807 KAR 5:001 Section 4(2)**

**Filing Requirement:**

*Case Numbers and Styles*

*Each case shall receive a number and a style descriptive of the subject matter. The number and style shall be placed on each subsequent paper filed in the case.*

**Response:**

**Kentucky Power will comply with the requirements established in 807 KAR 5:001 Section 4(2).**

**Filing Requirement**  
**807 KAR 5:001 Section 4(3)**

**Filing Requirement:**

**Signing Papers**

- (a) A paper shall be signed by the submitting party or attorney and shall include the name, address, telephone number, facsimile number, and electronic mail address, if any, of the attorney of record or submitting party.*
- (b) A paper shall be verified or under oath if required by statute, administrative regulation, or order of the commission.*

**Response:**

**Kentucky Power will comply with the requirements established in 807 KAR 5:001 Section 4(3).**

**Filing Requirement**  
**807 KAR 5:001 Section 4(4)**

**Filing Requirement:**

*A person shall not file a paper on behalf of another person, or otherwise represent another person, unless the person is an attorney licensed to practice law in Kentucky or an attorney who has complied with SCR 3.030(2). An attorney who is not licensed to practice law in Kentucky shall present evidence of his or her compliance with SCR 3.030(2) if appearing before the commission.*

**Response:**

**Kentucky Power will comply with the requirements established in 807 KAR 5:001 Section 4(4).**

**Filing Requirement  
807 KAR 5:001 Section 4(8)**

**Filing Requirement:**

*Service.*

- (a) *Unless the commission orders service upon a party and the party's attorney, service shall be made upon the party's attorney if the party is represented by an attorney.*
- (b) *Service upon an attorney or upon a party by the commission shall be made by sending a copy by electronic mail to the electronic mail address listed on papers that the attorney or party has submitted in the case. A paper that is served via electronic mail shall comply with Section 8(4) of this administrative regulation and shall include the sending of an electronic mail message that contains an electronic version of the commission order or a hyperlink that enables the recipient to access, view, and download an electronic copy of the commission order from the commission's Web site.*
- (c) *If good cause exists, and upon the filing of a motion by a party to excuse a party from receiving service by electronic mail from the commission, the commission shall order service of papers on the party to be made in accordance with paragraph (d)1. or 2. of this subsection.*
- (d) *Service upon an attorney or upon a party by the parties in a case shall be made by:*
  - 1. Delivering a copy to the attorney or party;*
  - 2. Mailing a copy by United States mail or other recognized mail carrier to the attorney or party at the last known address; or*
  - 3. Sending a copy by electronic mail to the electronic mail address listed on papers that the attorney or party has submitted in the case. A paper that is served via electronic mail shall comply with Section 8(4) of this administrative regulation.*
- (e) *Service shall be complete upon mailing or electronic transmission. If a serving party learns that the mailing or electronic transmission did not reach the person to be served, the serving party shall take reasonable steps to immediately re-serve the party to be served, unless service is refused, in which case the serving party shall not be required to take additional action.*

**Response:**

**Kentucky Power will comply with the requirements established in 807 KAR 5:001 Section 4(8).**



**Filing Requirement  
807 KAR 5:001 Section 4(9)**

**Filing Requirement:**

***Filing.***

- (a) *Unless electronic filing procedures established in Section 8 of this administrative regulation are used, a paper shall not be deemed filed with the commission until the paper:*
- 1. Is physically received by the executive director at the commission's offices during the commission's official business hours; and*
  - 2. Meets all applicable requirements of KRS Chapter 278 and KAR Title 807.*
- (b) *The executive director shall endorse upon each paper or document accepted for filing the date of its filing. The endorsement shall constitute the filing of the paper or document.*

**Response:**

**Kentucky Power is filing its application using electronic filing procedures pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085. The Company filed its Notice of Election to use Electronic Filing Procedures Form on May 12, 2023.**

**Filing Requirement  
807 KAR 5:001 Section 4(10)**

**Filing Requirement:**

*Privacy protection for filings.*

- (a) *If a person files a paper containing personal information, the person shall encrypt or redact the paper so that personal information cannot be read. Personal information shall include a business name; an individual's first name or first initial and last name; personal mark; or unique biometric or genetic print or image, in combination with one (1) or more of the following data elements:*
- 1. The digits of a Social Security number or taxpayer identification number;*
  - 2. The month and date of an individual's birth;*
  - 3. The digits of an account number, credit card number, or debit card number that, in combination with any required security code, access code, or password, would permit access to an account;*
  - 4. A driver's license number, state identification card number, or other individual identification number issued by any agency;*
  - 5. A passport number or other identification number issued by the United States government;*
  - 6. "Individually identifiable health information" as defined by 45 C.F.R. 160.103, except for education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; or*
  - 7. The address, phone number, or email address of an individual who is not a party and has not requested to be a party.*
- (b) *To redact the paper, the filing party shall replace the identifiers with neutral placeholders or cover the identifiers with an indelible mark that so obscures the identifiers that the identifiers cannot be read.*
- (c) *The responsibility to review for compliance with this section and redact a paper shall rest with the party that files the paper.*

**Response:**

**Kentucky Power will comply with the requirements established in 807 KAR 5:001 Section 4(10).**

**Filing Requirement**  
**807 KAR 5:001 Section 6**

**Filing Requirement:**

- (1) *Except as provided in Section 8 of this administrative regulation, all papers filed in a case shall contain proof of the date and manner of service of the papers on all parties.*
- (2) *Proof shall be made by certificate of the filer's attorney, by affidavit of the person who served the papers, or by a comparable proof.*
- (3) *The certificate or affidavit shall identify by name the person served and the date and method of service.*
- (4) *Proof of electronic service shall state the electronic notification address of the person served.*

**Response:**

**Kentucky Power will comply with the requirements established in 807 KAR 5:001 Section 6.**

**Filing Requirement**  
**807 KAR 5:001 Section 7(1)**

**Filing Requirement:**

*Unless the commission orders otherwise or the electronic filing procedures established in Section 8 of this administrative regulation are used, if a paper is filed with the commission, an original unbound and ten (10) additional copies in paper medium shall be filed.*

**Response:**

**Kentucky Power is filing its application using electronic filing procedures pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085. The Company filed its Notice of Election to use Electronic Filing Procedures Form on May 12, 2023.**

**Filing Requirement**  
**807 KAR 5:001 Section 7(2)**

**Filing Requirement:**

*Each paper filed with the commission shall conform to the requirements established in this subsection.*

- (a) Form. Each filing shall be printed or typewritten, double spaced, and on one (1) side of the page only.*
- (b) Size. Each filing shall be on eight and one-half (8 1/2) inches by eleven (11) inches paper.*
- (c) Font. Each filing shall be in type no smaller than twelve (12) point, except footnotes, which may be in type no smaller than ten (10) point.*

**Response:**

**Kentucky Power will comply with the requirements established in 807 KAR 5:001 Section 7(2).**

**Filing Requirement**  
**807 KAR 5:001 Section 7(3)**

**Filing Requirement:**

*Except as provided for in Section 8 of this administrative regulation, a filing made with the commission outside its business hours shall be considered as filed on the commission's next business day.*

**Response:**

**Kentucky Power is filing its application using electronic filing procedures pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085. The Company filed its Notice of Election to use Electronic Filing Procedures Form on May 12, 2023.**

**Filing Requirement  
807 KAR 5:001 Section 8**

**Filing Requirement:**

*Upon an applicant's timely election of the use of electronic filing procedures or upon order of the commission in a case that the commission has initiated on its own motion, the procedures established in this section shall be used in lieu of other filing procedures established in this administrative regulation.*

**Response:**

**Kentucky Power is filing its application using electronic filing procedures pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085. The Company filed its Notice of Election to use Electronic Filing Procedures Form on May 12, 2023. Kentucky Power will comply with the requirements established in 807 KAR 5:001 Section 8.**

**Filing Requirement**  
**807 KAR 5:001 Section 12(1)**

**Filing Requirement:**

*If this administrative regulation requires that a financial exhibit be annexed to the application, the exhibit shall:*

- (a) For a utility that had \$5,000,000 or more in gross annual revenue in the immediate past calendar year, cover operations for a twelve (12) month period, the period ending not more than ninety (90) days prior to the date the application is filed; or*
- (b) For a utility that had less than \$5,000,000 in gross annual revenue in the immediate past calendar year, comply with paragraph (a) of this subsection or cover operations for the twelve (12) month period contained in the utility's most recent annual report on file with the commission, and contain a statement that:
  - 1. Material changes have not occurred since the end of that twelve (12) month period; or*
  - 2. Identifies all material changes that have occurred since the end of that twelve (12) month period.**

**Response:**

**The required financial exhibit complies with 807 KAR 5:001, Section 12(1) and is included as Section IV of the Application.**



**Filing Requirement**  
**807 KAR 5:001 Section 12(2)(a)**

**Filing Requirement:**

*The exhibit shall disclose the following information in the order indicated:*

*(a) The amount and kinds of stock authorized;*

**Response:**

**The required information is included on page 1 of Section IV of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 12(2)(b)**

**Filing Requirement:**

*The amount and kinds of stock issued and outstanding;*

**Response:**

**The required information is included on page 1 of Section IV of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 12(2)(c)**

**Filing Requirement:**

*Terms of preference of preferred stock, cumulative or participating, or on dividends or assets or otherwise;*

**Response:**

**The required information is included on page 1 of Section IV of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 12(2)(d)**

**Filing Requirement:**

*A brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee or trustee, amount of indebtedness authorized to be secured, and the amount of indebtedness actually secured, together with sinking fund provisions, if applicable;*

**Response:**

**The required information is included on page 1 of Section IV of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 12(2)(e)**

**Filing Requirement:**

*The amount of bonds authorized and amount issued, giving the name of the public utility that issued the same, describing each class separately and giving the date of issue, face value, rate of interest, date of maturity, and how secured, together with amount of interest paid during the last fiscal year;*

**Response:**

**The required information is included on page 1 of Section IV of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 12(2)(f)**

**Filing Requirement:**

*Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid during the last fiscal year;*

**Response:**

**The required information is included on page 1 of Section IV of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 12(2)(g)**

**Filing Requirement:**

*Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of a portion of the indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid during the last fiscal year;*

**Response:**

**The required information is included on page 2 of Section IV of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 12(2)(h)**

**Filing Requirement:**

*The rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year; and;*

**Response:**

**The required information is included on page 2 of Section IV of the Application.**



**Filing Requirement**  
**807 KAR 5:001 Section 12(2)(i)**

**Filing Requirement:**

*A detailed income statement and balance sheet.*

**Response:**

**The required information is included on pages 3, 4, and 7 of Section IV of the Application.**

**Filing Requirement  
807 KAR 5:001 Section 14(1)**

**Filing Requirement:**

*Each application shall state the full name, mailing address, and electronic mail address of the applicant, and shall contain fully the facts on which the application is based, with a request for the order, authorization, permission, or certificate desired and a reference to the particular law requiring or providing for the information.*

**Response:**

**The application contains the full name, mailing address, and electronic mail address of the applicant:**

**Kentucky Power Company  
1645 Winchester Avenue  
Ashland, KY 41101  
Kentucky\_Regulatory\_Services@aep.com**

**The application, supporting testimony, and exhibits fully comply with the requirements of 807 KAR 5:001 Section 14(1).**

**Filing Requirement**  
**807 KAR 5:001 Section 14(2)**

**Filing Requirement:**

*If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state if it is authorized to transact business in Kentucky.*

**Response:**

**Kentucky Power's Certificate of Existence dated June 23, 2023, as certified by the Commonwealth of Kentucky's Secretary of State, is included as Exhibit B to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 14(3)**

**Filing Requirement:**

*If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.*

**Response:**

**Not applicable because Kentucky Power is not a limited liability company.**

**Filing Requirement**  
**807 KAR 5:001 Section 14(4)**

**Filing Requirement:**

*If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.*

**Response:**

**Not applicable because Kentucky Power is not a limited partnership.**

**Filing Requirement  
807 KAR 5:001 Section 16(1)(a)**

**Filing Requirement:**

*Each application requesting a general adjustment of existing rates shall:*

*(a) Be supported by:*

- 1. A twelve (12) month historical test period that may include adjustments for known and measurable changes; or*
- 2. A fully forecasted test period;*

**Response:**

**Kentucky Power's application for a general adjustment to its existing rates is supported by a twelve-month historical test period ended March 31, 2023, with adjustments for known and measurable changes.**

**Filing Requirement**  
**807 KAR 5:001 Section 16(1)(b)(1)**

**Filing Requirement:**

*A statement of the reason the adjustment is required.*

**Response:**

**The reasons supporting the required adjustment in rates are set forth in the Company's Application and in the testimonies of the Company's witnesses.**

**Filing Requirement**  
**807 KAR 5:001 Section 16(1)(b)(2)**

**Filing Requirement:**

*A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that a certificate is not necessary.*

**RESPONSE**

**Kentucky Power Company transacts business using the following three assumed names:**

- 1. Kentucky Power**
- 2. AEP Kentucky Power**
- 3. American Electric Power**

**Certified copies of the Company's certificates of assumed name dated February 18, 2021 and November 12, 2021, respectively are included as Exhibit C to Section II of the Application.**



**Filing Requirement**  
**807 KAR 5:001 Section 16(1)(b)(3)**

**Filing Requirement:**

*New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed;*

**Response:**

**The new and revised tariff sheets in a format that complies with 807 KAR 5:011 are included as Exhibit D to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 16(1)(b)(4)**

**Filing Requirement:**

*New or revised tariff sheets, if applicable, identified in compliance with 807 KAR 5:011, shown either by providing:*

- a. The present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side; or*
- b. A copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions;*

**Response:**

**New and revised tariff sheets in a format that complies with 807 KAR 5:011 marked to show changes from the existing tariff sheets are included as Exhibit E to Section II of the Application. Kentucky Power also is providing a redlined version of its proposed tariffs that indicates text changes in compliance with 807 KAR 5:001, Section 16(1)(b)(4)(b), but not formatting changes, as Exhibit 7 to the Direct Testimony of Lerah M. Kahn.**

**Filing Requirement  
807 KAR 5:001 Section 16(1)(b)(5)**

**Filing Requirement:**

*A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice;*

**Response:**

**By order dated June 2, 2023, the Commission granted Kentucky Power's application to provide abbreviated newspaper notice in satisfaction the requirements of 807 KAR 5:001, Section 17(2). The Company provided customer notice in compliance with 807 KAR 5:001 Section 17 and the Commission's June 2, 2023 order. A copy of the abbreviated notice, listing of newspapers which ran the abbreviated notice, full notice, customer bill general statement, press advisory, list of public libraries in the Company's service territory and example letter sent to each library are included as Exhibit F to Section II of the Application.**

**Kentucky Power Company on June 26, 2023 filed a request for deviation with respect to the publication of the third weekly notices in *The Elliott County News* and *The Licking Valley Courier*. Both papers will not publish the week of July 3, 2023. The Company is therefore requesting to publish the third weekly notice in those papers approximately one week later than they otherwise would have run.**

**The Company's Certification of Compliance with Notice and Posting Requirements is included as Exhibit G.**

**Filing Requirement  
807 KAR 5:001 Section 16(2)**

**Filing Requirement:**

*Notice of Intent*

*A utility with gross annual revenues greater than \$5,000,000 shall notify the commission in writing of its intent to file a rate application at least thirty (30) days, but not more than sixty (60) days, prior to filing its application.*

- (a) The notice of intent shall state if the rate application will be supported by a historical test period or a fully forecasted test period.*
- (b) Upon filing the notice of intent, an application may be made to the commission for permission to use an abbreviated form of newspaper notice of proposed rate increases provided the notice includes a coupon that may be used to obtain a copy from the applicant of the full schedule of increases or rate changes.*
- (c) Upon filing the notice of intent with the commission, the applicant shall mail to the Attorney General's Office of Rate Intervention a copy of the notice of intent or send by electronic mail in a portable document format, to [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov).*

**Response:**

**The Company's Notice of Intent to File for An Adjustment in Electric Rates was filed with the Commission on May 23, 2023. A copy of the Notice of Intent is attached as Exhibit H to Section II of the Application. On May 23, 2023, the Company filed an application to provide abbreviated newspaper notice.**

**In conformity with 807 KAR 5:001, Section 16(2)(c), the Company also provided notice to the Attorney General May 23, 2023 by electronic mail to the Attorney General's Office of Rate Intervention.**

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

**Filing Requirement:**

*Each application supported by a historical test period shall include the following information or a statement explaining why the required information does not exist and is not applicable to the utility's application:*

- a. A complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment;*

**Response:**

**The complete descriptions and quantified explanations for all proposed adjustments, with proper support for any proposed changes in price or activity levels, and any other factors, are provided in Section III and Section V of Application.**

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

**Filing Requirement:**

*If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application;*

**Response:**

**Please refer to the testimony and exhibits of the following persons included in Section III of the Application:**

**Cynthia G. Wiseman  
Michael J. Adams  
Kamran Ali  
Scott E. Bishop  
Stephen D. Blankenship  
Joshua D. Burkholder  
Andrew R. Carlin  
Amanda C. Clark  
Stevi N. Cobern  
Jaclyn N. Cost  
Steven Fetter  
Lerah M. Kahn  
Timothy K. Kerns  
Adrien M. McKenzie  
Franz D. Messner  
Katrina Niehaus  
Everett G. Phillips  
Linda M. Schlessman  
Michael M. Spaeth  
Katherine Steward  
Alex E. Vaughan  
Katharine I. Walsh  
Brian K. West  
Heather M. Whitney**

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

**Filing Requirement:**

*If the utility has gross annual revenues less than \$5,000,000 the written testimony of each witness the utility proposes to use to support its application or a statement that the utility does not plan to submit written testimony;*

**Response:**

**Not applicable.**

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

**Filing Requirement:**

*A statement estimating the effect that each new rate will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease;*

**Response:**

**The required statement is presented in the Application and in the testimony of Company Witness West.**



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

**Filing Requirement:**

*If the utility provides electric, gas, water, or sewer service, the effect upon the average bill for each customer classification to which the proposed rate change will apply;*

**Response:**

**The required information is provided in Exhibit I to Section II of the Application.**

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

**Filing Requirement:**

*If the utility is an incumbent local exchange company, the effect upon the average bill for each customer class for the proposed rate change in basic local service;*

**Response:**

**Not Applicable.**

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

**Filing Requirement:**

*A detailed analysis of customers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class;*

**Response:**

**The required analysis of customers' bills is included in Exhibit J to Section II of the Application. Additionally, a chart showing revenues from the present and proposed rates for each customer class is included as Exhibit K to Section II of the Application.**

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

**Filing Requirement:**

*A summary of the utility's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules;*

**Response:**

**The required information is provided in Section V, Schedules 1, 2, and 4 of the Application.**

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

**Filing Requirement:**

*A reconciliation of the rate base and capital used to determine its revenue requirements;*

**Response:**

**The reconciliation of the rate base and capital used to determine Kentucky Power's revenue requirement is included as Exhibit L to Section II of the Application.**

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

**Filing Requirement:**

*A current chart of accounts if more detailed than the Uniform System of Accounts;*

**Response:**

**The current chart of accounts is included as Exhibit M to Section II of the Application.**

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

**Filing Requirement:**

*The independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls;*

**Response:**

**A copy of the independent auditor's annual opinion report is included as Exhibit N to Section II of the Application. The report indicates that there were no material weaknesses.**

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

**Filing Requirement:**

*The most recent Federal Energy Regulatory Commission or Federal Communication Commission audit reports;*

**Response:**

**The most recent Federal Energy Regulatory Commission audit report is included as Exhibit O to Section II of the Application.**



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

**Filing Requirement:**

*The most recent FERC Financial Report Form No. 1, FERC Financial Report Form No. 2, or Public Service Commission Form T (telephone);*

**Response:**

**Please refer to Exhibit P of Section II of the Application for Kentucky Power Company's FERC Form No. 1 for year ended December 31, 2022.**

**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:**

**Current Big Sandy depreciation rates were reviewed and approved as a part of a settlement in Case No. 2017-00179.**

**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 Direct Testimony and exhibits of Company Witness Cash in Case No. 2017-00179.<sup>1</sup>**

**Transmission, Distribution and General Plant depreciation rates were last reviewed in Case No. 2014-00396 as part of a depreciation study filed in that case. Current depreciation rates for Transmission and General Plant were approved to be updated as part of a settlement in Case No. 2014-00396. Distribution depreciation rates remained unchanged as a result of the order issued in Case No. 2014-00396. Current depreciation rates for Distribution Plant are based on a depreciation study filed in Case No. 91-066.**

**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 Direct Testimony and exhibits of Company Witness Davis in Case No. 2014-00396.<sup>2</sup>**

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<sup>1</sup> See Direct Testimony of Jason A. Cash and Exhibit JAC-1, *In The Matter Of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) An Order Approving Its 2017 Environmental Compliance Plan; (3) An Order Approving Its Tariffs And Riders; (4) An Order Approving Accounting Practices To Establish Regulatory Assets And Liabilities; And (5) An Order Granting All Other Required Approvals And Relief*, Case No. 2017-00179 (June 28, 2017).

<sup>2</sup> See Direct Testimony of David A. Davis and Exhibit DAD-2, *In The Matter Of: Application Of Kentucky Power Company For: (1) A General Adjustment Of Its Rates For Electric Service; (2) An Order Approving Its 2014 Environmental Compliance Plan; (3) An Order Approving Its Tariffs And Riders; And (4) An Order Granting All Other Required Approvals And Relief*, Case No. 2014-00396 (December 23, 2014).

**Current Mitchell depreciation rates were approved to be updated as part of a settlement in Case No. 2017-00179. The last depreciation study performed for the Mitchell Plant was filed in Case No. 2014-00396, noted above**

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

**Filing Requirement:**

*A list of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application. This list shall include:*

- 1. Each software, program, or model;*
- 2. What the software, program, or model was used for;*
- 3. The supplier of each software, program, or model;*
- 4. A brief description of the software, program, or model; and*
- 5. The specifications for the computer hardware and the operating system required to run the program*

**Response:**

**The software used includes the following:**

- **PowerPlant** – PowerPlant’s PowerTax software module was used to perform certain tax calculations and to perform the book depreciation studies of transmission, distribution, and general plant. Those calculations and studies were prepared using Version 10.4.3.3 of PowerPlant software. In addition, PowerPlant’s Tax Provision software module was used to calculate state and federal income tax expense and record the monthly journal entries to the general ledger. The software is the property of PowerPlan Consultants, Inc. of Atlanta, Georgia. AEP has a license with PowerPlan Consultants, Inc. to use the software. The computer operating system is Windows 10/11 and Windows 2016 Standard (if launching from the Citrix->Apps). The database is Oracle 12.2.0.1.0 and the database resides on UNIX AIX box.
- **PowerTracker** is used to perform the settlement function of economically allocating generation and purchase resources to off-system sales transactions. It provides input to the monthly accounting and fuel clause reporting functions. PowerTracker is a Java application supplied by Integ Enterprise Consulting, Inc. located in Newark, New Jersey. The current version of the application is ptrk.1.14.5-b49-3fc7c14. The application runs in a WebLogic version 12.1.2.0.0 environment. It is a multi-node environment consisting of two servers. The servers are HP ProLiant model DL580 Gen8 running the Linux Red Hat v6.5 Operating System with 11,913 MB RAM. Additionally the servers run virtualizing software manufactured by VMware, Inc. The model is VMware Virtual Platform. The database utilized by the application is Oracle version 11.2.0.3.0. The database runs on an IBM 9119-MHE server with 40,960 MB of RAM. Operating system is AIX 7.1.0.0. with VMware Virtual Platform virtualizing software.
- **GADS in SAP Business Objects (GADS)** is a web-based, customizable application

that gives energy service providers a way to gather statistical generation data from a variety of sources. Upon collection, all data is validated using NERC Level 1 and Level 2 diagnostics. Once validated, the data is used for several purposes, including internal reporting - for example, in the Station Performance and Generating Outage Rate Program. The product also incorporates capacity verification testing and commercial availability. GADS is a Java application supplied by Integ Enterprise Consulting, Inc. located in Newark, New Jersey. The application runs in a WebLogic version 12.1.2.0.0 environment. It is a multi-node environment consisting of three servers. The servers are HP ProLiant Model DL580 Gen8 running Linux Red Hat 6.2 operating system with 37,161 MB of RAM. Additionally the server is running virtualizing software manufactured by VMware, Inc. The model is VMware Virtual Platform. The database utilized by the application is Oracle version 11.2.0.3.0. The database runs on an IBM 9119-MHE server with 98,304 MB of RAM. The operating system is AIX 7.1.0.0.

- **MACSS (Marketing Accounting Customer Service System)** is an in-house software system developed for the use of customer data and designed to facilitate the sale and reporting of electric service and equipment. MACSS is a COBOL-based program that is used to access, update, and create customer data for billing, meter, and electric infrastructure for AEP. MACSS has many functions, including general system, service order, marketing, credit and collection, billing, database, and system interface functions. Mainframe and DB2 operating systems are required.
- **PeopleSoft General Ledger** software is a vendor product from Oracle Corporation, Redwood Shores, California. Kentucky Power is using version 9.2 of this software. The software runs off a UNIX AIX server, using an Oracle 19c database. The application can be accessed through Web Browser and Windows client for query reporting.
- **The UIPlanner** is developed by UI Solutions Group. It is an automated tool that will enhance Regulatory Services ability to perform rate design analysis and reporting across all jurisdictions. This solution will allow Regulatory Services to model all current and proposed tariffs performing what-if / scenario analysis as necessary. The computer workstations that access this application run on Windows 10 or higher operating system and require a minimum of 16 GB of memory and 1.73 GHz processor. There are multiple application servers on ProLiant BL660c Gen9 machines running Linux Red Hat 7.9 with 2TB of ram. It uses an Oracle 19c database, residing on an AIX 7.2 operating system.
- **Comtrac (Commodity Tracking)** software is a vendor product from FusionSoft, LLC. The Fuel Accounting team is currently using version 7.12.13.3.4. The Comtrac application is the system of record for coal, fuel oil, and most consumables and helps manage the life-cycle of those commodities, including managing contracts, shipments, sample quality, inventory, and accounting. The Fuel Accounting team (1) records the generated receipts, consumption and accruals from information obtained from Comtrac, into the PeopleSoft General Ledger and (2) pays invoices associated with the receipts of fuel and consumables. The computer workstations that access this

application run on Windows 7 operating system, and typically have 8 GB of memory and a 2.5 GHz processor.

- **Aligne** is a vendor software product from Fidelity Information Services. The AEP Energy Settlements team is currently using version 3.0.4.5. The Aligne application is the system of record for natural gas activity including transactional information, inventory, receipts, and consumption. It provides support for the settlement data capture and creation of the information used by Fuel Accounting for entries into the PeopleSoft General Ledger. The computer workstations that access this application run on Windows 10 operating system, and typically have 16 GB of memory and 2.6 GHz processor.
- **Microsoft Suite (Word, Excel, PowerPoint)**. These applications were used to prepare spreadsheet documents, word processors, and presentations utilized in this proceeding. The program runs on laptop and desktop computers with 1 GB of RAM using a Microsoft Windows 10 or 11 operating system.
- **ODS (Online Data Store HOIS/DOVS Archive)**. This is a browser interface used to search and view outage records. The current limit is 5000 rows. This web page was created by AEP and is managed by internal IT personnel.
- **Distribution Outage Validation System (DOVS) - Version 5.0.42.2**. The DOVS application is used to view, edit, add, and store outage data records. This application was created by AEP and is managed by internal IT personnel.
- **Adobe** is used to view documents without change in how the document looks on the screen or in print. It converts documents into pdf format which can be read without the need of the application program which the document was originally created.
- **Nitro** is an updated pdf program that is in the process of replacing Adobe within the Company. It is used to view documents without change in how the document looks on the screen or in print. It converts documents into pdf format which can be read without the need of the application program which the document was originally created.
- **IMPLAN**. The Company used software from IMPLAN Group LLC for economic impact studies. IMPLAN is a regional economic analysis software application that is designed to estimate the impact or ripple effect (specifically backward linkages) of a given economic activity within a specific geographic area through the implementation of its Input-Output model. IMPLAN was used to estimate the impacts of the loss of jobs at AK Steel in the Kentucky Power Service Area.
- **PDF Xchange** is used to view documents without change in how the document looks on the screen or in print. It converts documents into pdf format which can be read without the need of the application program which the document was originally created.

- **COGNOS** is an IBM Enterprise reporting tool used companywide for reporting, querying and analyzing data from AEP source systems. The Company is using COGNOS version 11.1.7. Cognos runs on multiple application servers (eight in total). These servers are IBM POWER on Linux (RHEL 7.9) and consists of 224 GB RAM and 8 CPU's each distributed across both NADS and GDC. It used Oracle 19c database as a content store to write the metadata.
- **MarketPay** by Payscale is a compensation survey data aggregator that supports merit and structure modeling and provides a report writer and job pricing wizard. This software stores, organizes and links multiple surveys and data cuts, AEP system compensation data and AEP system job matches that facilitates the market pricing of internal positions. Data was pulled from MarketPay to provide comparisons of market survey information to AEP's compensation for matched jobs aged to the applicable date with market percentiles for base pay, target and actual incentive compensation, target and actual total cash compensation and target and actual total compensation used for compensation analysis. This software can be run on most personal computers with Windows 10 or higher.
- **Microsoft Access** is a database management system (DBMS) from Microsoft that combines the relational Access Database Engine (ACE) with a graphical user interface and software-development tools. It is a member of the Microsoft 365 suite of applications that stores data in its own format or can import or link directly to data stored in other applications and databases. It was used to pull compensation and job data from AEP's payroll system for compensation analysis. This software can be run on most personal computers with Windows 10 or higher.
- **Power BI** cloud service with P1 Premium capacity, Data Gateways using Microsoft Windows Server 2019 VMs, Power BI Report Server using Windows Server 2019 VMs with SQL Server 2019. Power BI cloud service with P1 Premium capacity was used for data visualization, business intelligence, and analytics at a larger scale. The P1 Premium capacity enabled higher data refresh rates, larger data volume handling, and allowed for more users to access reports and dashboards simultaneously. Three Windows Server 2019 VMs were used to run a Power BI Report Server Cluster for managing, distributing, and delivering reports within our organization, with one of those used to run SQL Server 2019 which stored report metadata/definitions, execution logs, subscriptions/schedules, and security permissions for the Power BI Report Server Cluster. Power BI Premium P1 capacity requires a dedicated cloud compute and storage resource in Microsoft's data centers. The P1 capacity offers 8 virtual cores, with 25GB of RAM. The Power BI data gateways require a machine running Windows Server 2019 VM, with four cores and 16 GB of RAM. The Power BI Report Server and SQL Server 2019 instances each run on a Windows Server 2019 VM. The hardware requirements for these VMs is 16 GB of RAM, and 100 GB of hard disk space. As a cloud service, Power BI can be accessed via a web browser or through the Power BI mobile app on various platforms (iOS, Android).

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

**Filing Requirement:**

*Prospectuses of the most recent stock or bond offerings;*

**Response:**

**The most recent available prospectuses are included as Exhibit Q to Section II of the Application.**



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

**Filing Requirement:**

*Annual report to shareholders, or members, and statistical supplements covering the two (2) most recent years from the utility's application filing date;*

**RESPONSE**

**Kentucky Power's annual reports for the years ended December 2021 and 2022 are included as Exhibit R to Section II of the Application.**

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

**Filing Requirement:**

*The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period;*

**Response:**

**The Company's monthly financial reports for the months of April 2022 through March 2023 are included as Exhibit S to Section II of the Application.**

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

**Filing Requirement:**

*A copy of the utility's annual report on Form 10-K as filed with the Securities and Exchange Commission for the most recent two (2) years, any Form 8-K issued during the past two (2) years, and any Form 10-Q issued during the past six (6) quarters updated as current information becomes available;*

**RESPONSE**

**Kentucky Power Company is no longer a registrant with the Securities and Exchange Commission and has not filed Forms 10-K, 10-Q, or 8-K since 2007. The following Company quarterly reports are included as Exhibit T to Section II of the Application:**

**Kentucky Power Company 2021 Q1 Quarterly  
Kentucky Power Company 2021 Q2 Quarterly  
Kentucky Power Company 2021 Q3 Quarterly  
Kentucky Power Company 2022 Q1 Quarterly  
Kentucky Power Company 2022 Q2 Quarterly  
Kentucky Power Company 2022 Q3 Quarterly  
Kentucky Power Company 2023 Q1 Quarterly**

**Kentucky Power's annual reports for the years ended December 2021 and 2022 are included as Exhibit R to Section II of the Application.**

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

**Filing Requirement:**

*If the utility had amounts charged or allocated to it by an affiliate or general or home office or paid monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years, the utility shall file:*

- 1. A detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each charge allocation or payment;*
- 2. An explanation of how the allocator for the test period was determined; and*
- 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated, or paid during the test period was reasonable.*

**Response:**

**The required information is included as Exhibit U to Section II of the Application. Amounts are allocated or charged in accordance with the Company's cost allocation manual developed and maintained in accordance with KRS 278.2203 and KRS 278.2205. A copy of the Company's cost allocation manual is included as Exhibit A to Section II of the Application.**

**The Company owns an undivided 50% interest in the Mitchell Plant. Through August 2022, the Company was also the operator of the Mitchell Plant. In September 2022, Wheeling Power Company ("Wheeling Power"), an affiliated AEP subsidiary company and owner of the remaining 50% undivided interest in the Mitchell Plant, became operator of the Mitchell Plant, pursuant to the September 1, 2022 Written Consent Action of the Mitchell Operating Committee. The plant operator initially records 100% of all Mitchell Plant costs. Then, the plant operator bills the other joint owner of the plant its share of Mitchell Plant costs (including AEP Service Corporation charges), in accordance with the FERC-approved Mitchell Operating Agreement, including the September 1, 2022 Written Consent Action of the Mitchell Operating Committee. The Mitchell Plant Operating Agreement and the September 1, 2022 Written Consent Action are included as Exhibit V to Section II of the Company's Application.**

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

**Filing Requirement:**

*If the utility provides gas, electric, water, or sewage utility service and has annual gross revenues greater than \$5,000,000 a cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period; and*

**Response:**

**The cost of service studies based on current and reliable data for the test year ended March 31, 2023 are included in the testimony of Company Witnesses Cost and Walsh.**

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

**Filing Requirement:**

*Local exchange carriers with more than 50,000 access lines shall file:*

- 1. A jurisdictional separations study consistent with 47 C.F.R. Part 36; and*
- 2. Service specific cost studies to support the pricing of all services that generate annual revenue greater than \$1,000,000 except local exchange access:*
  - a. Based on current and reliable data from a single time period; and*
  - b. Using generally recognized fully allocated, embedded, or incremental cost principles.*

**Response:**

**Not Applicable.**

**Filing Requirement**  
**807 KAR 5:001 Section 16(5)(a)**

**Filing Requirement:**

*Upon good cause shown, a utility may request pro forma adjustments for known and measurable changes to ensure fair, just, and reasonable rates based on the historical test period. The following information shall be filed with each application requesting pro forma adjustments or a statement explaining why the required information does not exist and is not applicable to the utility's application:*

*(a) A detailed income statement and balance sheet reflecting the impact of all proposed adjustments;*

**Response:**

**The required information is included on Pages 3, 4 and 7 of Section IV of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 16(5)(b)**

**Filing Requirement:**

*The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions;*

**Response:**

**The Company is not proposing any pro forma adjustments for plant additions. The most recent capital construction budget is included as Exhibit W to Section II of the Application.**



**Filing Requirement**  
**807 KAR 5:001 Section 16(5)(c)**

**Filing Requirement:**

*For each proposed pro forma adjustment reflecting plant additions, provide the following information:*

- 1. The starting date of the construction of each major component of plant;*
- 2. The proposed in-service date;*
- 3. The total estimated cost of construction at completion;*
- 4. The amount contained in construction work in progress at the end of the test period;*
- 5. A schedule containing a complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement;*
- 6. The original cost and the cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions;*
- 7. An explanation of differences, if applicable, in the amounts contained in the capital construction budget and the amounts of capital construction cost contained in the pro forma adjustment period; and*
- 8. The impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements;*

**RESPONSE**

**Not Applicable.**

**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; and*

**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.**

**The operating budget for each month of January 2024 through March 2024 is not yet available, but the Company will supplement the record with this information once available.**

**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 overall 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 Annualization Revenue” Column).**

**Filing Requirement 807 KAR 5:001 Section 16(6) to KAR 5:001 Section 16(8)(n)  
are Not Applicable.**

**Filing Requirement**  
**807 KAR 5:001 Section 16(9)**

**Filing Requirement:**

*The commission shall notify the applicant of any deficiencies in the application within thirty (30) days of the application's submission. An application shall not be accepted for filing until the utility has cured all noted deficiencies;*

**Response:**

**Kentucky Power will comply with the requirements established in 807 KAR 5:001 Section 16(9).**

**Filing Requirement**  
**807 KAR 5:001 Section 16(10)**

**Filing Requirement:**

*A request for a waiver from the requirements of this section shall include the specific reasons for the request. The commission shall grant the request upon good cause shown by the utility. In determining if good cause has been shown, the commission shall consider:*

- a. If other information that the utility would provide if the waiver is granted is sufficient to allow the commission to effectively and efficiently review the rate application;*
- b. If the information that is the subject of the waiver request is normally maintained by the utility or reasonably available to it from the information that it maintains;*
- c. The expense to the utility in providing the information that is the subject of the waiver request.*

**Response:**

**The Company is not requesting any waivers in its application.**

**Filing Requirement  
807 KAR 5:001 Section 17(1)(a)  
807 KAR 5:011 Section 8(1)(a)**

**Filing Requirement:**

***Public postings.***

***(a) A utility shall post at its place of business a copy of the notice no later than the date the application is submitted to the commission.***

**RESPONSE**

**Kentucky Power has complied with 807 KAR 5:001, Section 17(1)(a) and 807 KAR 5:011 Section 8 (1)(a) by posting its Notice to the Customers of Kentucky Power Company on or before the day that the application is filed with the Public Service Commission at the locations shown below.**

- 1645 Winchester Avenue, Ashland, Kentucky 41101**
- 12333 Kevin Avenue, Ashland, Kentucky 41102**
- 1400 E. Main Street, Hazard, Kentucky 41701**
- 3249 North Mayo Trail, Pikeville, Kentucky 41501**
- 416 Teays Branch Road, Paintsville, Kentucky 41240**
- 17 Madison Street, Suite A, Whitesburg, Kentucky 41858**

**The Notice will remain posted until issuance of a final Order from the Commission establishing Kentucky Power's approved rates.**

**A copy of the full customer notice is included in Exhibit F to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 17(1)(b)**  
**807 KAR 5:011 Section 8(1)(b)**

**Filing Requirement:**

*Public postings.*

*(b) A utility that maintains a Web site shall, within five (5) business days of the date the application is submitted to the commission, post on its Web sites:*

- 1. A copy of the public notice; and*
- 2. A hyperlink to the location on the commission's Web site where the case documents are available.*

**Response:**

**Kentucky Power will within five (5) business days of filing its application post on its website a copy of the public notice along with a hyperlink to the filing on the Commission's Web site. The Notice will remain posted until issuance of a final Order from the Commission establishing Kentucky Power's approved rates.**

**A copy of the full customer notice is included in Exhibit F to Section II of the Application.**



**Filing Requirement**  
**807 KAR 5:001 Section 17(1)(c)**  
**807 KAR 5:011 Section 8(1)(c)**

**Filing Requirement:**

*Public postings.*

*(c) The information required in paragraphs (a) and (b) of this subsection shall not be removed until the commission issues a final decision on the application.*

**Response:**

**Kentucky Power will comply with the requirements established in 807 KAR 5:001 Section 17(1)(c) and 807 KAR 5:011 Section 8 (1)(c).**

**Filing Requirement  
807 KAR 5:001 Section 17(2)(b)  
807 KAR 5:011 Section 8(2)(b)**

**Filing Requirement:**

*Customer Notice.*

*(b) If a utility has more than twenty (20) customers, it shall provide notice by:*

- 1. Including notice with customer bills mailed no later than the date the application is submitted to the commission;*
- 2. Mailing a written notice to each customer no later than the date the application is submitted to the commission;*
- 3. Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the commission; or*
- 4. Publishing notice in a trade publication or newsletter delivered to all customers no later than the date the application is submitted to the commission.*

*(c) A utility that provides service in more than one (1) county may use a combination of the notice methods listed in paragraph (b) of this subsection.*

**Response:**

By order dated June 2, 2023, the Commission granted Kentucky Power's application to provide abbreviated newspaper notice in satisfaction the requirements of 807 KAR 5:001, Section 17(2). Kentucky Power complied with 807 KAR 5:001 Section 17(2)(b)(3), 807 KAR 5:011 Section 8(2)(b)(3), and the Commission's June 2, 2023 order by publishing in newspapers of general circulation in its service territory a copy of the Notice to the Customers of Kentucky Power Company for publication once a week for three (3) consecutive weeks in a prominent manner. The first publication in each newspaper was made before the date the application is filed.

Kentucky Power Company on June 26, 2023 filed a request for deviation with respect to the publication of the third weekly notices in *The Elliott County News* and *The Licking Valley Courier*. Both papers will not publish the week of July 3, 2023. The Company is therefore requesting to publish the third weekly notice in those papers approximately one week later than they otherwise would have run.

**A copy of the abbreviated notice, listing of newspapers which ran the abbreviated notice, full notice, customer bill general statement, press advisory, list of public libraries in the Company's service territory and example letter sent to each library are included as Exhibit F to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 17(3)**  
**807 KAR 5:011 Section 8(3)**

**Filing Requirement:**

*Proof of Notice. A utility shall file with the commission no later than forty-five (45) days from the date the application was initially submitted to the commission:*

*(a) If notice is mailed to its customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, that notice was mailed to all customers, and the date of the mailing;*

*(b) If notice is published in a newspaper of general circulation in the utility's service area, an affidavit from the publisher verifying the contents of the notice, that the notice was published, and the dates of the notice's publication; or*

*(c) If notice is published in a trade publication or newsletter delivered to all customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, the mailing of the trade publication or newsletter, that notice was included in the publication or newsletter, and the date of mailing.*

**Response:**

**Kentucky Power will provide the prescribed affidavits within forty-five (45) days of the date the Company files its application.**

**Filing Requirement**  
**807 KAR 5:001 Section 17(4)(a)**  
**807 KAR 5:011 Section 8(4)(a)**

**Filing Requirement:**

*Notice Content. Each notice issued in accordance with this section shall contain:*

*(a) The proposed effective date and the date the proposed rates are expected to be filed with the commission;*

**Response:**

**The customer notice complies with this requirement. A copy of the full and abbreviated customer notices are included as Exhibit F to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 17(4)(b)**  
**807 KAR 5:011 Section 8(4)(b)**

**Filing Requirement:**

*Notice Content. Each notice issued in accordance with this section shall contain:*

*(b) The present rates and proposed rates for each customer classification to which the proposed rates will apply;*

**Response:**

**The customer notice complies with this requirement. A copy of the full and abbreviated customer notices are included as Exhibit F to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 17(4)(c)**  
**807 KAR 5:011 Section 8(4)(c)**

**Filing Requirement:**

*Notice Content. Each notice issued in accordance with this section shall contain:*

*(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;*

**Response:**

**The customer notice complies with this requirement. A copy of the full and abbreviated customer notices are included as Exhibit F to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 17(4)(d)**  
**807 KAR 5:011 Section 8(4)(d)**

**Filing Requirement:**

*Notice Content. Each notice issued in accordance with this section shall contain:*

*(d) The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service;*

**Response:**

**The customer notice complies with this requirement. A copy of the full and abbreviated customer notices are included as Exhibit F to Section II of the Application.**



**Filing Requirement**  
**807 KAR 5:001 Section 17(4)(e)**  
**807 KAR 5:011 Section 8(4)(e)**

**Filing Requirement:**

*Notice Content. Each notice issued in accordance with this section shall contain:*

*(e) A statement that a person may examine this application at the offices of (utility name) located at (utility address);*

**Response:**

**The customer notice complies with this requirement. A copy of the full and abbreviated customer notices are included as Exhibit F to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 17(4)(f) and (g)**  
**807 KAR 5:011 Section 8(4)(f) and (g)**

**Filing Requirement:**

*Notice Content. Each notice issued in accordance with this section shall contain:*

*(f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <http://psc.ky.gov>;*

*(g) A statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;*

**Response:**

**The customer notice complies with these requirements. A copy of the full and abbreviated customer notices are included as Exhibit F to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 17(4)(h)**  
**807 KAR 5:011 Section 8(4)(h)**

**Filing Requirement:**

*Notice Content. Each notice issued in accordance with this section shall contain:*

*(h) A statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;*

**Response:**

**The customer notice complies with these requirements. A copy of the full and abbreviated customer notices are included as Exhibit F to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:001 Section 17(4)(i) and (j)**  
**807 KAR 5:011 Section 8(4)(i) and (j)**

**Filing Requirement:**

*Notice Content. Each notice issued in accordance with this section shall contain:*

*(i) A statement that 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; and*

*(j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.*

**Response:**

**The customer notice complies with these requirements. A copy of the full and abbreviated customer notices are included as Exhibit F to Section II of the Application.**

**Filing Requirement**  
**807 KAR 5:011 Section 8(5)**

**Filing Requirement:**

*Compliance by electric utilities with rate schedule information required by 807 KAR 5:051. Notice given pursuant to subsection (2)(a) or (b) of this section shall substitute for the notice required by 807 KAR 5:051, Section 2, if the notice contained a clear and concise explanation of the proposed change in the rate schedule applicable to each customer.*

**Response:**

**807 KAR 5:051 has been repealed. Notwithstanding, the Company complied with the requirements established in 807 KAR 5:011 Section 8(5).**

**Filing Requirement**  
**807 KAR 5:011 Section 8(6)**

**Filing Requirement:**

*Periodic recalculation of a formulaic rate that does not involve a revision of the rate and that is performed in accordance with provisions of an effective rate schedule, special contract, or administrative regulation does not require notice in accordance with this section.*

**Response:**

**Not Applicable.**

**Filing Requirement  
807 KAR 5:011 Section 9(1)**

**Filing Requirement:**

*The proposed rates on a new tariff or revised sheet of an existing tariff shall become effective on the date stated on the tariff sheet if:*

*(a) Proper notice was provided to the public in accordance with Section 8 of this administrative regulation;*

*(b) Statutory notice was provided; and*

*(c) The commission does not suspend the proposed rates pursuant to KRS 278.190.*

**Response:**

**The Company complied with the requirements established in 807 KAR 5:011 Section 9(1). The statutory notice is included in Section I of the Application.**

**Filing Requirement**  
**807 KAR 5:011 Section 9(2)**

**Filing Requirement:**

*All information and notices required by this administrative regulation shall be furnished to the commission at the time of the filing of the proposed rate. If a substantial omission occurs, which is prejudicial to full consideration by the commission or to the public, the statutory notice period to the commission shall not commence until the omitted information and notice is filed.*

**Response:**

**Kentucky Power complied with the requirements established in 807 KAR 5:011 Section 9(2).**



**Filing Requirement**  
**Case 2021-00428 Order on Smart Grid Technologies**

**Filing Requirement:**

*The Commission's April 13, 2016 order in Case 2012-00428 requires each jurisdictional utility to identify Smart Grid investments in each rate case.*

**Response:**

**Kentucky Power's Smart Grid investments are identified in the Direct Testimony of Company Witness Phillips.**

**Filing Requirement**  
**Admin. Case No. 327 Order on Economic Development Reporting**

**Filing Requirement:**

*Finding No. 8 of the Commission's September 24, 1990 Order in Administrative Case No. 327 requires Kentucky Power to demonstrate in rate proceedings a detailed cost-of-service analysis that nonparticipating customers are not adversely affected by EDR customers.*

**Response:**

**This requirement is addressed in the testimony of Company Witness Spaeth.**

**Filing Requirement**  
**Case No. 2020-00019 on Air Products Special Contract**

**Filing Requirement:**

*Finding No. 3 of the Commission's the April 23, 2020 Order in Case No. 2020-00019 requires Kentucky Power to demonstrate in rate proceedings a detailed cost-of-service analysis that ratepayers are not adversely affected by the Special Contract rate to Air Products.*

**Response:**

**This requirement is addressed in the testimony of Company Witness Spaeth.**



# COST ALLOCATION MANUAL

As Of December 31, 2022

Corporate Accounting



The manual has been written to document AEP's approach to cost allocation and transfer pricing of affiliate transactions. Its purposes are to

- provide an easily referenced source of information
- state and clarify policy
- formalize procedures
- provide a basis of communication between all employees concerning cost allocation matters
- meet all regulatory requirements for maintaining a cost allocation manual.

The contents of the manual have been approved by management. Responsibility for adhering to the policies and procedures rests with every employee.

The manual is maintained in the A-Z index of AEP Now, under 'Cost Allocation Manual'. Maintenance of the documents incorporated in the manual by reference is the responsibility of the individuals and groups designated in the manual.

Errors in content and other requests for revision of this manual should be directed to the attention of Brian T. Lysiak.

Brian T. Lysiak  
Senior Manager - Corporate Accounting

Jeffrey W. Hoersdig  
Assistant Controller - Corporate Accounting



**CAM  
Amendment Record**

Rev. No.	Date Issued	Rev. No.	Date Issued	Rev. No.	Date Issued	Rev. No.	Date Issued
1	01-02-01	26	03-15-13	51		76	
2	10-22-01	27	08-31-13	52		77	
3	05-10-02	28	03-27-14	53		78	
4	10-18-02	29	09-15-14	54		79	
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## HOW TO USE THIS MANUAL

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### SUMMARY

This Manual is divided into

TABS - major divisions within the manual

SECTIONS - divisions within a TAB

SUBJECTS - divisions within a SECTION.

### DOCUMENT NUMBERING

Each document (i.e., subject) has a unique 6-digit number. This number is divided into 3 sets of two digits which are separated by dashes.

### SYSTEM

EXAMPLE: **05 - 03 - 02**  
TAB-SECTION-SUBJECT

### INDEXES

The alphabetic subject index is the key to this manual. It appears in the "Controls" TAB following this document.

### Alphabetic Subject

The alphabetic subject index (00-00-03) lists every subject in this manual in alphabetical order along with the document number at which each subject may be located. To be able to retrieve information, each subject (and important captions within a subject) are listed three or more ways in the index.

### Locating a Document

Document numbers appear in bold print on the upper right corner of each page (see top of this page). To locate a Subject:

1. Refer to the Alphabetic Subject Index and locate the SUBJECT you need.



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## HOW TO USE THIS MANUAL

2. Note the Document Number indicated

EXAMPLE: **05-03-02**

Locating a Document  
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3. Locate TAB 5 of the manual and within this TAB find SECTION 03 and SUBJECT 02. Or, if you are viewing this manual electronically using Acrobat Reader, simply click on the subject line listed in the table of contents.

TABLE OF CONTENTS

The table of contents (00-00-01) is intended to give a cover-to-cover overview of the manual contents and organization. It lists contents of a TAB to the SUBJECT level in document number order. (Subjects are listed alphabetically in the Alphabetic Subject Index).

FORMAT

The format followed for each TAB within this manual may vary. Uniformity of format has been attempted to the extent practicable.

DISTRIBUTION

The AEPSC Corporate Accounting Department is solely responsible for the issuance, revision and distribution of all copies of this manual and database.

Revisions or additions to the manual will be issued as required. If practical, such revisions and/or additions will be accumulated and issued periodically as a group. The date of the latest revision or addition will appear at the bottom of the page in the left-hand corner.

AMENDMENTS

All users of this manual are urged to contribute ideas and suggestions for

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revisions to this manual.

### Amendment Record

An amendment record is kept of all revisions to this manual. The amendment record appears in the front of this manual as the first document in the "Controls" SECTION.



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This subject index lists every subject included in this manual in alphabetical order. The location document number is given for each subject. To aid retrievability, subjects are listed in two or more different ways.

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## OVERVIEW (GENERAL)

---

### SUMMARY

American Electric Power Company, Inc. (AEP) is a public utility holding company. It has subsidiaries that conduct regulated operations and non-regulated operations.

### BUSINESS

AEP is one of the United States' largest generators of electricity and owns the nation's largest electricity transmission system. AEP delivers electricity to customers in eleven states: Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia and West Virginia.

Wholly-owned subsidiaries are involved in power engineering and construction services and energy management.

### ORGANIZATION CHART

The ownership relationship between AEP, its subsidiaries, and their subsidiaries at successive levels is captured in AEP's corporate chart.

### AFFILIATE TRANSACTIONS

AEP, its subsidiaries and certain other affiliates in the AEP holding company system conduct capital (i.e., financial) transactions among themselves. The subsidiaries, in certain situations, also perform services for one another.



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OVERVIEW

## SUMMARY

American Electric Power Company, Inc. (AEP) is a public utility holding company. It has direct subsidiaries (first tier) and indirect subsidiaries (second tier and lower).

## CORPORATE CHART

A listing of the direct and indirect subsidiaries of AEP, including domestic and foreign subsidiaries, is contained in AEP's corporate organization chart.



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CORPORATE CHART

## SUMMARY

American Electric Power Company, Inc. (AEP) is a public utility holding company. It has no customers or employees nor does it own any utility property. AEP does own common stock of ten operating electric utility companies.

AEP also owns common stock of American Electric Power Service Corporation (AEPSC) and other domestic and foreign subsidiaries.

AEPSC is a management, professional and technical services organization that provides such services, at cost, to AEP, the operating electric utility companies in the AEP System, and other affiliated companies.

Other AEP subsidiaries provide power engineering, energy consulting and energy management services.

## CORPORATE ORGANIZATION CHART

The following organization chart lists hierarchically all of the direct and indirect subsidiaries of AEP. Company names are indented to identify them as subsidiaries of the company that is listed immediately above them at the next tier. Some companies are subsidiaries of more than one company. The footnotes provide a general description of the business conducted by each company.





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## CORPORATE CHART

Name	Notes:
American Electric Power Company, Inc.	[Note A]
01. Abstract Digital, LLC	[Note I]
01. AEP Coal, Inc.	[Note L]
02. AEP Kentucky Coal, LLC	[Note L]
02. Snowcap Coal Company, Inc.	[Note L]
01. AEP Credit, Inc.	[Note R],[VIE]
01. AEP Energy Supply LLC	[Note I]
02. AEP Clean Energy Resources, LLC.	[Note X]
03. AEP Wind Holdings, LLC	[Note X]
04. AEP ABW Holdings, LLC	[Note X]
05. Apple Blossom Wind Holdings, LLC	[Note X],[VIE]
06. Apple Blossom Wind, LLC	[Note X]
04. AEP BOGW Holdings, LLC	[Note X]
05. Black Oak Getty Wind Holdings, LLC	[Note X],[VIE]
06. Black Oak Wind, LLC	[Note X]
04. AEP Renewables Development, LLC	[Note X]
04. AEP Renewables Procurement Services, LLC	[Note X]
04. AEP Wind Turbine Holdings, LLC	[Note X]
04. Auwahi Wind, LLC	[Note X]
05. Auwahi Holdings, LLC	[Note X]
06. Auwahi Wind Energy, LLC	[Note X]
04. Auwahi Wind 2, LLC	[Note X]
04. Cedar Creek II Wind Energy, LLC	[Note X]
05. Cedar Creek II Holdings, LLC	[Note X]
06. Cedar Creek II, LLC	[Note X]
04. Flat Ridge 2 Wind, LLC	[Note X]
04. Flat Ridge 3 Wind Energy, LLC	[Note X]
05. Flat Ridge Interconnection LLC	[Note X]
04. Fowler Ridge II Wind, LLC	[Note X]
05. Fowler II Holdings LLC	[Note X]
06. Fowler Ridge II Wind Farm, LLC	[Note X]
04. Mehoopany Wind, LLC	[Note X]

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## CORPORATE CHART

05. Mehoopany Wind Holdings LLC	[Note X]
06. Mehoopany Wind Energy LLC	[Note X]
04. Prairie Hills 3 Wind, LLC	[Note X]
02. AEP Energy Partners, Inc.	[Note W]
02. AEP Energy Services LLC	[Note W]
02. AEP Generation Resources Inc.	[Note E]
03. Conesville Coal Preparation Company	[Note M]
03. Ohio Franklin Realty, LLC	[Note T]
04. Central Coal Company (Inactive)	(Inactive), [Note K]
02. AEP OnSite Partners, LLC	[Note I]
03. Brainerd Solar, LLC	[Note I]
03. Broad Street Fuel Cell, LLC	[Note I], [VIE]
03. Century West PNL, LLC	[Note I]
03. Clyde OnSite Generation, LLC	[Note I]
03. Dynasty PNL, LLC	[Note I]
03. Exeter Solar Power 1, LLC	[Note I]
03. Garnet Solar Partners, LLC	[Note I]
03. Imboden II Solar, LLC	[Note I]
03. Imboden III Solar, LLC	[Note I]
03. Kamaaha PNL, LLC	[Note I]
03. Kona CE, LLC	[Note I]
03. Martinsville OnSite Generation, LLC	[Note I]
03. Midwest Energy Finance, LLC	[Note I]
03. NM Renewable Development, LLC	[Note I]
04. NMRD Data Center, LLC	[Note I]
04. NMRD Data Center II, LLC	[Note I]
05. NMRD Data Center II-Britton, LLC	[Note I]
04. NMRD Data Center III, LLC	[Note I]
05. NMRD Data Center III-Encino, LLC	[Note I]
04. NMRD Data Center IV, LLC	[Note I]
03. North Smithfield Solar Power 1, LLC	[Note I]
03. Northwest Jacksonville Solar Partners, LLC	[Note I]
03. Ogdensburg Solar Partners, LLC	[Note I]



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## CORPORATE CHART

03. Pine Hill Solar Partners, LLC	[Note I]
03. Quincy II Solar Garden, LLC	[Note I]
03. Rutland Renewable Energy, LLC	[Note I]
03. South River Onsite Generation, LLC	[Note I]
03. Sunset Lakeview PNL, LLC	[Note I]
03. SoCore Sherburne 1, LLC	[Note I]
03. Trout Creek Solar, LLC	[Note I]
03. Twin Lantern Solar Partners, LLC	[Note I]
02. AEP Renewables, LLC	[Note I]
03. Boulder Solar II, LLC	[Note I]
03. Great Bend Solar, LLC	[Note I]
03. Harry Allen Solar Energy, LLC	[Note I],[VIE]
03. Jacumba Solar, LLC	[Note I]
03. Pavant Solar III, LLC	[Note I]
03. Santa Rita East Wind Energy Holdings, LLC	[Note X],[VIE]
04. Santa Rita East Wind Energy, LLC	[Note X]
02. AEP Retail Energy Partners LLC	[Note I]
03. AEP Energy, Inc.	[Note I]
04. Blue Star Energy, LLC	[Note I]
03. BSE Solutions LLC	[Note I]
02. CSW Energy, Inc.	[Note I]
03. AEP Properties, LLC	[Note X]
03. Desert Sky Wind Farm LLC	[Note X]
03. Trent Wind Farm, LLC	[Note X]
01. AEP Generating Company	[Note E],[VIE]
01. AEP Investments, Inc.	[Note F]
02. Adelphi Bank	[Note I]
02. AEP Cyber Risk, LLC	[Note I]
02. AEP Investments Holding Company, Inc.	[Note D]
03. AEP Energy Services Gas Holding Company	[Note D]
02. AEP Ventures, LLC	[Note GG]
02. Braemar Energy Ventures III, LP	[Note DD]
02. Chargepoint, Inc.	[Note DD]

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## CORPORATE CHART

02. ClearSky, Inc.	[Note DD]
02. Columbus Collaboratory LLC	[Note DD]
02. EnerBlu, Inc.	[Note DD]
02. Main Spring Energy, Inc.	[Note DD]
02. GridEdge Networks, Inc.	[Note DD]
02. Novinium, Inc.	[Note DD]
02. Utilidata, Inc.	[Note DD]
02. Westly Capital Partners Fund III, L.P.	[Note DD]
01. AEP Nonutility Funding LLC	[Note AA]
01. AEP Pro Serv, Inc.	[Note I]
02. United Sciences Testing, Inc.	[Note B]
01. AEP T&D Services, LLC	[Note BB]
01. AEP Texas, Inc	[Note J]
02. AEP Texas Central Transition Funding III LLC	[Note AA],[VIE]
02. AEP Texas North Generation Company, LLC	[Note E]
02. AEP Texas Restoration Funding, LLC	[Note AA],[VIE]
02. 926 Pulliam Street	[Note T]
01. AEP Transmission Holding Company, LLC	[Note P]
02. AEP Storage Holding Company, LLC	[Note P]
03. AEP Storage New York, LLC	[Note P]
02. AEP Transmission Company, LLC	[Note P]
03. AEP Appalachian Transmission Company, Inc.	[Note P]
03. AEP Indiana Michigan Transmission Company Inc.	[Note P]
03. AEP Kentucky Transmission Company, Inc.	[Note P]
03. AEP Ohio Transmission Company Inc.	[Note P]
03. AEP Oklahoma Transmission Company, Inc.	[Note P]
03. AEP Southwestern Transmission Company, Inc.	[Note P]
03. AEP West Virginia Transmission Company, Inc.	[Note P]
02. Bold Transmission LLC	[Note P]
02. Electric Transmission Texas, LLC	[Note P]
02. Grid Assurance LLC	[Note P]
02. PATH West Virginia Series	[Note P],[VIE]
03. PATH West Virginia Transmission Company, LLC	[Note P]



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## CORPORATE CHART

02. Pioneer Transmission, LLC	[Note P]
02. Potomac-Appalachian Transmission Highline, LLC	[Note P]
02. Prairie Wind Transmission, LLC	[Note P]
02. RITELine Indiana, LLC	[Note P],[VIE]
02. RITELine Transmission Development, LLC	[Note P],[VIE]
03. RITELine Illinois, LLC	[Note P]
03. RITELine Indiana, LLC	[Note P],[VIE]
02. Transource Energy, LLC	[Note P],[VIE]
03. Golden State Transmission, LLC	[Note A]
03. Transource Delaware, Inc.	[Note P]
03. Transource Illinois, LLC	[Note P]
03. Transource Indiana, LLC	[Note P]
03. Transource Kansas Company, LLC	[Note P]
03. Transource Kentucky, LLC	[Note P]
03. Transource Maryland, LLC	[Note P]
03. Transource Michigan, Inc.	[Note P]
03. Transource Missouri, LLC	[Note P]
03. Transource New England, LLC	[Note P]
03. Transource New Jersey, LLC	[Note P]
03. Transource New York, LLC	[Note P]
04. Transource New York Development Company, Inc.	[Note T]
03. Transource North Carolina, LLC	[Note P]
03. Transource Ohio, LLC	[Note P]
03. Transource Oklahoma, LLC	[Note P]
03. Transource Pennsylvania, LLC	[Note P]
03. Transource Tennessee, Inc.	[Note P]
03. Transource Texas, LLC.	[Note P]
03. Transource Virginia, Inc.	[Note P]
03. Transource West Virginia, LLC	[Note P]
03. Transource Wisconsin, LLC	[Note P]
01. AEP Utility Funding, LLC	[Note AA]
01. American Electric Power Service Corporation	[Note B],[VIE]
02. American Electric Power Foundation	[Note FF]

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## CORPORATE CHART

01. Appalachian Power Company	[Note J]
02. Appalachian Consumer Rate Relief Funding LLC	[Note AA],[VIE]
02. Cedar Coal Co. (Inactive)	(Inactive),[Note K]
02. Center McGuire Master Tenant LLC	[Note T]
03. Center Landlord LLC	[Note T]
02. Central Appalachian Coal Company (Inactive)	(Inactive),[Note K]
02. Central Coal Company (Inactive)	(Inactive),[Note K]
02. Southern Appalachian Coal Company (Inactive)	(Inactive),[Note K]
01. Franklin Real Estate Company	[Note T]
02. Indiana Franklin Realty, Inc.	[Note T]
01. Indiana Michigan Power Company	[Note J]
02. Blackhawk Coal Company (Inactive)	(Inactive),[Note K]
02. Price River Coal Company, Inc. (Inactive)	(Inactive),[Note K]
01. Kentucky Power Company	[Note J]
01. Kingsport Power Company	[Note J]
01. Kyte Works, LLC	[Note I]
01. Ohio Power Company	[Note J]
02. NCT Ventures Fund II	[Note AA]
02. Ohio Valley Electric Corporation	[Note E],[VIE]
03. Indiana-Kentucky Electric Corporation	[Note E]
02. Rev1 Ventures Fund I	[Note DD]
01. Ohio Valley Electric Corporation	[Note E],[VIE]
02. Indiana-Kentucky Electric Corporation	[Note E]
01. Oil Casualty Insurance, Ltd.	[Note I]
01. PowerTree Carbon Company, LLC	[Note D]
01. Public Service Company of Oklahoma	[Note J]
02. Sundance Wind Project, LLC	[Note J]
02. Maverick Wind Project, LLC	[Note J]
02. Traverse Wind Project, LLC	[Note J]
01. Southwestern Electric Power Company	[Note J]
02. Arkansas Coalition for Affordable and Reliable Electricity, LLC [ACARE]	[Note F],[VIE]
02. Dolet Hills Lignite Company, LLC	[Note L],[VIE]



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## CORPORATE CHART

02. Mutual Energy SWEPCo, LLC	[Note W]
02. Oxbow Lignite Company, LLC	[Note L]
02. Southwest Arkansas Utilities Corporation	[Note T]
02. Sundance Wind Project, LLC	[Note J]
02. Maverick Wind Project, LLC	[Note J]
02. Traverse Wind Project, LLC	[Note J]
02. 926 Pulliam Street	[Note T]
01. Wheeling Power Company	[Note J]

Variable Interest Entity (VIE) in accordance with generally accepted accounting principles, no costs are allocated to this entity.

Notes:
A. Public utility holding company.
B. Management, professional and technical services.
C. Telecommunications.
D. Broker and market energy commodities.
E. Generation.
F. Investor in companies developing energy-related ideas, products and technologies.
G. Distributed generation products.
H. International energy-related investments, trading and other projects.
I. Non-regulated energy-related services and products.
J. Domestic electric utility.
K. Coal mining (inactive).
L. Coal mining (active).
M. Coal preparation.
N. Inactive.
O. Subsidiary public utility holding company.
P. Electric transmission.
Q. Leasing.
R. Accounts receivable factoring.
S. Independent power.

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CORPORATE CHART

T. Real estate.
U. Staff augmentation to power plants.
V. Retail energy sales.
W. Marketing of natural gas, electricity or energy-related products.
X. Wind Power Generation.
Y. Barging Services
AA. Finance Subsidiary
BB. Energy services including operations, supply chain, transmission and distribution
CC. Gas pipeline and processing
DD. Domestic energy-related investments, trading and other projects
EE. Trust
FF. Nonprofit
GG. Broadband Services.



# Cost Allocation Manual

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Affiliate Transactions

Subject

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## OVERVIEW

---

### SUMMARY

The electric utilities in the AEP holding company system conduct transactions with each other, American Electric Power Service Corporation (AEPSC) and their non-regulated affiliates.

### AEPSC Services Rendered

AEPSC provides management, technical and professional services to other companies within the AEP holding company system.

**01-03-02**

### INTERCOMPANY PRODUCTS AND SERVICES

The electric utility companies provide products and services to each other and in certain cases they provide products and services to non-regulated affiliates and receive products and services from non-regulated affiliates.

**01-03-03**

### MONEY POOL

The operation of the AEP Utility and Non-utility Money Pool is designed to match, on a daily basis, the available cash and borrowing requirements of its participants, thus minimizing the need to borrow from external sources.

**01-03-04**

### RESEARCH AND DEVELOPMENT

Research and development (R&D) activities are generally performed by AEP System companies on a shared basis. AEPSC manages most R&D projects.

**01-03-05**

# Cost Allocation Manual

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Affiliate Transactions

Subject

OVERVIEW

---

## FINANCIAL TRANSACTIONS

The AEP System companies, although legally separated, operate on an integrated basis, as permitted by law and regulation. Financial transactions are conducted on a regular basis in support of the integrated activities.

**01-03-06**

## INTELLECTUAL PROPERTY

Revenues derived from non-associates for the resale and licensing of property protected by copyright, patent or trademark laws are shared among AEP affiliates and regulated by the Federal Regulatory Commission (FERC) under the Public Utility Holding Company Act of 2005.

**01-03-07**

## CONVENIENCE PAYMENTS

Payments made for the convenience of another associate company within the AEP System need to be kept to a minimum and be reimbursed immediately to the paying company.

**01-03-08**

# Cost Allocation Manual

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Affiliate Transactions

Subject

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## SERVICES RENDERED BY AEPSC

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### SUMMARY

The services provided by AEPSC are regulated by the Federal Energy Regulatory Commission (FERC) under the Public Utility Holding Company Act of 2005.

### SUMMARY OF AEPSC SERVICES

The following table provides a listing of services AEPSC provides to affiliate companies:

GROUP/FUNCTION	DESCRIPTION
Audit Services	Audit Services provides audit and review services to assist management and the Board of Directors in the effective discharge of their responsibilities to establish, maintain, and oversee a proper internal control environment.
Chief Administrative Officer Administration	Executive management support of all areas of the Chief Administrative Officer.
Chief Executive Officer Administration	Services provided by the office of the chairman.
Chief Security Officer Administration	The Chief Security Officer provides, among other items, overall direction and management to all companies in the AEP system, and includes the CEO and his staff.
Chief Financial Officer Administration	Executive management support of all areas of Finance, Accounting and



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Subject

SERVICES RENDERED BY AEPSC

GROUP/FUNCTION	DESCRIPTION
	Strategic Planning as well as miscellaneous accounting billings and adjustments.
Commercial Operations	Capture maximum value for surplus generation and secure competitive, low-cost supplies from the market to meet the needs of the AEP System. Operational analyses, responsible for decision support modeling, dispatch pricing, and position reporting. Manage and administer non-affiliated gas marketing.
Corporate Accounting	Corporate Accounting & Finance provides services such as maintaining the books and records, preparing all monthly entries to the ledgers, and developing and maintaining the accounting and business systems that support the utilities. Services also include financial and regulatory reporting, managing financial resources, performing tax compliance and ensuring compliance with generally accepted

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SERVICES RENDERED BY AEPSC

GROUP/FUNCTION	DESCRIPTION
	accounting principles and corporate accounting policy.
Corporate Communications	Corporate Communications provides local corporate communications by distributing information to employees, the media, customers, civic leaders, and the public at large. Provide feedback to management from those various groups.
Corporate Human Resources	Human Resources responsible for interpreting, defining, writing, and administering the Company's human resource policies and providing human resource services to all AEP employees. Responsible for compliance with all related bodies of regulation, including EEO, ERISA, and OSHA.
Corporate Planning and Budgeting	Corporate Planning & Budgeting provides long and short range financial planning services, strategic planning and analysis, and budget services..

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Subject

SERVICES RENDERED BY AEPSC

GROUP/FUNCTION	DESCRIPTION
Customer and Distribution Services	Customer Services resolves customer problems and manages customer relationships. Primarily provide support in the areas of customer operations, billing support, website development, and customer solution centers. Distribution Services provides mapping services, contract administration, data analysis and benchmarking, system budgeting, line training, project management, design and development of construction projects, drafting and engineering services, and planning services.
Distribution, Customer Ops, and Regulatory Services Administration	Other includes, among other items, executive management support of all areas of the Distribution, Customer Operations, and Regulatory Services.
Energy Supply Administration	Services include administration of coordinating the dispatch of AEP's competitive generation fleet and engage in marketing, risk

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SERVICES RENDERED BY AEPSC

GROUP/FUNCTION	DESCRIPTION
	management and retail activities in ERCOT, PJM and MISO.
Environment and Safety	Support of environmental and safety concerns.
Federal Affairs	Monitors and participates in rulemakings and other public policy discussions at various federal agencies.
Fossil and Hydro Generation	Provide power plants with engineering and technical resources necessary to manage day-to-day operations issues affecting unit reliability, availability, and equipment performance.
Generation Administration	Services provided by the Generation Administration.
Generation Business Services	Business support services for operation and maintenance of AEP generating assets.
Generation Engineering and Technical Services - Engineering Services	Administration of all generation assets: fossil, hydro, and engineering technical services
Generation Engineering and Technical Services -	Administration of all generation assets: fossil, hydro, and

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Affiliate Transactions

Subject

SERVICES RENDERED BY AEPSC

GROUP/FUNCTION	DESCRIPTION
Project and Construction	engineering technical & project and construction
Information Technology	Information processing, business unit support, application development, client computing and technical software support and EAS solutions and telecommunication operations.
Investor Relations	Investment services.
Legal	Legal counsel and public/regulatory policy for questions, issues, cases, etc. for all aspects of the AEP System.
Real Estate and Workplace Services	Real Estate and Workplace Services is responsible for areas of facilities management, office services, physical security and land management.
Regulated Commercial Operations	Commercial Operations services include coordinating the dispatch of AEP's generation fleet and engage in bulk power market activity in order to serve native load requirements and



# Cost Allocation Manual

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Affiliate Transactions

Subject

SERVICES RENDERED BY AEPSC

GROUP/FUNCTION	DESCRIPTION
	to lower customer rates through off-system sales. Also responsible for fuel procurement, fuel contract negotiation and administration, fuel inventory management, and fuel planning and analysis.
Regulatory Services	Support of system wide regulatory and rate analysis.
Risk and Strategic Initiatives	Coordination of risk assessment, credit risk management and insurance coverage.
Supply Chain & Fleet Operations	Supply Chain and Fleet Services are responsible for fleet support, which encompasses the provision and support of vehicles and related equipment. Also provides materials management services, procurement and contracting services.
Transmission Administration	Services provided by Transmission Administration.
Transmission Asset Strategy and Policy	Executive management support of all areas of Transmission.
Transmission Field Services	Transmission Field Services is responsible

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Subject

SERVICES RENDERED BY AEPSC

GROUP/FUNCTION	DESCRIPTION
	for the maintenance and emergency restoration of the AEP transmission system and distribution station facilities.
Transmission Grid Development & Portfolio Services	Transmission Strategy and Business Development Services is responsible for developing and executing transmission strategy and business plans in alignment with AEP's corporate strategy.
Transmission-Engineering and Project Services	Transmission Field Services is responsible for the maintenance and emergency restoration of the AEP transmission system and distribution station facilities.
Treasury	Cash management, and financing services.



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Affiliate Transactions

Subject

Intercompany Products and Services

## SUMMARY

The non-tariffed products and services provided by AEP's regulated utilities to affiliate companies and vice versa are governed by written agreements between and among the companies (see TAB 04 in this manual). The following tables describe the nature of the various transactions that are conducted with affiliates in three categories:

- products and services provided by regulated utilities to non-regulated affiliates
- products and services provided to regulated utilities by non-regulated affiliates
- products and services provided by regulated utilities to each other.

## PRODUCTS AND SERVICES PROVIDED BY REGULATED UTILITIES TO NON-REGULATED AFFILIATES

The following table describes the nature of products and services provided by the AEP System's regulated utilities to non-regulated affiliates:

<i>CATEGORY</i>	<i>DESCRIPTION</i>
Facilities Management	Construct, operate and maintain equipment, approval of outside contracts & monitoring work of contractors.
Pole Attachments	Lease poles and towers for communication and other purposes.
Customer Accounting	Service, administer, and collect receivables sold to

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Affiliate Transactions

Subject

Intercompany Products and Services

<i>CATEGORY</i>	<i>DESCRIPTION</i>
	AEP Credit, Inc.
Land Management	Provide consulting services related to the buying and selling of real estate; including site appraisals and site maintenance services.
Corporate Services	Provide office space, furnishings, and equipment. Provide consulting services related to maintenance of owned and leased facilities.
Building Space and Office Services	Bill rent and carrying charges for building space occupied.
Equipment Rentals	Lease short-term equipment rentals.
Materials and Supplies (inventory transfers)	Provide materials from storerooms. Charges include the cost of the materials and supplies and appropriate stores overheads. Stores overheads include costs associated with purchasing and maintaining the materials and supplies inventory.

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Affiliate Transactions

Subject

Intercompany Products and Services

<i>CATEGORY</i>	<i>DESCRIPTION</i>
Telecom Communication Services & Maintenance	Effective January 1, 2014, AEP Generation Resources (AGR) has contracted with Ohio Power Company (OPCo) to provide bandwidth, local phone service and maintenance services on telecommunication equipment owned by AGR. These services provided by OPCo will be billed to AGR at the higher of cost or market, in compliance with the asymmetric pricing rules.

PRODUCTS AND SERVICES PROVIDED TO REGULATED UTILITIES BY NON-REGULATED AFFILIATES

The following table describes the nature of products and services provided to the AEP System's regulated utilities by non-regulated affiliates:

<i>CATEGORY</i>	<i>DESCRIPTION</i>
Testing Services	USTI provides environmental testing services to our generation facilities. These services provided by USTI will be billed to the regulated generation facilities at the lower of cost or market, in compliance with the

# Cost Allocation Manual

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Affiliate Transactions

Subject

Intercompany Products and Services

	asymmetric pricing rules.
--	---------------------------

PRODUCTS AND SERVICES PROVIDED BY REGULATED UTILITIES TO EACH OTHER (Including Coal Mining Subsidiaries)

The following table describes the nature of products and services provided by the AEP System's regulated utilities to each other:

<i>CATEGORY</i>	<i>DESCRIPTION</i>
Materials and Supplies (inventory transfers)	Materials supplied from company storerooms shall include the material cost and stores overheads. Overheads include costs associated with purchasing and maintaining materials and supplies inventory.
Equipment Maintenance	Provide personnel and services to perform regular and emergency equipment repairs (primarily for operating plant equipment).
Simulator Training	Provide personnel and facility to train power plant personnel on the operation of 1300 MW units.
Building Space and	Billing of rent and

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Subject

Intercompany Products and Services

<i>CATEGORY</i>	<i>DESCRIPTION</i>
Office Services	carrying charge for building space occupied.
Water Transportation, Coal and Consumables Handling, and Gypsum	Provide barging and services at transfer terminals and other coal handling facilities.
Railcar Maintenance	Billing for routine inspection and repair work on railcar hopper fleet.
Railcar Usage	Usage of railcars by other companies.
Mining (including mine shutdown costs)	Affiliated companies mine and provide coal and lignite to electric utilities on a cost reimbursement basis.
Power Coordination Agreement (power purchases and sales)	Sharing of power production and off-system sales and purchases among AEP System generating companies.
Emergency Assistance	Provide personnel to restore electric service interrupted by natural disasters.
EHV Transmission System	Sharing of costs incurred regarding the ownership, operation and maintenance of AEP's extra-high voltage (EHV) transmission system.

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Intercompany Products and Services

<i>CATEGORY</i>	<i>DESCRIPTION</i>
Energy Distribution System	Provide personnel and services to perform engineering, metering, drafting, line work, customer services, right-of-way maintenance work, design of construction projects, contract administration and administrative planning.
Energy Transmission	Provide personnel and services to perform transmission line work, protection & control, and station and engineering work.
Energy Delivery Support	Provide personnel and services to perform measurements, telecommunications, forestry and real estate work.
Administrative Support	Provide personnel and services to perform environmental, governmental affairs, fleet management, building services and mail services.
Hydro Plant	Provide supervision, maintenance and operation of hydro plant and associated facilities.



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Intercompany Products and Services

<i>CATEGORY</i>	<i>DESCRIPTION</i>
Joint Facilities	Share costs of operations and maintenance of jointly owned facilities (primarily generating plants and HVDC transmission facilities).
Capitalized Spare Parts	Capitalized spare parts are sold by the utilities to each other at cost.
Coal Supply	Sale of Coal to the operating companies.
Waste Disposal	Provide waste handling and landfill services
Consumables Handling	Provide Services for transloading UREA.
Coal Handling	Provides trans-loading services at Cook Terminal.
Transmission Training	Provide transmission employees with training.



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MONEY POOL

## SUMMARY

The AEP System Utility Money Pool and the AEP System Nonutility Money Pool are arrangements structured to meet the short-term cash requirements of their participants. The operation of the two Money Pool arrangements is designed to match, on a daily basis, the available cash and borrowing requirements of participants, thereby minimizing the need to borrow from external sources.

## AUTHORITY

The AEP System Utility Money Pool and the AEP System Nonutility Money Pool operate consistently with the terms and conditions of their respective agreements. The AEP System Utility Money Pool Agreement is filed with the Federal Energy Regulatory Commission (FERC).

## PARTICIPANTS

The AEP System Utility Money Pool participants are certain of AEP regulated direct and indirect subsidiaries as well as certain nonutility subsidiaries. The AEP System Nonutility Money Pool Agreement participants are certain of AEP unregulated direct and indirect subsidiaries. Each participant may withdraw any of its funds from the respective Money Pool to which it belongs at any time upon notice to American Electric Power Service Corporation (AEPSC).

## AGENT

AEPSC acts as the administrative agent of the Utility and Nonutility Money Pools. As of February 24, 2016 AEPSC no longer participates in the Utility Money Pool.

## FUNDING ENTITIES

AEP may engage in various types of short-term financings to fund the daily needs of the money pools. AEP Utility Funding LLC was formed to fund the Utility Money Pool



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and AEP Nonutility Funding LLC was formed to fund the Nonutility Money Pool. Any funds transferred to the Money Pool will flow through the applicable Funding LLC. The Utility Funding LLC may obtain funds from external sources, or AEP. The Nonutility Funding LLC will obtain its funds from AEP.

The Funding LLCs are solely financial conduits.

## RULES

American Electric Power Company, Inc. (AEP), AEP Utility Funding LLC, and AEP Nonutility Funding LLC will not borrow funds from the Utility or Nonutility Money Pools or their participants.

Participants in the Nonutility Money Pool will not engage in lending and borrowing transactions with participants of the Utility Money Pool.

Each participant, except AEP and AEP Utility Funding LLC, and AEP Nonutility Funding LLC has the right to borrow from its respective Money Pool from time to time, subject to the availability of funds and other limitations.

No participant is obligated to borrow from its respective Money Pool if lower cost funds can be obtained from its own external borrowing.

## PROCESS

Available funds in the treasuries of the participants in the individual Utility and Nonutility Money Pools are individually "pooled" together. Within each money pool the cash position of each Money Pool participant is determined on a daily basis.

The pooled funds are either loaned to other



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participants within the pool or invested in short-term cash instruments.

If the cash needs of the Utility and/or Nonutility Money Pools exceed the pooled funds, additional funds are raised through external borrowings from the sale of commercial paper notes as well as certain other means to the extent permitted by law and regulatory orders.

A daily interest rate is calculated for each money pool and applied to all participant borrowings and investments.

The interest rate for the Utility Money Pool is the composite weighted-average daily effective cost incurred by AEP, and/or AEP Utility Funding LLC for short-term borrowings from external sources or an equivalent rate when there is no external borrowing.

The interest rate for the Nonutility Money Pool is the composite weighted-average daily effective cost incurred by AEP for short-term borrowings from external sources or an equivalent rate when there is no external borrowing, plus a margin if the Participant's internal credit rating is lower than that of the Leading Parties.

If surplus funds exist in the treasuries of the Utility and/or Nonutility money pools, an external investment is made on behalf of the respective money pool with the surplus.

Interest income related to external investment of surplus funds is calculated

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MONEY POOL

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daily and allocated back to the lending participants based on their relative contribution to the surplus.

Money Pool participants are also charged a pro rata cost of certain expenses associated with their borrowing program, including fees associated with bank lines of credit, rating agencies, and the issuing and paying agent.



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RESEARCH AND DEVELOPMENT

## SUMMARY

Research and development (R&D) projects are generally managed by AEPSC on behalf of other AEP System companies. The services performed by AEPSC are billed to the respective parties through the AEPSC billing system. Every shared project is billed using one of the approved Allocation Factors (see the Appendix to this manual for a complete list of approved Allocation Factors).

In many cases, an AEP System operating company provides the site for conducting the R&D activity and/or procures the equipment and materials needed to conduct the research. In these cases, the operating company acts as the lead company for all other participants and is responsible for the payment of all costs it incurs on behalf of the other participants.

The costs incurred by the lead company are shared with and billed to the other AEP participants through a separate R&D accounting and billing process. The R&D accounting and billing process uses the same Allocation Factor for each project that AEPSC uses to bill its support costs.

## PROCEDURE

Operating company billings for R&D are performed on a fully-allocated cost basis (i.e., the billings include both direct and indirect costs).

## Non-Productive Pay

The cost of employee vacations, holidays, jury duty and other paid absences are accrued and loaded on to labor dollars.

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## RESEARCH AND DEVELOPMENT

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Fringe benefits  
Procedure

The cost of fringe benefits such as pension expense is loaded on to labor dollars.

A&G OVERHEADS

Administrative and general (A&G) overheads are loaded to R&D projects in the R&D accounting and billing process based on the labor dollars charged to each project.

Direct Costs

All direct costs of a R&D project, including productive labor, are captured along with the indirect costs described above.

BILLING

The lead company of any shareable R&D project will bill its associates their respective share of the incurred R&D costs. The costs billed to the associate companies will be exclusive of any costs that are incurred by AEPSC since such costs are appropriately allocated through the AEPSC work order billing system. The lead company will retain its share of any incurred costs.



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## FINANCIAL TRANSACTIONS

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### SUMMARY

The AEP System companies, although legally separated, operate on an integrated basis as permitted by law and regulation. Financial transactions are conducted on a regular basis in support of the integrated activities.

### FINANCIAL TRANSACTIONS

The following table provides a summary of the primary financial transactions the AEP System companies conduct with each other that are not covered elsewhere in this Section of this manual:

<i>CATEGORY</i>	<i>DESCRIPTION</i>
Loans	Debt obligations.
Capital Contributions	Common stock purchases as well as paid-in capital transactions.
Accounts Receivables Factoring	AEP Credit, Inc. (formerly CSW Credit, Inc.) buys the accounts receivables of certain of the electric utility affiliates.
Credit Line Fees	Credit line fees are shared among AEP System companies.
Dividend Payments	Dividend payments are made by subsidiaries to their parent companies.
Real and Personal Property	Title to and/or rights in real or personal property acquired and held by an AEP affiliate as Agent for another AEP affiliate.



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FINANCIAL TRANSACTIONS

<i>CATEGORY</i>	<i>DESCRIPTION</i>
Employee Loans, Accrued Compensation, Employee Relocation Expenses and Other Employee-Related Items	When an employee transfers from one AEP company to an affiliate, the receiving company pays the employee's relocation expenses. In addition, any amounts due to or from the employee are transferred to the receiving company from the sending company.
Money Pool	An arrangement designed to match the available cash and borrowings requirements of participants to minimize the need for external borrowings.

NOTE: Also see Document Numbers **01-03-04**, **01-03-05** and **01-03-08** for a discussion of the AEP Money Pool, Research & Development cost sharing and Convenience Payments, respectively.



# Cost Allocation Manual

Section

Affiliate Transactions

Subject

INTELLECTUAL PROPERTY

## SUMMARY

From time-to-time the unregulated companies of the American Electric Power system may enter into agreements with non-affiliated third parties for the licensing of technology developed by American Electric Power Service Corporation (AEPSC) and certain electric utility subsidiaries within the AEP System. These agreements, among other things, extend to the resale and licensing of property protected by copyright, patent or trademark laws (herein referred to as intellectual property).

## TERMS AND CONDITIONS FOR USE OF INTELLECTUAL PROPERTY BY UNREGULATED COMPANIES

If an unregulated company sells or licenses to non-affiliated intellectual property developed by AEPSC or any other AEP System company, such companies shall receive a percentage of the net profits and the unregulated company will receive a commission by having the unregulated pay the AEP System company that developed the intellectual property the amounts noted in the following table:

<b>REVENUE SHARING PROVISIONS</b>
<ol style="list-style-type: none"> <li>1. 70% of the revenues from the intellectual property until the AEP System company that developed the intellectual property recovers its programming and development costs; and</li> <li>2. 20% of such revenues thereafter.</li> </ol>

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INTELLECTUAL PROPERTY

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TERMS AND CONDITIONS FOR  
THE USE OF INTELLECTUAL  
PROPERTY DEVELOPED BY  
UNREGULATED COMPANIES

Intellectual property developed by an unregulated company will be made available to all associates in the AEP holding company system without charge, except for actual expenses incurred by an unregulated company in connection with making such intellectual property so available.



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Affiliate Transactions

Subject

SERVICE CORPORATION CONVENIENCE PAYMENTS

## SUMMARY

American Electric Power Service Corporation (AEPSC) provides services to other companies in the AEP Holding Company System. To the extent possible, the expenditures incurred by AEPSC should pertain exclusively to the services it performs.

## AEP POLICY

AEP's policy is to minimize AEPSC convenience payments. However, in some situations, AEPSC makes payments on behalf of other System companies as a matter of convenience. Generally, these convenience payments are made in an emergency situation or for cost-saving or timesaving purposes. The requester must recommend an allocation method for any Convenience Payment that pertains to two or more companies.

The distribution of the convenience payment among the appropriate companies will be provided by either the requester of the convenience payment or by AEPSC personnel acting on behalf of the requester. The distribution of the convenience payment can be provided on the face of the invoice to be paid, based upon anticipated benefits to be derived by the appropriate companies, or based upon existing AEPSC allocation methods. The most appropriate and/or reasonable method will be used for each specific convenience payment based on the type of transaction.

## REPORTING REQUIREMENTS

Annually AEPSC is required to report the amount paid during the past calendar year for convenience payments. The required information must be included in AEPSC's annual report that is filed with the Federal Energy Regulatory Commission (FERC) on FERC



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SERVICE CORPORATION CONVENIENCE PAYMENTS

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Form 60.

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Introduction

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## OVERVIEW (GUIDELINES)

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### SUMMARY

AEP has internal (i.e., Corporate) guidelines for cost allocation and inter-company billings. Federal and state authorities, either through legislation or formal rule making, have established cost allocation methods and affiliate transaction requirements.

### CORPORATE

AEP has established corporate policies and procedures for cost allocation and billing. Its cost allocation process includes both direct costs and indirect costs. Its inter-company billing process includes both direct billings to a single company and shared billings to a group or class of companies.

### FEDERAL REGULATION

The Federal Energy Regulatory Commission (FERC) regulates the AEP System's cost allocation process as well as the transactions that take place among the AEP System companies. AEP prices all transactions among the affiliate companies in the AEP System in accordance with the "at cost" standard, which was carried forward by the FERC under the PUHCA 2005.

### STATE COMMISSION RULES

AEP's eleven state commissions, to some degree, have established rules and regulations or other requirements relative to AEP's cost allocation practices and affiliate transactions. State commission authority in these areas, for the most part, is based on their authority to establish rates for retail customers.

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## OVERVIEW

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### SUMMARY

AEP's internal guidelines applicable to cost allocations are designed to result in a fair and equitable allocation of costs. Policies and procedures have also been formulated to meet regulatory standards both for cost allocation and affiliate transactions.

### COST ALLOCATION POLICIES AND PROCEDURES

Each AEP subsidiary maintains separate books and records. Transactions are coded and processed in a manner that meets all regulatory requirements. Proper audit trails are maintained so that costs can be traced from source documents all the way through the applicable accounting and billing systems.

**02-02-02**

### THE COST ALLOCATION PROCESS

Unless otherwise exempted, the AEP companies allocate costs between regulated and non-regulated operations, on a fully-distributed cost basis. Fully-distributed costs include all direct costs plus an appropriate share of indirect costs.

**02-02-03**

### COST POOLING AND COST ASSIGNMENT

Indirect costs are pooled and assigned to multiple companies or company segments in accordance with the relative benefits received or by other equitable means.

**02-02-04**

### ACCOUNT DESIGNATIONS

The operation and maintenance expense accounts in the Federal Energy Regulatory Commission's (FERC's) uniform system of accounts break functionally between regulated and non-regulated expenses.

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## OVERVIEW

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Certain administrative and general expenses include costs that can be attributed to both regulated and non-regulated activities. Some of AEP's generation has been restructured as a competitive activity, and therefore, the power production accounts in the FERC's system of accounts become non-regulated accounts.

**02-02-05**





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## COST ALLOCATION POLICIES AND PROCEDURES

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### SUMMARY

Cost allocation is the process of assigning a single cost to one or more company or company segments on the basis of the relative benefits received or other equitable basis. This document summarizes the underlying cost allocation policies and procedures that are applied on a corporate-wide basis by all AEP companies.

### POLICIES AND PROCEDURES

AEP's cost accounting and cost allocation policies and procedures shall not result in any cost subsidies among or between regulated and non-regulated operations. Unless otherwise exempted, all affiliate transactions for services or products will be conducted at fully allocated cost. For the transfer of capital assets, fully allocated cost shall equal the net book value of the capital asset.

The term "affiliate transactions" refers to all transactions between the utility and any separate affiliate company, both regulated and non-regulated, including all transactions between a utility's regulated operations (above-the-line) and non-regulated operations (below-the-line).

### Basic Goal

The basic goal of AEP's cost allocation policies and procedures are threefold:

- to ensure a fair and equitable distribution of costs among all benefiting parties
- to meet pertinent regulatory requirements
- to minimize the time and expense needed to record, audit and report transactions.



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## COST ALLOCATION POLICIES AND PROCEDURES

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Separate Books and  
Records

Each subsidiary of AEP shall maintain separate books and records and make maximum use of common accounting and business systems without violating any federal or state imposed code of conduct provisions relative to sensitive customer or non-public information.

Accounting Transactions

All financial accounting transactions will be recorded in accordance with corporate accounting policy using the appropriate chartfield values for each transaction. Each transaction will be recorded in accordance with the FERC Uniform System of Accounts as applicable to each subsidiary or affiliate.

Cross-Subsidies

AEP's cost accounting and cost allocation methods or procedures shall not result in any cost subsidies among or between regulated and non-regulated operations.

Cost Allocation

Factors to be considered in the Allocation of individual items of cost include, among other things:

- the relationship of the individual cost to the benefiting company or company segments
- generally accepted accounting principles
- best practices
- regulatory principles
- reasonableness of results



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## COST ALLOCATION POLICIES AND PROCEDURES

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### Audit Trail

A key requirement for allocating costs for affiliate transactions is the maintenance of adequate audit trails. The following audit trail standards shall be maintained for all transactions:

- vendor invoices, employee time records and expense accounts, general ledger journal entries and similar documentation will be available and accessible to adequately support the accuracy and validity of individual transactions
- all supporting documentation will be retained in accordance with the applicable regulatory requirements for records retention
- all posting to the providers' books of account or summary ledgers will be identifiable with the individual transactions that make up the total amount of the posting.

### Transfer Pricing of Affiliate Transactions

The predominant pricing standard among AEP's various regulatory jurisdictions for affiliate transactions is "fully-allocated cost." However, in certain jurisdictions and instances, the substantiation of market prices may be required because of state code of conduct or other rules or regulations.

For billing purposes, non-tariff products and services either purchased by or sold by one of AEP's regulated utilities will be priced at "fully-allocated cost".

In the case of products and services, "fully-allocated cost" approximates market

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## COST ALLOCATION POLICIES AND PROCEDURES

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value in most situations since the parties are simply sharing costs that reflect current market prices.

For the transfer of capital assets between an AEP regulated utility and an affiliate, "fully-allocated cost" shall equal the net book value of the asset (i.e., original cost less depreciation).

ACCESS TO BOOKS AND  
RECORDS

All lawful requests by regulators to obtain access to the books and records of an affiliate of a regulated utility for the purpose of setting the utility's cost-based rates shall be honored in a timely manner.

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## THE COST ALLOCATION PROCESS

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### SUMMARY

AEP allocates costs to regulated and non-regulated operations on a fully-distributed cost basis. Fully distributed costs include all direct costs plus an appropriate share of indirect (and common) costs.

### DIRECT COSTS

Direct costs can be identified with a particular activity and can be incurred on behalf of one or more companies or affiliates.

### INDIRECT COSTS

Indirect costs cannot be identified with a particular activity and must be charged to the appropriate activity or activities to which they relate using relevant cost allocators. Indirect costs include, but are not limited to, corporate or business unit overheads, general and administrative overheads, and certain taxes.

### COMMON AND JOINT COSTS

Common and joint costs, as distinguished from indirect costs, are costs that are of joint benefit between regulated and non-regulated business operations. These costs can include both direct and indirect costs.

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## THE COST ALLOCATION PROCESS

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### COST EXAMPLES

The following table provides examples of the expenses included in each cost category:

<b>Direct costs</b>	Direct labor; direct materials
<b>Indirect costs</b>	Board of Directors' fees; FICA tax; interest expense; other elements of Internal Support Costs and departmental overhead.
<b>Common costs</b>	Depreciation or rent expense on shared buildings; the expenses incurred in operating a common payroll system

### BASIC PROCESS

AEP allocates costs among regulated and non-regulated business operations following three basic steps:

1. To the maximum extent possible, within reasonable cost benefit standards, costs are collected and classified on a direct charge basis.
2. All costs, both direct and indirect, are attributed to activities (i.e., projects, products or services) which, by their very nature, are regulated, non-regulated, common or joint.
3. The costs of common or joint activities are allocated using either an output measure of the activity performed or the primary cost driver (or a relevant proxy in the absence of a primary cost driver).

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## THE COST ALLOCATION PROCESS

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### BILLINGS TO AFFILIATES

Any costs incurred for the benefit of only one client or affiliate are billed 100% to that client or affiliate.

Any costs incurred for the benefit of more than one client or affiliate are billed to the clients or affiliates for which the related service was performed using cost-causative allocation factors of the nature described in Step 3 of the basic allocation process (see above). For example, the cost accumulated for processing payroll is allocated and billed based on the ratio of each client's or affiliate's number of employees to the total number of employees of all clients or affiliates receiving the service.



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## COST POOLING AND COST ASSIGNMENT

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### SUMMARY

The financial accounting systems used by the AEP System companies are designed to pool allocable costs in a manner that leads to a fair and equitable distribution of costs among all affiliated companies and between regulated and non-regulated operations.

### UNDERLYING PRINCIPLE

The underlying principle in cost allocation is that the results must be fair and equitable. To meet this standard, the results must be reasonable and take into account the relative benefits received from each cost pool.

### POOLING METHODOLOGY

In order to perform fair and equitable cost allocations, AEP's financial accounting systems are designed to capture and pool costs at three basic levels:

- direct costs are costs which can be specifically assigned to final cost objectives;
- common or joint costs are costs which apply to more than one cost objective and can be attributed to them in reasonable proportion to the benefits received; and
- overhead costs relate to the overall operations of the business and, as such, have no direct relationship to any particular cost objective.





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## COST POOLING AND COST ASSIGNMENT

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### Sub-Pools

Common and joint costs along with overhead costs are further accumulated in various cost groupings (sub-pools). Examples include:

- salary-related costs (also known as fringes)
- compensated absences (i.e., non-productive pay)
- building costs
- technology costs
- general and administrative overhead
- construction overhead

### COST ASSIGNMENT

The AEP System pools and allocates costs at each level on a legal entity basis. That is, the costs incurred by one company do not affect the level of costs allocated by another company. Separate books and records are maintained for each company.

All companies assign direct costs on a 100% basis while common or joint costs are assigned or charged to multiple cost objectives in accordance with the relative benefits received or by other equitable means. Overhead costs are charged using reliable, cost-causative factors such as labor dollars, and total cost input.

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ACCOUNT DESIGNATIONS (Regulated, Non-Regulated and Joint)

## SUMMARY

As required by the Commonwealth of Kentucky's House Bill No. 897 [Section 4(f)], the Cost Allocation Manual (CAM) maintained by the electric utility must provide a report that identifies whether the costs contained in each account (or sub-account) of the Uniform System of Accounts (i.e., the USoA) are attributable to regulated operations, non-regulated operations, or are joint costs in nature. A description of the methodology used to apportion the costs shall also be included.

The allocation methodology must be consistent with the provisions of Section 3 of House Bill No. 897.

While this document has been prepared primarily to satisfy Kentucky's CAM requirement, the account designations included in the accompanying chart also apply to AEP's other electric utilities.

## ACCOUNT DESIGNATIONS

The chart which begins on the following page identifies those USoA operation and maintenance accounts that are considered to be regulated, non-regulated or joint. The chart pertains to all of AEP's regulated utilities to the extent that they use each account. As generation becomes deregulated in certain state jurisdictions, the accounts for power production expenses will become non-regulated.

## COST ALLOCATION

To the extent possible, costs are charged directly to either regulated or non-regulated operations as appropriate. Those "joint" costs that can not be directly charged are allocated between regulated and non-regulated operations based on the nature of the cost, using the appropriate

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ACCOUNT DESIGNATIONS (Regulated, Non-Regulated and Joint)

allocation basis from the List of Approved Allocation Factors used for Service Company billings.

CHART

FERC Account	Description	Reg.	Non Reg.	Joint
<b>Power Production Expenses</b>				
500.0	Oper Supervision & Engineering	No	No	Yes
501.0	Fuel	No	No	Yes
502.0	Steam Expenses	No	No	Yes
503.0	Steam from Other Sources	No	No	Yes
504.0	Steam Transferred-Credit	No	No	Yes
505.0	Electric Expenses	No	No	Yes
506.0	Misc Steam Power Expenses	No	No	Yes
507.0	Rents	No	No	Yes
508.0	Oper Supplies and Expenses	No	No	Yes
509.0	Allowances	No	No	Yes
510.0	Maint Supv & Engineering	No	No	Yes
511.0	Maintenance of Structures	No	No	Yes
512.0	Maintenance of Boiler Plant	No	No	Yes
513.0	Maintenance of Electric Plant	No	No	Yes
514.0	Maintenance of Misc Steam Plt	No	No	Yes
515.0	Maintenance of Steam Production Plant	No	No	Yes
517.0	Oper Supervision & Engineering	No	No	Yes
518.0	Nuclear Fuel Expense	No	No	Yes
519.0	Coolants and Water	No	No	Yes
520.0	Steam Expenses	No	No	Yes
521.0	Steam from Other Sources	No	No	Yes
522.0	Steam Transferred-Credit	No	No	Yes
523.0	Electric Expenses	No	No	Yes
524.0	Misc Nuclear Power Expenses	No	No	Yes
525.0	Rents	No	No	Yes
528.0	Maintenance Supervision and engineering	No	No	Yes
529.0	Maintenance of Structures	No	No	Yes
530.0	Maintenance of Reactor	No	No	Yes

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Subject

ACCOUNT DESIGNATIONS (Regulated, Non-Regulated and Joint)

FERC Account	Description	Reg.	Non Reg.	Joint
	Plant Equipment			
531.0	Maintenance of Electric Plant	No	No	Yes
532.0	Maintenance of Misc Nuclear Plant	No	No	Yes
535.0	Operation Supervision and Engineering	No	No	Yes
536.0	Water for Power	No	No	Yes
537.0	Hydraulic Expenses	No	No	Yes
<b>Power Production Expenses (Cont'd)</b>				
538.0	Electric Expenses	No	No	Yes
539.0	Misc Hydr Power Generation Exp	No	No	Yes
540.0	Rents	No	No	Yes
540.1	Operation Supplies and Expenses	No	No	Yes
541.0	Maintenance Supervision and Engineering	No	No	Yes
542.0	Maintenance of Structures	No	No	Yes
543.0	Maintenance of Reservoirs, Dams and Waterways	No	No	Yes
544.0	Maintenance of Electric Plant	No	No	Yes
545.0	Maintenance of Misc Hydraulic Plant	No	No	Yes
545.1	Maintenance of Hydraulic Production Plant	No	No	Yes
546.0	Operation Supervision and Engineering	No	No	Yes
547.0	Fuel	No	No	Yes
548.0	Generation Expenses	No	No	Yes
549.0	Misc Oth Pwr Gen - Gas Turbine	No	No	Yes
550.0	Rents	No	No	Yes
550.1	Operation supplies and expenses	No	No	Yes
551.0	Maint Supv & Engineering	No	No	Yes
552.0	Maintenance of Structures	No	No	Yes
553.0	Maintenance of Generating and Electric Plant	No	No	Yes
554.0	Maintenance of Misc Other Power Generation Plant	No	No	Yes

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ACCOUNT DESIGNATIONS (Regulated, Non-Regulated and Joint)

FERC Account	Description	Reg.	Non Reg.	Joint
554.1	Maintenance of Other Power Production Plant	No	No	Yes
555.0	Purchased Power	No	No	Yes
556.0	Sys Control & Load Dispatching	No	No	Yes
557.0	Other Expenses	No	No	Yes
<b>Transmission Expenses</b>				
560.0	Oper Supervision & Engineering	Yes	No	No
561.1	Load Dispatch--Reliability	Yes	No	No
561.2	Load dispatch--Monitor and operate transmission system	Yes	No	No
561.3	Load dispatch--Transmission service and scheduling	Yes	No	No
561.4	Scheduling system control and dispatch services	No	No	Yes
561.5	Reliability planning and standards development	Yes	No	No
561.6	Transmission service studies	Yes	No	No
561.7	Generation interconnection studies	Yes	No	No
561.8	Reliability planning and standards development services	Yes	No	No
562.0	Station Expenses	Yes	No	No
563.0	Overhead Line Expenses	Yes	No	No
564.0	Underground Line Expenses	Yes	No	No
565.0	Transmssion of Elect by Others	Yes	No	No
566.0	Misc Transmission Expenses	Yes	No	No
567.0	Rents	Yes	No	No
567.1	Operation Supplies and Expenses	Yes	No	No
568.0	Maint Supv & Engineering	Yes	No	No
569.0	Maintenance of Structures	Yes	No	No
569.1	Maintenance of computer hardware	Yes	No	No
569.2	Maintenance of computer software	Yes	No	No
569.3	Maintenance of communication equipment	Yes	No	No

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Corporate

Subject

ACCOUNT DESIGNATIONS (Regulated, Non-Regulated and Joint)

FERC Account	Description	Reg.	Non Reg.	Joint
569.4	Maintenance of miscellaneous regional transmission plant	Yes	No	No
570.0	Maint of Station Equipment	Yes	No	No
571.0	Maintenance of Overhead Lines	Yes	No	No
572.0	Maint of Underground Lines	Yes	No	No
573.0	Maint of Misc Transmssion Plt	Yes	No	No
574.0	Maintenance of Transmssion Plant	Yes	No	No
<b>Regional Market Expenses</b>				
575.1	Operation Supervision	Yes	No	No
575.2	Day-ahead and real-time market facilitation	Yes	No	No
575.3	Transmission rights market facilitation	Yes	No	No
575.4	Capacity market facilitation	Yes	No	No
575.5	Ancillary services market facilitation	Yes	No	No
575.6	Market monitoring and compliance	Yes	No	No
575.7	Market facilitation, monitoring and compliance services	Yes	No	No
575.8	Rents	Yes	No	No
576.1	Maintenance of structures and improvements	Yes	No	No
576.2	Maintenance of computer hardware	Yes	No	No
576.3	Maintenance of computer software	Yes	No	No
576.4	Maintenance of communication equipment	Yes	No	No
576.5	Maintenance of miscellaneous market operation plant			
<b>Distribution Expenses</b>				
580.0	Oper Supervision & Engineering	Yes	No	No
581.0	Load Dispatching	Yes	No	No



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Corporate

Subject

ACCOUNT DESIGNATIONS (Regulated, Non-Regulated and Joint)

FERC Account	Description	Reg.	Non Reg.	Joint
581.1	Line and Station Expense	Yes	No	No
582.0	Station Expenses	Yes	No	No
583.0	Overhead Line Expenses	Yes	No	No
584.0	Underground Line Expenses	Yes	No	No
585.0	Street Lighting & Signal Sys Exp	Yes	No	No
586.0	Meter Expenses	Yes	No	No
587.0	Customer Installations Exp	Yes	No	No
588.0	Miscellaneous Distribution Exp	Yes	No	No
589.0	Rents	Yes	No	No
590.0	Maint Supv & Engineering	Yes	No	No
591.0	Maintenance of Structures	Yes	No	No
592.0	Maint of Station Equipment	Yes	No	No
592.1	Maintenance of Structures and Equipment	Yes	No	No
593.0	Maintenance of Overhead Lines	Yes	No	No
594.0	Maint of Underground Lines	Yes	No	No
594.1	Maintenance of Lines	Yes	No	No
595.0	Maint of Line Transformers	Yes	No	No

Distribution Expenses (Cont'd)				
596.0	Maint of Street Lighting & Signal Systems	Yes	No	No
597.0	Maintenance of Meters	Yes	No	No
598.0	Maint of Misc Distribution Plt	Yes	No	No
Customer Accounts Expenses				
901.0	Supervision - Customer Accts	No	No	Yes
902.0	Meter Reading Expenses	No	No	Yes
903.0	Cust Records & Collection Exp	No	No	Yes
904.0	Uncollectible Accounts	No	No	Yes
905.0	Misc Customer Accounts Exp	No	No	Yes
Customer Services and Informational Expenses				
907.0	Supervision - Customer Service	No	No	Yes

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Subject

ACCOUNT DESIGNATIONS (Regulated, Non-Regulated and Joint)

FERC Account	Description	Reg.	Non Reg.	Joint
908.0	Customer Assistance Expenses	No	No	Yes
909.0	Information & Instruct Advertising Exp	No	No	Yes
910.0	Misc Cust Svc & Informational Exp	No	No	Yes
<b>Sales Expenses</b>				
911.0	Supervision - Sales Expenses	No	No	Yes
912.0	Demonstrating & Selling Exp	No	No	Yes
913.0	Advertising Expenses	No	No	Yes
916.0	Miscellaneous Sales Expenses	No	No	Yes
<b>Administrative and General Expenses</b>				
920.0	Administrative & Gen Salaries	No	No	Yes
921.0	Office Supplies and Expenses	No	No	Yes
923.0	Outside Services Employed	No	No	Yes
924.0	Property Insurance	No	No	Yes
925.0	Injuries and Damages	No	No	Yes
926.0	Employee Pensions & Benefits	No	No	Yes
928.0	Regulatory Commission Exp	No	No	Yes
930.1	General Advertising Expenses	No	No	Yes
930.2	Misc General Expenses	No	No	Yes
931.0	Rents	No	No	Yes
935.0	Maintenance of General Plant	No	No	Yes



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Federal Regulation

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## OVERVIEW

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### SUMMARY

Effective February 8, 2006, the Public Utility Holding Company Act of 1935 was repealed. Jurisdiction over certain holding company related activities has been transferred to the Federal Energy Regulatory Commission under the Public Utility Holding Company Act of 2005.

### FERC REGULATION

The business of transmitting and selling electric energy in interstate commerce is regulated through Part II of the Federal Power Act.

**02-03-02**



# Cost Allocation Manual

Section

Federal Regulation

Subject

FERC Regulation

## SUMMARY

The transmission of electric energy in interstate commerce and the sale of electric energy at wholesale in interstate commerce is regulated by the Federal Energy Regulatory Commission (FERC) under the Federal Power Act.

## PUHCA 2005

The Energy Policy Act of 2005 repealed the Public Utility Holding Company Act of 1935 effective February 8, 2006 and replaced it with the Public Utility Holding Company Act of 2005. With the repeal of PUHCA 1935, the Securities and Exchange Commission no longer has jurisdiction over the activities of registered holding companies. Jurisdiction over certain holding company related activities has been transferred to the Federal Energy Regulatory Commission. Specifically, FERC has jurisdiction over the issuances of securities of our public utility subsidiaries, the acquisition of securities of utilities, the acquisition or sale of certain utility assets, and mergers with another electric utility or holding company. In addition, both FERC and state regulators will be permitted to review the books and records of any company within a holding company system. FERC also has jurisdiction over certain affiliate transactions. As part of the implementation of the Public Utility Holding Company Act of 2005, FERC has adopted rules addressing these various issues. The pertinent rules may be found at 18 C.F.R. Part 35, Subparts H and I, and Part 366.

Date

February 27, 2017

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State Commission Rules

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## OVERVIEW

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### SUMMARY

AEP's state commissions have established certain rules and requirements relative to affiliate transactions. The requirements generally fall into four broad categories:

- they need to maintain a cost allocation manual or other documentation
- transfer pricing rules
- reporting requirements
- audit requirements.

### ARKANSAS

Arkansas requirements can be found in Arkansas Public Service Commission Order 7 of Docket 06-112-R, dated May 25, 2007.

**02-04-02**

### INDIANA

Indiana's requirements can be found in the Indiana Code as well as various orders of the Indiana Utility Regulatory Commission.

**02-04-03**

### KENTUCKY

Kentucky's requirements are contained in Kentucky Revised Statutes (KRS) 278.2201 thru 278.2219; Kentucky Public Service Commission Regulation 807KAR 5:080 and in various orders of the Kentucky Public Service Commission.

**02-04-04**

### LOUISIANA

Louisiana's requirements can be found in the Louisiana Public Service Commission's Order No. U-23327, dated September 16, 1999, subject to the conditions set forth in the Stipulation and Settlement attached as Appendix A to the Order.

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**02-04-05**

MICHIGAN

Michigan's requirements are contained in various orders of the Michigan Public Service Commission, including its Order Approving Settlement Agreement dated December 16, 1999, in Case No. U-12204, and its Opinion and Order, dated December 4, 2000, in Case No. U-12134, and its Opinion and Order, dated July 9, 2020 and October 29, 2020, in Case No. U-18361.

**02-04-06**

OHIO

Ohio's requirements are captured in the corporate separation rules adopted by the Public Utilities Commission of Ohio in Ohio Admin. Code Chapter 4901:1-37, and in various orders of the Commission.

**02-04-07**

OKLAHOMA

Oklahoma's requirements are focused on the Oklahoma Corporation Commission's ability to access the books and records of Public Service Corporation of Oklahoma and its AEP affiliates as stated in the Stipulation, dated as of April 16, 1999, in Cause No. PUD 980000444.

**02-04-08**

TENNESSEE

Tennessee has no specific rules and requirements applicable to cost allocations and affiliate transactions.

**02-04-09**

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TEXAS

Texas' requirements to a large degree are contained in §36.058 of the Texas Public Utility Regulatory Act and the rules of the Public Utility Commission of Texas.

**02-04-10**

VIRGINIA

Virginia's requirements can be found in the Code of Virginia and in the regulations and in orders of the Virginia State Corporation Commission.

**02-04-11**

WEST VIRGINIA

West Virginia's requirements can be found in the West Virginia Code and in orders of the Public Service Commission of West Virginia.

**02-04-12**



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ARKANSAS RULES AND REQUIREMENTS

## SUMMARY

The Arkansas Public Service Commission adopted Affiliate Transaction Rules May 25, 2007. The purpose of the rules is to ensure that all transactions among or between a public utility and any affiliates or divisions do not result in rates which are unreasonable and in violation of Arkansas statutes; to ensure that the rates charged by public utilities do not provide any subsidy to affiliates or divisions of the public utility which are involved in non-utility activities or which provide services to the public utility; to prevent anti-competitive behavior, and market manipulation or market power; and to prevent financial risk to rate-regulated public utility operations which may arise from business endeavors of an unregulated affiliate.

The following summarizes the Affiliate Transaction Rules as adopted.

## DOCUMENTATION REQUIREMENTS

The Commission's documentation requirements applicable to affiliate transactions are provided in the table below:

SUBJECT	REQUIREMENT
Record Keeping Rule IV	A public utility is to keep books and records separately from the books and records of its affiliates and to maintain such books and records in accordance with applicable rules and orders of the Commission, and with Generally Accepted Accounting

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	<p>Principles as amended.</p> <p>Such books and records shall contain all information necessary to identify all affiliate transactions in which a public utility participated; and identify and allocate or impute all revenues and costs (both direct and indirect) associated with all such affiliate transactions.</p> <p>Upon the creation of a new affiliate that will participate with a public utility, the utility shall, no later than 60 days after the creation of the affiliate, notify the Commission by letter to the Secretary of the Commission of the creation of the new affiliate, and the notice shall include an explanation of how the public utility will implement these rules with respect to the new affiliate.</p>
	<p>Each public utility shall maintain, for at least five years, records of each affiliate transaction in which it participated and the records shall:</p> <ul style="list-style-type: none"> <li>a. be made contemporaneously with</li> </ul>

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SUBJECT	REQUIREMENT
	<p>each affiliate transaction;</p> <p>b. be in a readily retrievable format; and</p> <p>c. include, for each affiliate transaction:</p> <ol style="list-style-type: none"> <li>1. identify of the affiliate;</li> <li>2. commencement and termination dates of the transaction;</li> <li>3. description of the affiliate transaction, including the nature and quantity of value provided and received;</li> <li>4. the dollar amount of the transaction and the manner in which such dollar amount was calculated;</li> <li>5. all other terms of the transaction;</li> <li>6. the direct and indirect costs associated with the transaction, including any allocation formula used to attribute indirect costs;</li> <li>7. all information necessary to verify compliance with the rules and the accuracy of amounts</li> </ol>



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SUBJECT	REQUIREMENT
	<p>stated, i.e. invoices, vouchers, communications, journal entries, workpapers, information supporting the price of each transaction, including but not limited to the cost and allocation method of the transaction and when the cost was the result of a competitive bidding process, the market price and basis for the market price;</p> <p>8. be summarized and filed with the Commission as part of the annual report. Unless otherwise ordered by the Commission, a copy of FERC Form 60, Annual Report of Centralized Service Companies, may be filed.</p>
	<p>Each public utility shall file contemporaneously with its annual report a summary report indicating the aggregate dollar amount of all transactions described in Rule III.G.(1), (2), (3), and</p>

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SUBJECT	REQUIREMENT
	(4) which the utility has conducted with each utility, including the name of each such affiliate.
	<p>Each public utility is to maintain, update annually, train its employees in, and (within 120 days following the effectiveness of these rules, and thereafter, to the extent of material changes, in each annual report) file with the Commission, written procedures which ensure compliance with the rules, such procedures shall include, at a minimum:</p> <ul style="list-style-type: none"> <li>a. all internal rules, practices, financial record keeping requirements, and other policies governing affiliate transactions among or between the public utility and its affiliates;</li> <li>b. the names and addresses of all the public utility's affiliates;</li> <li>c. an organizational chart depicting the ownership relationships between the public utility and those affiliates that participate in affiliate transactions with the public utility;</li> <li>d. a description of the types of assets, goods</li> </ul>

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SUBJECT	REQUIREMENT
	<p>and services provided in any existing affiliate transaction lasting more than one year; and</p> <p>e. a cost allocation manual or other description of the method used to determine compensation in affiliate transactions</p>
Commission Access	<p>The Commission shall have access to all books and records of a public utility and its affiliate to the extent such access is relevant to determining compliance with all applicable Arkansas statutes and rules or establishing rates subject to the Commission's jurisdiction.</p>

## ALLOCATION OF COSTS AND REVENUES

The Commission's rules for the allocation of certain costs and revenues related to affiliate transactions are provided in the table below:

SUBJECT	REQUIREMENTS
Affiliate Financial Transactions Rule IV	<p>Except as provided otherwise in the Rules or in other applicable law, a public utility shall not engage in any affiliate transaction in which the public utility:</p> <ol style="list-style-type: none"> <li>1. provides to or shares with any affiliate any financial resource or financial benefit,</li> </ol>

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	<p>including, but not limited to any loan, extension of credit, guarantee or assumption of debt, indemnification, pledge of collateral; or encumbrance of or restriction on the disposition of any public utility; or</p> <p>2. incurs any debt for purposes of investing in, or otherwise supporting, any business other than the provision of public utility service in Arkansas.</p>
	<p>A public utility may obtain financial resources from an affiliate for public utility purposes, provided that the cost to the public utility of such financial resource does not exceed the lower of market price or the affiliate's fully allocated cost.</p>
	<p>This part of the rule shall not apply to or prohibit any of the following unless the Commission finds, after notice and hearing, unless waived by the parties, and consistent with applicable law, that the arrangement is not consistent with the</p>

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SUBJECT	REQUIREMENTS
	<p>purposes of the rules:</p> <ol style="list-style-type: none"> <li>1. An inter-affiliate financial transaction integral to an affiliate transaction for goods or services to and consistent with Rule V (Affiliate Transactions Other than Financial Transactions);</li> <li>2. Payment of dividends by a public utility to affiliates that own stock in such public utility;</li> <li>3. Transactions in connection with the factoring of accounts receivable, the creation and use of special purpose financing entities, and the creation and use of money pool or cash management arrangements, subject to safeguards to prevent cross-subsidization and unauthorized pledges or encumbrances of public utility assets;</li> <li>4. Any loan, extension of credit, guarantee, assumption of debt, restriction on disposition of assets, indemnification, investment, or pledge of assets by public utility</li> </ol>

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SUBJECT	REQUIREMENTS
	<p>for the purpose of supporting the utility related business activities of an affiliate;</p> <p>5. Any debt incurred by a public utility, including debt that imposes any encumbrance on, or any restriction placed on the disposition of any assets of, the public utility for the purpose of supporting the utility related business activities of an affiliate;</p> <p>6. Receipt by a public utility of capital contributions or proceeds from the sale of common stock to its parent holding company;</p> <p>7. Receipt by a public utility of financial resources from an affiliate for any non-public utility purpose, provided that the cost to the public utility of such resources shall not be recovered from the public utility's customers in Arkansas;</p> <p>8. Any financing arrangement involving a public utility and any affiliate that was in</p>

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	<p>existence as of the effective date of the rules; provided that the public utility files with the Commission a description of each such arrangement involving a public utility and any affiliate having an annual value or amount in excess of \$350,000 and such filing is received within 120 days of the effective date of the rules;</p> <p>9. Any other affiliate transaction proposed by a public utility, provided that the public utility first files with the Commission an application for approval of such proposed affiliate financial transaction including a detailed description thereof and any relevant supporting documentation, and the Commission finds, after notice and hearing, unless waived by the parties, on such application, that the proposed affiliate financial transaction is consistent with the purposes of the rules.</p>
Affiliate	With respect to an affiliate

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## ARKANSAS RULES AND REQUIREMENTS

SUBJECT	REQUIREMENTS
<p>Transactions other than Financial Transactions Rule V</p>	<p>transaction involving assets, goods, services, information having competitive value, or personnel, a public utility shall not:</p> <ol style="list-style-type: none"> <li>1. receive anything of value, unless the compensation paid by the public utility does not exceed the lower of market price of fully allocated cost of the item received; and,</li> <li>2. provide anything of value, unless the compensation received by the public utility is no less than the higher of market price or fully allocated cost of the item provided.</li> </ol>
	<p>This rule shall not apply to:</p> <ol style="list-style-type: none"> <li>1. exchanges of information               <ol style="list-style-type: none"> <li>(a) necessary to the reliable provision of public utility service by a public utility, provided such exchange occurs consistently with guidelines published by the utility and applied equally to affiliates and non-affiliates;</li> <li>(b) required by or necessary to comply with federal statutes or regulations;</li> <li>(c) between or among a public utility, its</li> </ol> </li> </ol>



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	<p>parent holding company, a service company and any affiliated rate-regulated utility in another State.</p> <p>2. The provision of shared corporate support services, at fully allocated cost, between or among a public utility and any affiliate, including a service company.</p> <p>3. The provision, at fully allocated cost, of assets, goods, services, or personnel between or among a public utility and a affiliated rate-regulated utility in another State.</p> <p>4. The provision of assets, goods, services, information having competitive value, or personnel, at a price determined by competitive bidding or pursuant to a regulatory filed or approved tariff or contract.</p> <p>5. Any other affiliate transaction proposed by a public utility to be exempted from the rule provided that the public utility first files with the Commission an application for an exemption of such proposed affiliate transaction from the</p>

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SUBJECT	REQUIREMENTS
	requirements of the rule, including a detailed description of the proposed transaction and any relevant supporting documentation, and the Commission finds, after notice and hearing, that the exemption is consistent with the purposes of the rules.

### COMPLIANCE REQUIREMENTS

The Commission's compliance requirements applicable to the affiliate transactions are provided in the table below:

SUBJECT	REQUIREMENT
Annual Certification	No later than June 1 of each year, each public utility shall file with the Commission a notice, signed by both the public utility's president or chief executive officer and its chief financial officer, certifying the public utility's compliance with these rules in the prior year; and other annual information and reports required under the rules.
	The Commission may at any time initiate a proceeding against a public utility to determine whether a reasonable basis exists that the public utility is out of compliance with the rules.



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SUBJECT	REQUIREMENT
	<p>If the Commission, after notice and hearing, makes such determination, the Commission may require the public utility to engage an independent accountant ( which, at the public utility's election, may be the accountant that regularly audits the public utility's financial statements) to conduct Agreed Upon Procedures to review identified accounting entries, methods or procedures used by the public utility in connection with these rules. A work plan outlining such Agreed Upon Procedures, together with such letters or acknowledgements as shall be reasonably required by the accountant in connection with such engagement, shall be developed by the public utility and filed with the Commission for approval. Upon review of the information provided by such independent accountant after undertaking, the Commission may order the public utility to make changes in its accounting methods or procedures found by the Commission in to be reasonably necessary to ensure future compliance with</p>



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SUBJECT	REQUIREMENT
	these Rules.

OTHER REQUIREMENTS -

Additional requirements applicable to affiliate transactions are provided in the table below:

<i>SUBJECT</i>	<i>REQUIREMENT</i>
Bond Rating Downgrades Rule VII	<p>This rule applies to any public utility that has a separate, stand-alone bond rating by Standard and Poor's or Moody's, and that has affiliates, other than utility related businesses, with assets whose total book value exceeds ten percent of the book value of the public utility's assets.</p> <p>If a public utility's bond ratings are downgraded to a Standard and Poor's rating of BB+ or lower, or to a Moody's rating of Ba1 or lower, such utility shall notify the Commission within 30 days of such downgrading. The public utility will provide the Commission a copy of publicly released information about such rating downgrade and such other information as the Commission requests.</p> <p>If the Commission finds, after notice and opportunity for hearing, that the public</p>

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	<p>utility's downgrade would not have occurred but for one or more relationships between such public utility and one or more affiliates, then the Commission may impose remedies designed to insulate the public utility and its customers from any diminution in the public utility's ability to carry out its obligation to serve at reasonable rates.</p>
<p>Utility Ownership of Non-utility Business Rule VIII</p>	<p>A public utility shall not engage in a non-utility business other than a utility related business if the total book value of the non-utility assets owned by the utility exceeds 10 percent of the book value of the total assets of the public utility and all its affiliates.</p> <p>This rule does not apply to or prohibit a public utility or any affiliate thereof from continuing to engage in any non-utility business existing as of the effective date of these rules; provided the public utility files with the commission a description of such non-utility business existing as of the effective date of these rules and such filing is received within 120 days of the effective date of these rules.</p>

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	<p>Each public utility or its public utility holding company shall file an annual report with the Commission in accordance with the rules that includes:</p> <ol style="list-style-type: none"> <li>1. a certification by the president of the public utility that the public utility is in compliance with this section ;and</li> <li>2. all financial information necessary for the Commission to determine the utility is complying with the requirements of the rules.</li> </ol>
EXEMPTIONS Rule XI	<p>Any utility may petition for exemption from any of the rules on the basis that application of the rule would not be in the public interest.</p> <p>Any existing financial arrangements, provision of corporate services or other affiliate relationship which could be deemed to be in violation of these rules will be allowed to continue for a period of one year from adoption of these rules in order to allow the utilities involved to seek an exemption from the application of these rules for those existing circumstances</p>
MISCELLANEOUS Rule X	<p>The costs of any affiliate transaction found to be inconsistent with these rules</p>

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	shall be adjusted in a ratemaking proceeding to be consistent with these rules.
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INDIANA RULES AND REQUIREMENTS

## SUMMARY

Indiana's rules and requirements applicable to cost allocations and affiliate transactions can be found in the Indiana Code and in the Indiana Utility Regulatory Commission's (the IURC's, or the Commission's) order, dated April 26, 1999, in Cause No. 41210, including the Stipulation and Settlement Agreement which is attached to the order as Exhibit A, as well as other orders of the Commission.

Cause No. 41210 covers the IURC's investigation of the proposed merger of American Electric Power Company, Inc. and Central and South West Corporation. Section 8 of the Stipulation and Settlement Agreement provides for Affiliate Standards between the regulated and non-regulated affiliates of the merged company.

## DOCUMENTATION REQUIREMENTS

The IURC's documentation requirements for affiliate transactions are captured in the following table:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Separate Books and Records	Each AEP Operating Company shall maintain, in accordance with generally accepted accounting principles, books, records and accounts that are separate from the books, records and accounts of its affiliates, consistent with Part 101 - Uniform System of Accounts prescribed for Public Utilities and Licensees subject to the provisions of the Federal Power Act. [Section 8.B.]



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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Cost Allocation Documentation	An AEP operating company which provides both regulated and non-regulated services or products, or an affiliate which provides services or products to an AEP operating company, shall maintain documentation in the form of written agreements, an organization chart of AEP (depicting all affiliates and AEP operating companies), accounting bulletins, procedure and work order manuals, or other related documents, which describe how costs are allocated between regulated and non-regulated services or products.[Section 8.P.]
Employee Movements	AEP shall document all employee movement between and among all affiliates. Such information shall be made available to the IURC and consumer advocate upon request. [Section 8. G.]
Itemized Billing Statements	Any untariffed, non-utility service provided by an AEP operating company or affiliated service company to any affiliate shall be itemized in a billing statement pursuant to a written contract or written arrangement. The AEP

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<b><i>SUBJECT</i></b>	<b><i>REQUIREMENT</i></b>
<p>Itemized Billing Statements (Cont'd)</p>	<p>operating company and any affiliated service company shall maintain and keep available for inspection by the Commission copies of each billing statement, contract and arrangement between the AEP operating company or affiliated service company and its affiliates that relate to the provision of such untariffed non-utility services. [Section 8.E.]</p> <p>Goods and services provided by a non-utility affiliate to an AEP operating company shall be by itemized billing statement pursuant to a written contract or written arrangement. The operating company and non-utility affiliate shall maintain and keep available for inspection by the Commission copies of each billing statement, contract and arrangement between the operating company and its non-utility affiliates that relate to the provision of such goods and services in accordance with the Commission's applicable retention requirements. [Section 8.F.]</p>

*[Source: Stipulation and Settlement Agreement*

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*in Cause No. 41210]*

## TRANSFER PRICING

Transactions between the regulated electric utility and its affiliates shall adhere to the affiliate standards included in the following table:

<b><i>SUBJECT</i></b>	<b><i>REQUIREMENT</i></b>
Guiding Principles	<p>The financial policies and guidelines for transactions between the regulated utility and its affiliates shall reflect the following principles:</p> <ol style="list-style-type: none"> <li>1. An AEP operating company's retail customers shall not subsidize the activities of the operating company's non-utility affiliates or its utility affiliates. [Section 8.A.1.]</li> <li>2. An AEP operating company's costs for jurisdictional rate purposes shall reflect only those costs attributable to its jurisdictional customers. [Section 8.A.2.]</li> <li>3. These principles shall be applied to avoid costs found to be just and reasonable for ratemaking purposes by the Commission being left unallocated or stranded</li> </ol>

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<i>SUBJECT</i>	<i>REQUIREMENT</i>
Guiding Principles (Cont'd)	<p>between various regulatory jurisdictions, resulting in the failure of the opportunity for timely recovery of such costs by the operating company and/or its utility affiliates; provided, however, that no more than one hundred percent of such cost shall be allocated on an aggregate basis to the various jurisdictions. [Section 8.A.3.]</p> <p>4. An AEP operating company shall maintain and utilize accounting systems and records that identify and appropriately allocate costs between the operating company and its affiliates, consistent with these cross-subsidization principles and such financial policies and guidelines. [Section 8.A.4.]</p>
Asset Transfers	Asset transfers between an AEP operating company and a non-utility affiliate shall be at fully distributed costs in accordance with current SEC issued requirements or other statutory requirements if

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	the SEC has no jurisdiction. [Section 8.C.]

*[Source: Stipulation and Settlement Agreement in Cause No. 41210]*

## REPORTING REQUIREMENTS

The Stipulation and Settlement Agreement in Cause No. 41210 provides in part that the IURC may establish reporting requirements regarding the nature of inter-company transactions concerning the operating company and a description of the basis upon which cost allocations and transfer pricing have been established in these transactions. [Section 8.W.]

## AUDIT REQUIREMENTS

The independent audit requirement regarding the merger has expired. I&M/AEP was required to conduct biennial audits for 8 years after the merger. The final audit was submitted to the Indiana Utility Regulatory Commission on December 29, 2008.

## OTHER REQUIREMENTS

The Stipulation and Settlement Agreement contains other requirements related to affiliate transactions some of which are listed here:

- Thirty days prior to filing any affiliate contract (including service agreements) with the Securities and Exchange Commission or the Federal Energy Regulatory Commission the AEP operating company shall submit to the Commission a copy of the proposed filing. [Section 8.

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- AEP will provide the Commission with notice at least 30 days prior to any filings that propose new allocation factors with the SEC. [Section 6]
- AEP shall designate an employee who will act as a contact for the Commission and consumer advocates seeking data and information regarding affiliate transactions and personnel transfers. Such employee shall be responsible for providing data and information requested by the Commission for any and all transactions between the jurisdictional operating company and its affiliates, regardless of which affiliate(s), subsidiary(ies) or associate(s) of the AEP operating company from which the information is sought. [Section 8.Q.]

## OTHER REQUIREMENTS (con't)

The Indiana Code [§8-1-2-49] states, in part, that no management, construction, engineering, or similar contract with any affiliated interest shall be effective unless it shall first have been filed with the Commission. If it is found that any such contract is not in the public interest, the Commission, after investigation and a hearing, is authorized to disapprove the contract.

On September 28, 2016, the Indiana Utility Regulatory Commission issued General Administrative Order GAO 2016-5 which provides that Affiliate contract should do the following:

(a) Include the following terms:

(1) A definite termination date, not more than

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five (5) years from the effective date of the contract.

(2) Notice that the contract, pursuant to IC 8-1-2-49(2), shall not be effective until it is filed with the Commission.

(b) Exclude the following terms:

(1) A provision that provides for an automatic contract renewal or renewal without notice to all contracting parties and the Commission.

(2) A provision that provides for an effective date that is prior to filing with the Commission.

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## SUMMARY

Kentucky's rules and requirements applicable to cost allocations and affiliate transactions are contained in Kentucky Revised Statutes, (KRS) 278.2201 thru 278.2219; Kentucky Public Service Commission Regulation 807KAR 5:08 and in certain orders of the Kentucky Public Service Commission (the Commission).

## CAM REQUIREMENTS

The following table summarizes Kentucky's Cost Allocation Manual (CAM) requirements:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Summary	Any utility that engages in a non-regulated activity, whose revenue exceeds 2% of the utility's total revenue or \$1,000,000 annually, shall develop and maintain a CAM. [KRS278.2203 (4) (a)]
"CAM" Definition	CAM means a cost allocation manual; that is, an indexed compilation and documentation of a company's cost allocation policies and related procedures. [KRS 278.010 (20)]
Contents	The CAM shall contain the following information for a utility's jurisdictional operations in the Commonwealth of Kentucky: (a) A list of regulated and non-regulated divisions within the utility; (b) A list of all regulated and non-regulated affiliates of the utility to which the



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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
<p>Contents (Cont'd)</p>	<p>utility provides services or products and where the affiliates provide non-regulated activities as defined in [KRS278.2205 (2) (a) (b)];</p> <p>(c) A list of services and products provided by the utility, an identification of each as regulated or non-regulated, and the cost allocation method generally applicable to each category; [KRS278.2205 (2) (c)];</p> <p>(d) A list of incidental, non-regulated activities that are reported as regulated activities in accordance with the provisions of [LRS278.2205 (2) (d)];</p> <p>(e) A description of the nature of transactions between the utility and the affiliate; and [KRS278.2205 (2) (e)];</p> <p>(f) For each FERC account and sub-account, a report that identifies whether the account contains costs attributable to regulated operations and non-regulated</p>

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Contents (Cont'd)	operations. The report shall also identify whether the costs are joint costs that cannot be directly identified. A description of the methodology used to apportion each of these costs shall be included and the allocation methodology shall be consistent with cost allocation methodologies set out in KRS 278.2203. [KRS278.2205 (2) (f)]
Filing Requirements	Within 270 days of the effective date of July 14, 2000, the utility shall file: (a) A statement with the Commission that certifies the CAM has been developed and will be adopted by management effective with the beginning of the next calendar year. The statement shall be signed by an officer of the utility; and (b) One copy of the CAM. [KRS278.2205 (3) (a)-(b)]
Changes	Within 60 days of any material change in matters required to be listed in the CAM, the utility shall amend the CAM to reflect the



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	change. [KRS278.2205 (4)]
Public Inspection	The CAM shall be available for public inspection at the utility and at the Commission. [KRS278.2205 (5)]
Rate Proceedings	The CAM shall be filed as part of the initial filing requirement in a proceeding involving an application for an adjustment in rates pursuant to KRS 278.190. [KRS278.2205(6)]

## TRANSFER PRICING

KRS278.2207 thru KRS278.2219 contains very specific instructions on the pricing of assets, services and products transferred between the utility and its affiliates, as captured in the following table:

<i>SUBJECT</i>	<i>REQUIREMENT</i>
Summary	A utility shall not subsidize a non-regulated activity provided by an affiliate or by the utility itself. Utilities must keep separate accounts and allocate costs in accordance with procedures established by the Commission. [KRS278.2201]
Pricing Rules	The terms for transactions between a utility and its affiliates shall be in accordance with the following: (a) Services and products provided to an affiliate by the utility pursuant to a tariff shall be at

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Pricing Rules (Cont'd)	<p>the tariffed rate, with nontariffed items priced at the utility's fully distributed cost but in no event less than market, or in compliance with the utility's existing United States Department of Agriculture (USDA), Securities and Exchange Commission (SEC), or Federal Energy Regulatory Commission (FERC) approved cost allocation methodology.</p> <p>[KRS278.2207 (1) (a)]</p> <p>(b) Services and products provided to the utility by an affiliate shall be priced at the affiliate's fully-distributed cost but in no event greater than market or in compliance with the utility's existing USDA, SEC, or FERC approved cost allocation methodology.</p> <p>[KRS278.2207 (1) (6)]</p> <p><i>NOTE: A utility may file an application with the commission requesting a deviation from the requirements of this section for a particular transaction or class of transactions. The utility shall have the</i></p>

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Pricing Rules (Cont'd)	<i>burden of demonstrating that the requested pricing is reasonable. The commission may grant the deviation if it determines the deviation is in the public interest. Nothing in this section shall be construed to interfere with the commission's requirement to ensure fair, just, and reasonable rates for utility services. [IRS278.2219 92)]</i>

## AFFILIATE TRANSACTION

Kentucky Public Service Commission and the Commission's orders in Case REPORTING REQUIREMENTS Nos. 97-309 and 99-149 contain very specific reporting requirements for affiliate transactions.

## Regulation 807KAR5:080

In addition to the CAM reporting requirements established by KRS 278.2201 thru 278.2219 as noted above, PSC Regulation 807 KAR 5:080 requires the utility to inform the Commission of new non-regulated activities begun by itself or by the utility's affiliate within a timeframe to be established by the Commission [KRS278.230 (3)].

Also, the Commission may require the utility to file annual reports of information related to affiliate transactions when necessary to monitor compliance with the transaction guidelines contained in KRS278.2205 [807KAR 5:080 Section 2]

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Case 97-309

In Case 97-309 involving the approval of affiliate transactions between KPCO and AEPC (as outlined above), the Commission has ordered KPCO to file an annual report that lists all transactions with AEPC that describes the parties involved, the assets transferred, the services provided and the transaction prices. The report should also specify for each transaction whether the price was based on cost or market and, if market, how the market price was determined.

Case 99-149

The Commission's order in Case No. 99-149, dated June 14, 1999, related to the proposed merger of American Electric Power Company, Inc. (AEP) and Central and South West Corporation established specific reporting requirements for KPCO, its parent company (i.e., AEP) and related subsidiaries. While the Commission's order in Case No. 99-149 has been superseded by KRS 278.2201 thru KRS278.2219 and Ky PSC Regulation 807KAR5:080, dated July 14, 2000, the periodic reports required by the Commission's June 1999 order remain in effect. The following table provides details of the specific reporting requirements:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Periodic Reports [Case No. 99-149, Page 10]	1. Annual financial statements of AEP should be furnished to the Commission, including consolidating adjustments of AEP and its subsidiaries with a brief explanation of each adjustment and all

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<i>SUBJECT</i>	<i>REQUIREMENT</i>
	<p>periodic reports filed with the SEC.</p> <p>2. All subsidiaries should prepare and have available monthly and annual financial information required to compile financial statements and to comply with other reporting requirements.</p> <p>3. The financial statements for any non-consolidated subsidiaries of AEP should be furnished.</p>
<p>Annual Reports [Case No. 99-149, Page 11 ¶1,2]</p>	<p>1. A general description of the nature of inter-company transactions shall be provided with specific identification of major transactions, and a description of the basis upon which cost allocations and transfer pricing have been established. This report should discuss the use of the cost or market standard for the sale or transfer of assets, the allocation factors used, and the procedures used to determine these factors if they are different from the procedures used in prior years.</p>

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<i>SUBJECT</i>	<i>REQUIREMENT</i>
Annual Reports [Case No. 99-149, Page 11 ¶1,2] (Cont'd)	<ol style="list-style-type: none"> <li>2. A report that identifies professional personnel transferred from KPCO to AEP or any of its non-utility subsidiaries shall be provided to the Commission. This report should include a description of the duties performed by the employee while employed by KPCO and to be performed subsequent to transfer.</li> <li>3. AEP should file on an annual basis a report detailing KPCO's proportionate share of AEP's total operating revenues, operating and maintenance expenses, and number of employees.</li> </ol>
Special Reports [Case No. 99-149, Pages 11-12]	<ol style="list-style-type: none"> <li>1. AEP should file any contracts or other agreements concerning the transfer of utility assets or the pricing of inter-company transactions with the Commission at the time the transfer occurs.</li> <li>2. AEP should also file the following special reports:               <ul style="list-style-type: none"> <li>• An annual report of the number of employees of AEP and each subsidiary on the</li> </ul> </li> </ol>



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	<p>basis of payroll assignment.</p> <ul style="list-style-type: none"> <li>• An annual report containing years of service at KPCO and the salaries of professional employees transferred from KPCo to AEP or its subsidiaries filed in conjunction with the annual transfer of employees report.</li> <li>• An annual report of cost allocation factors in use, supplemented upon significant change.</li> <li>• Summaries of any cost allocation studies when conducted and the basis for the methods used to determine the cost allocation effect.</li> <li>• An annual report of methods used to update or revise the cost allocation factors in use, supplemented upon significant change.</li> </ul>
<p>Use of Existing Reports [Case No. 99-149, Page 12 ¶7]</p>	<p>Where the same information sought in the above noted reports has been filed with the SEC, FERC, or another state regulatory commission, AEP may provide copies of those filings</p>

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	rather than prepare separate reports.



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## LOUISIANA RULES AND REQUIREMENTS

### SUMMARY

Louisiana’s requirements applicable to cost allocations and affiliate transactions are contained in the Affiliate Transaction Conditions that appear in Appendix A to the Louisiana Public Service Commission’s (the Commission’s) Order No. U-23327, dated September 16, 1999, in the matter of the proposed merger of American Electric Power Company, Inc. (AEP) and Central and South West Corporation.

### DOCUMENTATION REQUIREMENTS

The Commission’s documentation requirements applicable to affiliate transactions, as contained in the Affiliate Transaction Conditions, are captured in the following table:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Access to Books and Records	AEP and Southwestern Electric Power Company (SWEPCO, and the Company) will provide the Commission access to their books and records, and to any records of their subsidiaries and affiliates that reasonably relate to regulatory concerns and that affect SWEPCO’s cost of service and/or revenue requirement. [¶ 2]
Service Company Costs	For ratemaking and regulatory reporting purposes, SWEPCO shall reflect the costs assigned or allocated from affiliate service companies on the same basis as if SWEPCO had incurred the costs directly. This condition shall not apply to book



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	accounting for affiliate transactions. [¶ 11]
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## ALLOCATION OF COSTS

The Commission's requirements for the allocation of certain costs and revenues, as contained in the Affiliate Transaction Conditions, are presented in the following table:

<b>SUBJECT</b>	<b>REQUIREMENT</b>
Notification of Changes in Cost Allocation Methodologies	The Company shall submit in writing to the Commission any changes it proposes to the System Agreement, the System Integration Agreement and any other affiliate cost allocation agreements or methodologies that affect the allocation or assignment of costs to SWEPCO. The written submission to the Commission shall include a description of the changes, the reasons for such changes, and an estimate of the impact, on an annual basis, of such changes on SWEPCO's regulated costs. To the extent that any such changes are filed with the SEC or FERC, the Company agrees to utilize its best efforts to notify the Commission at least 30 days prior to those filings and at least 90 days prior to the proposed effective date of those changes or as early as reasonably practicable,

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<b><i>SUBJECT</i></b>	<b><i>REQUIREMENT</i></b>
Notification of Changes in Cost Allocation Methodologies (Cont'd)	to allow the Commission a timely opportunity to respond to such filings. If the documents to be filed with the SEC or FERC are not finalized 30 days prior to the filing, the information required above may be provided by letter to the Commission with a copy of the SEC or FERC filing to be provided as it is prepared. The filing by the Company of this information with the Commission shall not constitute acceptance of the proposed changes, the allocation or assignment methodologies, or the quantifications for ratemaking purposes. [¶ 12]
Revenue Allocation Applicable to Product or Service Development	If an unregulated business markets a product or service that was developed by SWEPCO or paid for by SWEPCO directly or through an affiliate, and the product or service is actually used by SWEPCO, all profits on the sale of such product or service (based on Louisiana retail jurisdiction) shall be split evenly between SWEPCO, which was responsible for or shared the cost or developing the product, and the unregulated business responsible for



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<b>SUBJECT</b>	<b>REQUIREMENT</b>
Revenue Allocation Applicable to Product or Service Development (Cont'd)	marketing the product or service to third parties, after deducting all incremental costs associated with making such product or service available for sale, including the direct cost of marketing such product or service. However, in the event that such product or service developed by SWEPCO to be used in its utility business is not actually so used, and subsequently is marketed by the unregulated business to third parties, SWEPCO shall be entitled to recover all of its costs to develop such product or service before any such net profits derived from its marketing shall be so divided. If SWEPCO jointly develops such product or service and shares the development with other entities, then the profits to be so divided shall be SWEPCO's <i>pro rata</i> share of such net profits based on SWEPCO's contribution to the development costs. [¶ 14]

## TRANSFER PRICING

The Commission's transfer pricing requirements for affiliate transactions, as contained in the Affiliate Transaction Conditions, are presented in the following

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table:

<i>SUBJECT</i>	<i>REQUIREMENT</i>
Asset Transfers	<p><b>Purchases.</b> Assets with a net book value in excess of \$1 million per transaction, purchased by or transferred to the regulated electric utility (SWEPCO) from an unregulated affiliate either directly or indirectly (through another affiliate), must be valued for purposes of the Louisiana retail rate base (but not necessarily for book accounting purposes) at the lesser of the cost to the originating entity and the affiliated group (CSW or AEP) or the fair market value, unless otherwise authorized by applicable Commission rules, orders, or other Commission requirements. [¶ 4.a.]</p> <p><b>Sales.</b> Assets with a net book value in excess of \$1 million per transaction, sold by or transferred from the regulated electric utility (SWEPCO) to an unregulated affiliate either directly or indirectly (through another affiliate), with the exception of accounts receivable sold by SWEPCO to AEP Credit Inc., must be valued for purposes of the</p>

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
<p>Asset Transfers (Cont'd)</p>	<p>Louisiana retail rate base (but not necessarily for book accounting purposes) at the greater of the cost to SWEPCO or the fair market value, unless otherwise authorized by applicable Commission rules, Orders, or other Commission requirements. [¶ 4.b.]</p> <p><b>Reporting.</b> The Company shall notify the Commission in writing at least 90 days in advance of a proposed purchase, sale or transfer of assets with a net book value in excess of \$1 million if such proposed purchase, sale or transfer is expected at least 90 days before the anticipated effective date of the transaction. With the notice, the Company shall provide such information as may be necessary to enable the Commission Staff to review the proposed transaction, including, without limitation, the identity of the asset to be transferred, the proposed transferor and transferee, the value at which the asset will be transferred, the net book value of the asset, and the anticipated effect on Louisiana retail customers.</p>



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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
<p>Asset Transfers (Cont'd)</p>	<p>When such a transaction requires approval of a federal agency, under no circumstances shall such notification be less than 60 days in advance or such longer advance period as the applicable federal agency from time to time prescribe. If not provided with the initial notice, the Company will provide the Commission with a copy of its federal filing at the same time it is submitted to the federal agency. [¶ 6]</p> <p><b>Burden of proof.</b> Consistent with Commission and legal precedents and Commission General Orders, the Company shall have the burden of proof in any subsequent ratemaking proceeding to demonstrate that such purchase, sale or transfer of assets satisfies the requirements of applicable Commission and legal precedent and Commission General Orders, and will not harm the ratepayers. [¶ 7]</p> <p><b>Treatment of gains or losses.</b> The Commission reserves the right, in accordance with Commission and legal precedents and Commission</p>

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Asset Transfers (Cont'd)	General orders, to determine the ratemaking treatment of any gains or losses from the sale or transfer of assets to affiliates. [¶ 8]
Goods and Services	<p><b>Purchases.</b> With the exception of transactions between SWEPCO and AEP Credit Inc. and AEPSC, for goods and services, including lease costs, purchased by SWEPCO from unregulated affiliates either directly or indirectly (through another affiliate), SWEPCO agrees that it will reflect the lower of cost or fair market value in operating expenses for ratemaking purposes, unless otherwise authorized by applicable Commission rules, Orders, or other Commission requirements. [¶ 10]</p> <p><b>Sales.</b> For goods and services, including lease costs, sold by SWEPCO to unregulated affiliates either directly or indirectly (through another affiliate), SWEPCO agrees that it will reflect the higher of cost or fair value in operating income (or as an offset to operating expenses) for ratemaking purposes, unless otherwise authorized by applicable Commission rules,</p>

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Goods and Services (Cont'd)	Orders, or other Commission requirements (e.g., Commission-approved tariffed rates). [¶ 9]

## REPORTING REQUIREMENTS

The Commission has not established periodic reporting requirements relative to affiliate transactions other than those noted above in connection with the notification of changes in cost allocation methodologies and asset transfers.

## AUDIT REQUIREMENTS

The Commission's audit requirements applicable to affiliate transactions, as contained in the Affiliate Transaction Conditions, are captured in the following table:

<i><b>SUJECT</b></i>	<i><b>REQUIREMENT</b></i>
Audits of Affiliate Transactions	AEP will cooperate with audits ordered by the Commission of affiliate transactions between SWEPCO and other AEP affiliates, including timely access to the books and records and to persons knowledgeable regarding affiliate transactions, and will authorize and utilize its best efforts to obtain cooperation from its external

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Audits of Affiliate Transactions (Cont'd)	Auditor to make available the audit workpapers covering areas that affect the costs and pricing of affiliate transactions. [¶ 3]

## OTHER REQUIREMENTS

Other requirements of the Commission applicable to affiliate transactions, as contained in the Affiliate Transaction Conditions, are presented in the following table:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Competitive Bidding	SWEPCO or AEPSC on behalf of SWEPCO may not make any non-emergency procurement in excess of \$1 million per transaction from an unregulated affiliate other than from AEPSC except through a competitive bidding process or as otherwise authorized by the Commission. Transactions involving the Company and CSW Credit, Inc. (or its successor) for the financing of accounts receivables are exempt from this condition. Records of all such affiliate transactions must be maintained until the Company's next comprehensive retail rate review. In addition, at the time of the next comprehensive rate review, all such transactions that were not

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Competitive Bidding Cont'd)	competitively bid shall be separately identified for the Commission by the Company. This identification shall include all transactions between the Company and AEPSC in which AEPSC acquired the goods or services from another unregulated affiliate. [¶ 13]
Mandating of Retail Access by the Commission	If retail access for SWEPCO-La. is mandated by the Commission, or through action by the Federal Energy Regulatory Commission or federal legislation, then SWEPCO-La. shall have the right to petition the Commission for modification to the terms of this merger settlement, including the affiliate transaction conditions, that are made necessary by the mandating of retail access and its likely impact on the retail rates at SWEPCO-La. Any such petition must establish the necessity of the proposed modifications and provide appropriate protections to ensure that the benefits of this merger are preserved for SWEPCO-La. regulated customers, including merger savings and the hold harmless provisions set forth herein. The Commission will act upon the

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Mandating of Retail Access by the Commission (Cont'd)	petition in accordance with its normal rules and procedures. This paragraph is not intended to limit SWEPCO's right to petition the Commission in the event that electric utility unbundling or retail access is ordered by a state commission regulating SWEPCO's retail rates, provided that SWEPCO must comply with the requirements set forth above in any such petition. [¶ 17]



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**SUMMARY**

Michigan’s rules and requirements applicable to cost allocations and affiliate transactions are included in various orders of the Michigan Public Service Commission (the MPSC, or the Commission).

**DOCUMENTATION REQUIREMENTS**

The MPSC’s documentation requirements for affiliate transactions and cost allocations can be found in the Settlement Agreement approved by the Commission in its Opinion and Order in Case No. U-12204 in the matter of the proposed merger of American Electric Power Company, Inc. and Central and South West Corporation, and its Code of Conduct for electric utilities and alternative electric suppliers (Opinion and Order, dated December 4, 2000, in Case No.U-12134) with Redline changes to October 29, 2001 Final Version. The term “alternative electric suppliers” is defined in MCL 460.10.g, MSA 22.13(10g).

The documentation requirements found in the Settlement Agreement document are captured in the following table:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Separate Books and Records	Each AEP Operating Company shall maintain, in accordance with generally accepted accounting principles, books, records and accounts that are separate from the books, records and accounts of its affiliates, consistent with Part 101 - Uniform System of Accounts prescribed for Public Utilities and

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<i>SUBJECT</i>	<i>REQUIREMENT</i>
	Licenses subject to the provisions of the Federal Power Act, [Section 8.B.]
Cost Allocation Documentation	An AEP operating company which provides both regulated and non-regulated services or products, or an affiliate which provides services or products to an AEP operating company, shall maintain documentation in the form of written agreements, an organization chart of AEP (depicting all affiliates and AEP operating companies), accounting bulletins, procedure and work order manuals, or other related documents, which describe how costs are allocated between regulated and non-regulated services or products. [Section 8.P.]
Employee Movements	AEP shall document all employee movement between and among all affiliates. Such information shall be made available to the Commission upon request. [Section 8.G.]
Itemized Billing Statements	Any untariffed, non-utility service provided by an AEP operating company or affiliate service company to any affiliate shall be



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<i>SUBJECT</i>	<i>REQUIREMENT</i>
<p>Itemized Billing Statements (cont'd)</p>	<p>itemized in a billing statement pursuant to written contract or written arrangement. The AEP operating company and any affiliated service company shall maintain and keep available for inspection by the Commission copies of each billing statement, contract and arrangement between the AEP operating company or affiliated service company and its affiliates that relate to the provision of such untariffed non-utility services. [Section 8.E.]</p> <p>Goods and services provided by a non-utility affiliate to an AEP operating company shall be by itemized billing statement pursuant to a written contract or written arrangement. The operating company and non-utility affiliate shall maintain and keep available for inspection by the Commission copies of each billing statement, contract and arrangement between the operating company and its non-utility affiliates that relate to the provision of such goods and services in accordance with applicable</p>

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<i>SUBJECT</i>	<i>REQUIREMENT</i>
	Commission retention requirements. [Section 8.F.]

## TRANSFER PRICING

The MPSC's transfer pricing requirements can be found in the Settlement Agreement document, it's Code of Conduct for electric utilities and alternative electric suppliers, and the Company's Code of Conduct compliance plan on file with the Commission.

## SETTLEMENT AGREEMENT

The transfer pricing and related requirements contained in the Settlement Agreement document are captured in the following table:

<i>SUBJECT</i>	<i>REQUIREMENT</i>
Guiding Principles	<p>The financial policies and guidelines for transactions between the regulated utility and its affiliates shall reflect the following principles:</p> <ol style="list-style-type: none"> <li>1. An AEP operating company's retail customers shall not subsidize the activities of the operating company's non-utility affiliates or its utility affiliates. [Section 8.A.1.]</li> <li>2. An AEP operating company's costs for jurisdictional rate purposes shall reflect</li> </ol>

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<i>SUBJECT</i>	<i>REQUIREMENT</i>
<p>Guiding Principles (Cont'd)</p>	<p>only those costs attributable to its jurisdictional customers. [Section 8.A.2.]</p> <p>3. An objective of these principles shall be to avoid costs found to be just and reasonable for ratemaking purposes by the Commission being left unallocated or stranded between various regulatory jurisdictions, resulting in the failure of the opportunity for timely recovery of such costs by the operating company and/or its utility affiliates; provided, however, that no more than one hundred percent of such costs shall be allocated on an aggregate basis to the various regulatory jurisdictions. [8.A.3.]</p> <p>4. An AEP operating company shall maintain and utilize accounting systems and records that identify and appropriately allocate</p>

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	costs between the operating company and its affiliates, consistent with these cross-subsidization principles and such financial policies and guidelines. [Section 8.A.4.]

Code of Conduct

The MPSC's Code of Conduct rules as set forth in MICH. ADMIN. CODE R 460.10102 *et. seq.* are captured in the following table:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
<b>R 460.10102</b> Definitions.	As used in these rules: (a) "Affiliate" means a person or entity that directly or indirectly through 1 or more intermediates, controls, is controlled by, or is under common control with another specified entity. As used in these rules, "control" means, whether through an ownership, beneficial, contractual, or equitable interest, the possession, directly or indirectly, of the power to direct or to cause the direction of the management or policies of a person or entity or the ownership of at least 7% of an entity either directly or indirectly. (b) "Alternative electric supplier" means a person selling electric generation service to retail customers in this state as licensed by the commission under section 10a of 2016 PA 341, <u>MCL 460.10a</u> . Alternative electric supplier does not include a person who physically delivers electricity directly to retail customers in this state. An alternative electric supplier is not a public utility, but may be an affiliate of a public utility. (c) "Commission" means the public service commission. (d) "Other entity within the corporate structure" means a division, department, subsidiary, or similar entity within the

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<b>SUBJECT</b>	<b>REQUIREMENT</b>
<p><b>R 460.10102</b> Definitions. (Cont'd)</p>	<p>corporate structure of a utility. (e) "Third-party" means an entity separate from a utility, and separate from a utility affiliate, that offers value-added programs and services to a utility's customers through a contract. (f) "Utility" means an electric, steam, or natural gas utility regulated by the public service commission, and an electric or natural gas cooperative that is subject to regulation pursuant to the Electric Cooperative Member-Regulation Act, 2008 PA 167, <u>MCL 460.31</u> to <u>460.39</u>. (g) "Value-added programs and services" means programs and services that are utility or energy related, including, but not limited to, home comfort and protection, appliance service, building energy performance, alternative energy options, or engineering and construction services. Value-added programs and services do not include energy optimization or energy waste reduction programs paid for by utility customers as part of the regulated rates.</p>
<p><b>MICH. ADMIN. CODE R 460.10103</b> Preventive measures.</p>	<p><b>Rule 3.</b> (1) A utility that offers both regulated and unregulated services shall prevent anticompetitive behavior, cross-subsidization, and preferential treatment prohibited by law and these rules. (2) A utility shall not offer unregulated value-added programs and services except through an affiliate or other entity within the corporate structure, or through a third-party contract. (3) A utility's regulated services shall not subsidize the business of its affiliates, other entities within the corporate structure, or third-party contractors offering unregulated value-added programs or services.</p>

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<p><b>MICH. ADMIN. CODE R 460.10104</b> Records</p>	<p><b>Rule 4.</b> (1) A utility shall maintain its books and records separately from those of its affiliates or other entities within the corporate structure offering unregulated value-added programs and services. (2) The commission may review records relating to any transaction between a utility and an affiliate, or relating to the offering of unregulated value-added programs and services. At any time, the commission may initiate an investigation into transactions between the utility and its affiliates, or into its offering of value-added programs and services. (3) A utility, its affiliates, and other entities within the corporate structure shall keep their books in a manner consistent with generally accepted accounting principles and, where applicable, with the Uniform System of Accounts.</p>
<p><b>MICH. ADMIN. CODE R 460.10105</b> Sharing of facilities and employees.</p>	<p><b>Rule 5.</b> (1) A utility, its affiliates, and other entities within the corporate structure may share facilities, equipment, operating employees, and computer hardware and software with documented protection to prevent discriminatory access to competitively sensitive information, provided that such sharing complies with section 10ee of 2016 PA 341, <u>MCL 460.10ee</u>, and measures are adopted to prevent cross-subsidization and preferential treatment that is otherwise prohibited. (2) A utility may transfer employees between the utility and an affiliate alternative electric supplier providing the utility documents those transfers and files semi-annually with the commission a report of each occasion on which an employee of the utility became an employee of an affiliate alternative electric supplier and/or an employee of an affiliate alternative electric supplier became an employee of the utility. (3) None of these rules shall be interpreted to require a utility with fewer than 60</p>

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<p><b>MICH. ADMIN. CODE R 460.10105</b> Sharing of facilities and employees (Cont'd)</p>	<p>employees to maintain separate facilities, operations, or personnel used to deliver regulated services and unregulated programs and services. Utilities using a third-party contractor for value-added programs and services remain subject to the provisions of MCL 460.10ee(12).</p>
<p><b>MICH. ADMIN. CODE R 460.10106</b> Marketing</p>	<p><b>Rule 6.</b> (1) A utility, its affiliates, and other entities within the corporate structure offering unregulated value-added programs or services, shall not engage in joint advertising, marketing, or other promotional activities related to the provision of both regulated and unregulated services, nor shall they jointly sell regulated services and unregulated value-added programs and services. (2) A utility or affiliate alternative electric supplier shall not provide or offer to provide any customer with preferential treatment or service for doing business with the utility, its affiliates, or other entities within the corporate structure offering unregulated value-added programs or services, nor shall the utility or affiliate alternative electric supplier provide any customer with inferior treatment or service for doing business with an unaffiliated supplier of a similar service. (3) A utility shall not condition or otherwise tie the provision of a utility service or the availability of discounts, rates, other charges, fees, rebates, or waivers of terms and conditions to the taking of any goods or services from the utility, its affiliates, or other entities within the corporate structure offering unregulated value-added programs or services.</p>
<p><b>MICH. ADMIN. CODE R 460.10107</b> Utility and affiliate or alternative</p>	<p><b>Rule 7.</b> (1) A utility shall not interfere in the business operations of any alternative electric supplier. This provision includes, but is not limited to, all of the following: (a) A utility shall not give the appearance that it speaks on behalf of any alternative</p>

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electric supplier relationship	<p>electric supplier or affiliate.</p> <p>(b) A utility shall not interfere in the contractual relationship between the alternative electric supplier and its customers unless the utility's action is clearly permitted in the contract between the customer and the alternative electric supplier or in tariffs approved by the commission.</p> <p>(2) A utility shall not finance or co-sign loans, provide loan guarantees, provide collateral, or be encumbered or allow its assets to be encumbered by affiliates or other entities within the corporate structure. The utility and its assets shall not be the subject of recourse in the event of default by an affiliate or other entity within the corporate structure.</p>
<p><b>MICH. ADMIN. CODE R 460.10108 Discrimination</b></p>	<p><b>Rule 8.</b></p> <p>(1) A utility shall not discriminate in favor of or against any person, including its affiliates.</p> <p>(2) A utility shall not provide any affiliate or other entity within the corporate structure offering unregulated value-added programs or services, or any customer of an affiliate or other entity within the corporate structure offering unregulated value-added programs or services, preferential treatment or any other advantages that are not offered under the same terms and conditions and contemporaneously to other suppliers offering programs or services within the same service territory or to customers of those suppliers.</p> <p>(3) If a utility provides to any affiliate alternative electric supplier or customers of an affiliate alternative electric supplier a discount, rebate, fee waiver, or waiver of its regulated tariffed terms and conditions for services or products, it shall contemporaneously offer the same discount, rebate, fee waiver, or waiver to all alternative electric suppliers operating within the utility's service territory or all alternative electric suppliers' customers.</p> <p>(4) If a utility provides services or products</p>



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<p><b>MICH. ADMIN. CODE R 460.10108</b> Discrimination (Cont'd)</p>	<p>to any affiliate or other entity within the corporate structure, and the cost of the service or product is not governed by section 10ee(8) of 2016 PA 341, <u>MCL 460.10ee(8)</u>, compensation is based upon the higher of fully allocated embedded cost or fair market price. If an affiliate or other entity within the corporate structure provides services or products to a utility, and the cost of the service or product is not governed by section 10ee(8) of 2016 PA 341, <u>MCL 460.10ee(8)</u>, compensation is at the lower of market price or 10% over fully allocated embedded cost. Asset transfers from a utility to an affiliate or other entity within the corporate structure for which the cost is not governed by section 10ee(8) of 2016 PA 341, <u>MCL 460.10ee(8)</u>, is at the higher of cost or fair market value. Asset transfers from an affiliate or other entity within the corporate structure to a utility for which the cost is not governed by section 10ee(8) of 2016 PA 341, <u>MCL 460.10ee(8)</u> is at the lower of cost or fair market value.</p>
<p><b>MICH. ADMIN. CODE R 460.10109</b> Disclosure of information</p>	<p><b>Rule 9.</b> (1) Notwithstanding any provision of this rule, utilities shall comply at all times with applicable data privacy tariffs. (2) Prior written approval of the customer is not required for the disclosure of a customer list to a program or service provider of an unregulated value-added program or service in compliance with section 10ee(10)(a) of 2016 PA 341, <u>MCL 460.10ee(10)(a)</u>, or to otherwise comply with these rules. A customer list may include only the name and address of a customer. (3) Information obtained by a utility in the course of conducting its regulated business shall not be shared directly or indirectly with its affiliates or other entities within the corporate structure offering unregulated value-added programs or services unless that same information is provided upon request to competitors operating in the</p>

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<p><b>MICH. ADMIN. CODE R 460.10109</b> Disclosure of information (Cont'd)</p>	<p>service territory on the same terms and conditions and contemporaneously.</p> <p>(4) Customer specific consumption or billing data shall not be provided to any affiliate, other entity within the corporate structure offering unregulated value-added programs or services, or alternative electric supplier without prior written approval of the customer.</p> <p>(5) If a utility provides non-customer specific, or aggregated, customer information to its affiliate or other entity within the corporate structure offering unregulated value-added programs or services, it must, upon request, offer the same information on the same terms and conditions, in the same form and manner, and contemporaneously, to all competitors of that affiliate or other entity within the corporate structure. The provision of such data must comply with all applicable data privacy tariffs.</p> <p>(6) When disclosure required in subrule (5) of this rule is otherwise allowed, a utility shall not provide its affiliates or other entities within the corporate structure offering unregulated value-added programs or services with information about the distribution system, including operation and expansion, without providing, upon request, the same information under the same terms and conditions, in the same form and manner, and contemporaneously, to all licensed alternative electric suppliers and competitors of the affiliate or other entity within the corporate structure. The utility shall keep a record of requests for such information, and shall make that record available to the commission upon request.</p> <p>(7) A utility shall not provide any information received from or as a result of doing business with a competitor to the utility's affiliate or other entity within the corporate structure offering unregulated value-added programs or services without the written approval of the competitor.</p>

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<p><b>MICH. ADMIN. CODE R 460.10110 Notification</b></p>	<p><b>Rule 10.</b>            (1) Utilities that intend to offer a value-added program or service shall notify the commission not less than 30 days before offering the new program or service. The written notification shall, at a minimum, provide all of the following:            (a) A detailed description of the new value-added program or service and what it will offer.            (b) A list of the personnel responsible for management of the value-added program or service and their location within the utility, both physically and within the corporate structure.            (c) A detailed description of how costs, including but not limited to, billing, postage, and call center costs, will be allocated to the value-added program or service to ensure that there is no cross-subsidization between regulated and unregulated programs or services.            (d) A copy of the business plan for the value-added program or service.            (e) Pro forma financial statements that outline the expected financial performance for each value-added program or service for the next 12 months.            (2) Utilities shall request a docket for the filing of the notification, and shall thereafter make all annual report filings in that docket.            (3) A utility that intends to sell or transfer an asset with a market value of \$ 1,000,000 or more to any affiliate or other entity within the corporate structure shall notify the commission of the impending sale or transfer no less than 30 days before the sale or transfer. An affiliate or other entity within the corporate structure of a utility that intends to sell or transfer an asset with a market value of \$ 1,000,000 or more to a utility shall notify the commission of the impending sale or transfer no less than 30 days before the sale or transfer. Upon request, the utility, affiliate, or other entity within the corporate structure shall make available to the commission information</p>

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<p><b>MICH. ADMIN. CODE R 460.10110</b> Notification (Cont'd)</p>	<p>that demonstrates how the sale or transfer price was determined. Notification shall be in the form of a letter to the director of the regulated energy division of the commission.</p>
<p><b>MICH. ADMIN. CODE R 460.10111</b> Oversight</p>	<p><b>Rule 11.</b> (1) A utility, its affiliates, and other entities within the corporate structure offering unregulated value-added programs or services shall maintain documentation needed to investigate compliance with section 10ee of 2016 PA 341, <u>MCL 460.10ee</u>, and these rules. All documentation shall be kept at a designated company office in this state, unless the Commission by order has authorized a different location. The utility, its affiliates, and other entities within the corporate structure offering unregulated value-added programs or services shall make this information available for review upon request by the commission or its staff. (2) The utility, its affiliates, and other entities within the corporate structure offering unregulated value-added programs or services shall use a documented dispute resolution process separate from any process that might be available from the commission. This dispute resolution process shall address complaints arising from application of these rules. The utility, its affiliates, and other entities within the corporate structure offering unregulated value-added programs or services shall keep a log of all complaints, including the name of the person or entity filing the complaint, the date the complaint was filed, a written statement of the nature of the complaint, and the results of the resolution process. (3) A utility, its affiliates, and other entities within the corporate structure offering unregulated value-added programs or services may request a waiver from 1 or more provisions of these rules by filing an</p>

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<p><b>MICH. ADMIN. CODE R 460.10111</b> Oversight (Cont'd)</p>	<p>application with the commission. The requesting party carries the burden of demonstrating that such a waiver will not impair the development or functioning of the competitive market. Waivers shall be granted for entities that qualify for loans to deploy broadband services in rural areas under the Rural Electrification Act of 1936, as amended, <u>7 U.S.C. § 901</u> et seq.</p>
<p><b>MICH. ADMIN. CODE R 460.10112</b> Reporting</p>	<p><b>Rule 12.</b> (1) Utilities shall file the code of conduct annual report information required under section 10ee(6)(c) and (15), 2016 PA 341, <u>MCL 460.10ee</u>, no later than April 30 of each year in the docket in which the utility filed its notification for a new program or service, or in a new docket for an existing program or service. Code of conduct annual reports shall include all of the following: (a) Designation of a corporate officer of the utility who will oversee compliance with these rules and be available to serve as the commission's primary contact regarding compliance. (b) An organizational chart of the parent or holding company showing all regulated entities and affiliates and a description of all programs and services provided between the regulated entity and its affiliates. (c) An overview of the report year, including a detailed accounting of how costs were apportioned between the utility and the value-added program or service, expectations for the following year, and any 5-year projections available for each value-added program and service. (d) A table illustrating the customer count, revenue, and expense of each value-added program and service. (e) A balance sheet, where available, and income statement for each value-added program and service offered by an affiliate or other entity within the corporate structure, including revenues, less direct and indirect expenses broken out separately. Direct and indirect revenues and</p>

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
<p><b>MICH. ADMIN. CODE R 460.10112 Reporting (Cont'd)</b></p>	<p>expenses shall be separated by category and then aggregated at the direct and indirect levels, and the report shall include gross income, amounts flowed back to ratepayers to reduce rates, and net income. Each category of indirect cost should be accompanied by formulas/calculations/allocations showing how they have been derived.</p> <p><b>(f)</b> General ledger and trial balance for each value-added program and service shall be provided to the commission staff separately on a USB thumb drive or other appropriate technological device with formulas intact.</p> <p><b>(g)</b> The number and type of complaints received in the prior calendar year regarding code of conduct issues from customers, alternative electric suppliers, or any other person or entity, and a summary of the resolution of any complaint that occurred during the calendar year.</p> <p><b>(h)</b> The number of times during the prior calendar year that customer information was provided to an affiliate or competing provider of an unregulated value-added program or service, the identity of the affiliate or competing provider, and a description of the information shared.</p> <p><b>(i)</b> A description of the nature of each transaction with an affiliate or other entity within the corporate structure and of the basis for the cost allocation and pricing established in each transaction.</p> <p><b>(j)</b> Reports of internal audits conducted by the utility regarding transactions between the utility and its affiliates, or transactions between the utility and other entities within the corporate structure offering value-added programs or services.</p> <p><b>(2)</b> The annual report shall be signed by the designated corporate officer or a person responsible for each value-added program and service attesting to the accuracy of the information in the annual report and certifying that there is no cross-subsidization between regulated and non-regulated utility programs and services.</p> <p><b>(3)</b> Copies of federal income tax returns for</p>

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<i>SUBJECT</i>	<i>REQUIREMENT</i>
	utilities, affiliates, and, where applicable, other entities within the corporate structure who offer a value-added program or service, shall be available to the commission for inspection and review.

## AUDIT REQUIREMENTS

The independent audit requirement regarding the merger has expired. I&M/AEP was required to conduct biennial audits for 8 years after the merger. The final audit was submitted to the Michigan Public Service Commission on December 29, 2008.

## OTHER REQUIREMENTS

The MPSC's Code of Conduct (MICH. ADMIN. CODE R 460.10103) provides a utility's regulated services shall not subsidize the business of its affiliates, other entities within the corporate structure, or third-party contractors offering unregulated value-added programs or services. AEP's cost allocation policies and procedures are consistent with Michigan's requirements relative to cross-subsidization.



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## SUMMARY

Ohio's requirements applicable to cost allocations and affiliate transactions are, for the most part, captured in the corporate separation rules adopted by the Public Utilities Commission of Ohio (the PUCO, or the Commission) in Ohio Admin. Code Chapter 4901:1-37, and in the regulations and orders of the PUCO.

## CAM REQUIREMENTS

The following table details the Commission's Cost Allocation Manual (CAM) requirements:

<b><i>SUBJECT</i></b>	<b><i>REQUIREMENT</i></b>
Summary	Each electric utility that receives products and/or services from an affiliate and/or that provides products and/or services to an affiliate shall maintain information in the CAM, documenting how costs are allocated between the electric utility and affiliates and the regulated and nonregulated operations. [Source: 4901:1-37-08(A)]
Maintenance	The CAM will be maintained by the electric utility. [Source: 4901:1-37-08(B)]
Assurances	The CAM is intended to ensure the commission that no cross-subsidization is occurring between the electric utility and its affiliates. [Source: 4901:1-37-08(C)]
Contents	The CAM will include: (1) An organization chart of the holding company, depicting all affiliates,



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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
<p>Contents (Cont'd)</p>	<p>as well as a description of activities in which the affiliates are involved.</p> <p>(2) A description of all assets, services, and products provided to and from the electric utility and its affiliates.</p> <p>(3) All documentation including written agreements, accounting bulletins, procedures, work order manuals, or related documents, which govern how costs are allocated between affiliates.</p> <p>(4) A copy of the job description of each shared employee.</p> <p>(5) A list of names and job summaries for shared consultants and shared independent contractors.</p> <p>(6) A copy of all transferred employees' (from the electric utility to an affiliate or vice versa) previous and new job description.</p> <p>(7) A log detailing each instance in which the electric utility exercised discretion in the application of its tariff provisions.</p> <p>(8) A log of all complaints</p>

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<b>SUBJECT</b>	<b>REQUIREMENT</b>
Contents (Cont'd)	brought to the utility regarding this chapter. (9) A copy of the minutes of each board of directors meeting, where it shall be maintained for a minimum of three years.
Method for Charging Costs	The method for charging costs and transferring assets shall be based on fully allocated costs. [Source: 4901:1-37-08 (E)]
Audit Trail	The costs shall be traceable to the books of the applicable entity. [Source: 4901:1-37-08(F)]
Record Retention Requirements	The electric utility and affiliates shall maintain all underlying affiliate transaction information for a minimum of three years. [Source: 4901:1-37-08 (G)]
Summary of Changes	Following approval of a corporate separation plan, an electric utility shall provide the director of the utilities department (or their designee) with a summary of any changes in the CAM at least every twelve months. [Source: 4901:1-37-08 (H)]
Company Contact	The compliance officer designated by the electric utility will act as the contact for the staff when staff seeks data regarding affiliate transactions, personnel transfers, and the

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<b>SUBJECT</b>	<b>REQUIREMENT</b>
Commission Inspection	sharing of employees. [Source: 4901: 1-37-08 (I)]  The staff may perform an audit of the CAM in order to ensure compliance with this rule.[Source: 4901:1-37-08(J)]

## TRANSFER PRICING

The Commission's corporate separation rule, as expressed in the CAM requirements themselves (see above), provides that "the method for charging costs and transferring assets shall be based on fully allocated costs." [Source: 4901:1-37-08 (E)]

## REBUTTABLE PRESUMPTION

Transactions made in accordance with rules, regulations, or service agreements approved by the Federal Energy Regulatory Commission, Securities and Exchange Commission, and the Commission, which rules the electric utility shall maintain in its cost allocations manual (CAM) and file with the Commission, shall provide a rebuttable presumption of compliance with the costing principles contained in this chapter.  
[Source: 4901:1-37-04 (A) (6)]

## REPORTING REQUIREMENTS

The Commission's corporate separation rule, as expressed in the CAM requirements themselves (see above), provides that "an electric utility shall provide the director of the utilities department (or their designee) with a summary of any changes in the CAM at least every twelve months."

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AUDITS

The staff of the PUCO will perform audits to test compliance with the CAM requirements and other provisions of the commission's corporate separation rules.

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## OKLAHOMA RULES AND REGULATIONS

### SUMMARY

Oklahoma's requirements applicable to affiliate transactions are focused on the Oklahoma Corporation Commission's (the Commission's or the OCC's) ability to access the books and records of Public Service Corporation of Oklahoma (PSO) and its AEP affiliates as stated in the Stipulation approved by the OCC in Cause No. PUD 980000444, dated April 16, 1999. Other requirements are contained in orders issued by the OCC.

### ACCESS TO BOOKS AND RECORDS

Section 5 of the Stipulation in Cause No. 980000444 concerning the proposed merger of American Electric Power Company, Inc. and Central and South West Corporation addresses the issue of access to books and records as captured in the following table:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Access to Books and Records of AEP and Its Affiliates	Subject to regulatory authority, the OCC and Attorney General will either have access in Oklahoma to copies of books and records of AEP and its affiliates and subsidiaries (including their participation in joint ventures) with respect to matters and activities that relate to Oklahoma retail rates or AEP will pay reasonable and prudently incurred travel expenses to conduct on-site review of the books and records.
Access to Books and Records of PSO	The OCC and Attorney General will have access to the books and records of PSO to the degree required to fully audit, examine, or otherwise

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	investigate transactions between PSO and AEP affiliates.
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STANDARDS FOR TRANSACTIONS BETWEEN UTILITIES AND AFFILIATE(S)

The Oklahoma's rules and requirements applicable to Affiliate Transactions are contained in the Oklahoma Corporation Commission's (OCC) Electric Utility Rules adopted May 2, 2005, and effective July 1, 2005.

The applicable rules and requirements are captured in the following table:

SUBJECT	REQUIREMENTS
Transactions with Affiliates	(1) Electric utilities must apply any tariff provision in the same manner to the same or similarly situated persons if there is discretion in the application of the provision. (2) Electric utilities must strictly enforce a tariff provision for which there is no discretion in the application of the provision. (3) Except as necessary for physical operational reasons, electric utilities may not, through a tariff provision or otherwise, give their affiliates or knowingly give customers of their affiliates preference over other utility customers in matters relating to any service offered including, but not limited to: generation, transmission, distribution and ancillary services, scheduling, balancing, or curtailment

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SUBJECT	REQUIREMENTS
<p>Transactions with Affiliates (Cont'd)</p>	<p>policy.</p> <p>(4) Unless such disclosure is made public simultaneously or as near to the event as possible, electric utilities shall not disclose to their affiliates any information which they receive from, a non-affiliated customer, a potential customer, any agent of such customer, or potential customer, or other entity seeking to supply electricity to a customer or potential customer.</p> <p>(5) An electric utility's operating employees and the operating employees of its affiliate must function independently of each other and shall be employed by separate corporate entities.</p> <p>(6) Electric utilities and their affiliates shall keep separate books and records.</p> <p>(7) Electric utilities shall establish a complaint procedure. In the event of the electric utility and the complainant are unable to resolve a complaint, the complainant may address the complaint to the Commission.</p> <p>(8) With respect to any transaction or agreement relating in any way to electric generation, transmission, distribution and ancillary services, an electric utility</p>

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SUBJECT	REQUIREMENTS
<p>Transactions with Affiliates (Cont'd)</p>	<p>shall conduct all such transactions with any of its affiliates on an arm's length basis.</p> <p>(9) The Commission shall resolve affiliate transactions disputes or abuses on a case-by-case basis. Any aggrieved party may file a complaint with the Commission alleging the particulars giving rise to the alleged dispute or abuse.</p> <p>(10) Electric utilities must process all similar requests for electric services in the same manner and within the same period of time.</p> <p>(11) Electric utilities shall not provide leads to their affiliates and shall refrain from giving any appearance that the electric utility speaks on behalf of its affiliate(s). Nor shall the affiliate trade upon, promote or advertise its affiliation or suggest that it receives preferential treatment as a result of its affiliation. The use of a common corporate or parent holding company name shall not be a violation of this provision so long as the regulated utility and the affiliate entities can be distinguished.</p> <p>(12) Electric utilities, except for billing and collection services and customer service, or by order of the Commission,</p>



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SUBJECT	REQUIREMENTS
Transactions with Affiliates (Cont'd)	<p>shall not share their customer list or related customer information with affiliates unless the information is simultaneously shared with non-affiliate entities.</p> <p>(13) The electric utility shall not communicate with any third party that any advantage in the provision of electric services may accrue to such third party as a result of that third party's dealings with the electric utility's affiliate.</p> <p>[165:35-31-19]</p>

## TRANSFER PRICING AND OTHER TRANSACTION REQUIREMENTS

The OCC's rules contain very specific requirements for transactions between a utility and its affiliates including the pricing of such transactions. The applicable requirements are captured in the following table:

SUBJECT	REQUIREMENTS
Transfer Pricing and Other	<ul style="list-style-type: none"> <li>• <b>Transactions between a utility and its affiliates.</b> A utility shall not subsidize the business activities of any affiliate with revenues from a regulated service. A utility cannot recover more than its reasonable fair share of the fully allocated costs for any transaction or shared services.</li> <li>• <b>Contemporaneous record requirement.</b> A utility shall maintain a contemporaneous</li> </ul>

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SUBJECT	REQUIREMENTS
Transfer Pricing and Other (Cont'd)	<p>written record of all individual transactions with a value equal to or over one million dollars with its affiliates, excluding those involving shared services or corporate support services and those transactions governed by tariffs or special contracts. Such records, which shall include at a minimum, the date of the transactions, name of affiliate(s) involved, name of a utility employee knowledgeable about the transaction, and a detailed description of the transaction with appropriate support documentation for review purposes, shall be maintained by the utility for three years.</p> <ul style="list-style-type: none"> <li> <b>Transfer of assets.</b> Except as otherwise required by federal statute or regulation or pursuant to Commission authorized competitive bidding, tariffs, special contract, or as otherwise ordered by the Commission; cost recovery for property transferred from a utility to its affiliate shall be priced at the "higher of cost or fair market value." Except as otherwise required           </li> </ul>

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SUBJECT	REQUIREMENTS
Transfer Pricing and Other (Cont'd)	<p>by federal statute or regulation, or pursuant to Commission authorized competitive bidding, tariffs, special contract or as otherwise ordered by the Commission; asset valuation and transfers of property transferred from an affiliate to its utility shall be priced at the "lower of cost or fair market value." No matter the origin of the transaction, all transfers between a utility and an affiliate will be individually scrutinized by the Commission on a case-by-case basis.</p> <ul style="list-style-type: none"> <li> <b>Sale of products or services.</b> Except as otherwise required by federal or state statute or regulation, or pursuant to Commission authorized competitive bidding, tariffs, special contract or as otherwise ordered by the Commission; any sale of products and services provided from the affiliate to the utility shall be priced at the "lower of cost or fair market value." Except as otherwise required by federal statute or regulation, or pursuant to           </li> </ul>

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SUBJECT	REQUIREMENTS
Transfer Pricing and Other (Cont'd)	<p>Commission authorized competitive bidding, tariffs, special contract or as otherwise ordered by the Commission; any sale of jurisdictional products and services provided from the utility to the affiliate shall be priced at "higher of cost or fair market value."</p> <ul style="list-style-type: none"> <li> <b>Joint purchases.</b> A utility may make a joint purchase with its affiliates of goods and services involving goods and/or services necessary for utility operations. The utility must ensure that all joint purchases are priced, reported, and conducted in a manner that permits clear identification of the utility's and the affiliate's allocations of such purchases.           </li> </ul>

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SUBJECT	REQUIREMENTS
Transfer Pricing and Other (Cont'd)	<ul style="list-style-type: none"> <li>• <b>Tying arrangements prohibited.</b> Unless otherwise allowed by the Commission through a rule, order or tariff, a utility shall not condition the provision of any product, service, pricing benefit, waivers or alternative terms or conditions upon the purchase of any other good or service from the utility's affiliate.</li> </ul> <p>[165:35-31-20]</p>
Separate Books and Financial Transactions	<p>A utility shall keep separate books of accounts and records from its affiliates. The Commission may review records relating to any transaction between a utility and an affiliate to ensure compliance with this Subchapter including the records of both the utility and the affiliate relating to any transaction.</p> <p>(1) In accordance with generally accepted accounting principles, a utility shall record all transactions with its affiliates, whether they involve direct or indirect expenses.</p> <p>(2) A utility shall prepare non-GAAP financial statements that are not consolidated with those of its affiliates.</p>

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SUBJECT	REQUIREMENTS
<p>Separate Books and Financial Transactions (Cont'd)</p>	<p>(3) A utility shall have a cost allocation manual or upon Commission request, be able to provide its cost allocation methodology in written form with supporting documentation. Such records shall reflect the transaction and the allocated costs, with supporting documentation, to justify the valuation.</p> <p>• <b>Limited credit, investment or financing support by a utility.</b> A utility may share credit, investment, or financing arrangements with its affiliates if it complies with paragraphs (1) and (2) of this Subsection.</p> <p>(1) The utility shall implement adequate safeguards precluding employees of an affiliate from gaining access to information in a manner that would allow or provide a means to transfer confidential information from a utility to an affiliate, create an opportunity for preferential treatment or unfair competitive advantage, lead to customer confusion, or create an opportunity for preferential treatment or</p>

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SUBJECT	REQUIREMENTS
<p>Separate Books and Financial Transactions (Cont'd)</p>	<p>unfair competitive advantage, lead to customer confusion, or create opportunities for subsidization of affiliates.</p> <p>(2) Where an affiliate obtains credit under any arrangement that would include a pledge of any assets in the rate base of the utility or a pledge of cash necessary for utility operations the transactions shall be reviewed by the Commission on a case-by-case basis.</p> <ul style="list-style-type: none"> <li>• <b>Cost of financing transactions of any affiliate.</b> The cost of any financial transactions, in part or in full, or any debt, equity, trading activity, or derivative, of any parent company, holding company or any affiliate, which has a direct or indirect financial or cost impact upon the utility shall be reviewed by the Commission on a case-by-case basis.</li> </ul> <p>[165:35-31-21]</p>

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TENNESSEE RULES AND REQUIREMENTS

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## SUMMARY

Tennessee has no specific rules and requirements applicable to cost allocations and affiliate transactions. In 1999, the Consumer Advocate Division of the Office of the Attorney General made a request for a rulemaking concerning proposed rules for cost allocations and affiliate transactions before the Tennessee Regulatory Authority.

## COMMISSION ACTION

The request for rulemaking by the Consumer Advocate Division was placed on the Tennessee Regulatory Authority's docket in 1999 and comments and reply comments were filed by Kingsport Power Company and the Consumer Advocate Division as well as other parties (Docket No. 98-00690).

Any rules or requirements of the Tennessee Regulatory Authority applicable to cost allocations and affiliate transactions will be summarized in this document when and if they are adopted.





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## SUMMARY

Texas' rules and requirements applicable to affiliate transactions are contained in Public Utility Regulatory Act (PURA) Sections 36.058 and 39.157(d), as well as the Public Utility Commission (PUC) rules under Texas Administrative Code (TAC), Title 16, Part II Chapter 25 - Electric - Rules Applicable to Service Providers.

## DOCUMENTATION REQUIREMENTS

The PUC's documentation requirements for affiliate transactions are contained in its Electric Substantive Rules, as captured in the following table:

SUBJECT	REQUIREMENT
Separate Books and Records	<ul style="list-style-type: none"> <li>• A utility and its affiliates shall keep separate books of accounts and records, and the Commission may review records relating to transactions between a utility and an affiliate.</li> <li>• In accordance with generally accepted accounting principles or state and federal guidelines, as appropriate, a utility shall record all transactions with its affiliates, whether they involve direct or indirect expenses.</li> <li>• A utility shall prepare financial statements that are not consolidated with</li> </ul>

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	those of its affiliates. [§25.272(d)(6)(A)-(B)]
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TRANSFER PRICING  
AND OTHER TRANSACTION  
REQUIREMENTS

The PUCT's substantive rules contain very specific requirements for transactions between a utility and its affiliates, including the pricing of such transactions. The applicable requirements are captured in the following table:

SUBJECT	REQUIREMENT
Transactions with All Affiliates	<ul style="list-style-type: none"> <li>• <b>General.</b> A utility shall not subsidize the business activities of any affiliate with revenues from a regulated service. In accordance with PURA and the Commission's rules, a utility and its affiliates shall fully allocate costs for any shared services, including corporate support services, offices, employees, property, equipment, computer systems, information systems, and any other shared assets, services, or products. [§25.272(e)(1)]</li> <li>• <b>Sale of products or services by a utility.</b> Unless otherwise approved by the Commission and except for corporate support services, any sale</li> </ul>

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SUBJECT	REQUIREMENT
<p>Transactions with All Affiliates (Cont'd)</p>	<p>of a product or service by a utility shall be governed by a tariff approved by the Commission. Products and services shall be made available to any third party entity on the same terms and conditions as the utility makes those products and services available to its affiliates. [§25.272(e)(1)(A)]</p> <ul style="list-style-type: none"> <li>• <b>Purchase of products, services, or assets by a utility from its affiliate.</b> Products, services, and assets shall be priced at levels that are fair and reasonable to the customers of the utility and that reflect the market value of the product, service, or asset. [§25.272(e)(1)(B)]</li> <li>• <b>Transfers of assets.</b> Except for asset transfers implementing unbundling pursuant to PURA §39.051, asset valuation in accordance with PURA §39.262, and transfers of property pursuant to a financing order issued under PURA,</li> </ul>

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SUBJECT	REQUIREMENT
<p>Transactions with All Affiliates (Cont'</p>	<p>Chapter 39, Subchapter G, assets transferred from a utility to its affiliates shall be priced at levels that are fair and reasonable to the customers of the utility and that reflect the market value of the assets or the utility's fully allocated cost to provide those assets. [§25.272(e)(1)(C)]</p> <ul style="list-style-type: none"> <li>• <b>Transfer of assets implementing restructuring legislation.</b> The transfer from a utility to an affiliate of assets implementing unbundling pursuant to PURA §39.051, asset valuation in accordance with PURA §39.262, and transfers of property pursuant to a financing order issued under PURA, Chapter 39, Subchapter G will be reviewed by the Commission pursuant to the applicable provisions of PURA, and any rules implementing those provisions. [§25.272(e)(1)(D)]</li> </ul>
<p>Transactions with Competitive Affiliates</p>	<ul style="list-style-type: none"> <li>• <b>General.</b> Unless otherwise allowed in this subsection on transactions between a utility and its</li> </ul>

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SUBJECT	REQUIREMENT
<p>Transactions with Competitive Affiliates (Cont'd)</p>	<p>affiliates, transactions between a utility and its competitive affiliates shall be at arm's length. A utility shall maintain a contemporaneous written record of all transactions with its competitive affiliates, except those involving corporate support services and those transactions governed by tariffs. Such records, which shall include the date of the transaction, name of the affiliate involved, name of a utility employee knowledgeable about the transaction, and a description of the transaction, shall be maintained by the utility for three years. In addition to the requirements specified above for transactions with all affiliates, the provisions cited in the following bullets apply to transactions between utilities and their competitive affiliates. [§25.272(e)(2)]</p> <ul style="list-style-type: none"> <li>• <b>Provision of corporate support services.</b> A utility may engage in</li> </ul>

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SUBJECT	REQUIREMENT
<p>Transactions with Competitive Affiliates (Cont'd)</p>	<p>transactions directly related to the provision of corporate support services with its competitive affiliates. Such provision of corporate support services shall not allow or provide a means for the transfer of confidential information from the utility to the competitive affiliate, create the opportunity for preferential treatment or unfair competitive advantage, lead to customer confusion, or create significant opportunities for cross-subsidization of the competitive affiliate. [§25.272(e)(2)(A)]</p> <ul style="list-style-type: none"> <li>• <b>Purchase of products or services by a utility from its competitive affiliate.</b> Except for corporate support services, a utility may not enter into a transaction to purchase a product or service from a competitive affiliate that has a per unit value of \$75,000 or more, or a total value of \$1 million or more, unless the</li> </ul>

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SUBJECT	REQUIREMENT
<p>Transactions with Competitive Affiliates (Cont'd)</p>	<p>transaction is the result of a fair, competitive bidding process formalized in a contract subject to the provisions of §25.273 of this title (relating to Contracts Between Electric Utilities and Their Competitive Affiliates). [§25.272(e)(2)(B)]</p> <ul style="list-style-type: none"> <li> <p><b>Transfers of assets.</b> Except for asset transfers facilitating unbundling pursuant to PURA §39.051, asset valuation in accordance with PURA §39.262, and transfers of property pursuant to a financing order issued under PURA, Chapter 39, Subchapter G, any transfer from a utility to its competitive affiliates of assets with a per unit value of \$75,000 or more, or a total value of \$1 million or more, must be the result of a fair, competitive bidding process formalized in a contract subject to the provisions of §25.273 of this title. [§25.272(e)(2)(C)]</p> </li> </ul>

REPORTING REQUIREMENTS

The PUCT's requirements applicable to the

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reporting of affiliate transactions by electric utilities are contained in its substantive rules, as captured in the following table:

SUBJECT	REQUIREMENT
Annual Report of Affiliate Transactions	A "Report of Affiliate Activities" shall be filed annually with the Commission. Using forms approved by the Commission, a utility shall report activities among itself and its affiliates. The report shall be filed by June 1, and shall encompass the period from January 1 through December 31 of the preceding year. [§25.84 (d)]
Copies of Contracts or Agreements	A utility shall reduce to writing and file with the Commission copies of any contracts or agreements it has with its affiliates. This requirement is not satisfied by the filing of an earnings report. All contracts or agreements shall be filed by June 1 of each year as attachments to the annual "Report of Affiliate Activities." In subsequent years, if no significant changes have been made to the contract or agreement, an amendment sheet may be filed in lieu of refileing the entire contract or agreement. [§25.84 (e)]



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SUBJECT	REQUIREMENT
Tracking Migration of Employees	A utility shall track and document the movement between the utility and its competitive affiliates of all employees engaged in transmission and distribution system operations, including persons employed by a service company affiliated with the utility who are engaged in transmission or distribution system operations on a day-to-day basis or have knowledge of transmission or distribution system operations. Employee migration information shall be included in the utility's annual "Report of Affiliate Activities." The tracking information shall include an identification code for the migrating employee, the respective titles held while employed at each entity, and the effective dates of the migration. [§25.84 (f)]

## REPORTING REQUIREMENTS

Section 25.84 of the Commission's substantive rules requires that informal code of conduct complaints, deviations from the code of conduct and updates to the utility's compliance plan be filed at the PUCT.

## AUDIT REQUIREMENTS

The PUCT's audit requirements applicable to affiliate transactions by electric utilities

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are contained in its substantive rules, as captured in the following table:

<i>SUBJECT</i>	<i>REQUIREMENT</i>
General	A utility and its affiliates shall maintain sufficient records to allow for an audit of the transactions between the utility and its affiliates. At any time, the Commission may, at its discretion, require a utility to initiate, at the utility's expense, an audit of transactions between the utility and its affiliates performed by an independent third party. [§25.272 (d)(6)(C)]
Compliance Audits	No later than one year after the utility has unbundled pursuant to PURA §39.051, or acquires a competitive affiliate, and, at a minimum, every third year thereafter, the utility shall have an audit prepared by independent auditors that verifies that the utility is in compliance with this section. For a utility that has no competitive affiliates, the audit may consist solely of an affidavit stating that the utility has no competitive affiliates. The utility shall file the results of each said audit with the commission within one month

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Compliance Audits (Cont'd)	of the audit's completion. The cost of the audits shall not be charged to utility ratepayers. [§25.272 (i)(3)]



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## VIRGINIA RULES AND REQUIREMENTS

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### SUMMARY

The Code of Virginia requires approval of contracts between a public service company and any affiliated interests. Virginia's rules and requirements applicable to cost allocations and affiliate transactions can be found in the Code and in the regulations and orders of the Virginia State Corporation Commission (the SCC, or the Commission), particularly the Final Orders in Case Nos. PUA000029 and PUE010013.

### SCC APPROVAL

No contract or arrangement providing for the furnishing of management, supervisory, construction, engineering, accounting, legal, financial or similar services, and no contract or arrangement for the purchase, sale, lease or exchange of any property, right or thing, other than those above enumerated, or for the purchase or sale of treasury bonds or treasury capital stock made or entered into between a public service company and any affiliated interest shall be valid or effective unless and until it shall have been filed with and approved by the Commission [Code of VA §56-77].

### DOCUMENTATION

The Commission's documentation requirements related to affiliate transactions are captured in the following table:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Separate Books and Records	Each affiliated competitive service provider shall maintain separate books of accounts and records. [20 VAC 5-312-30 C]
Access to Books and Records	The Commission may inspect the books, papers, records and documents of, and require



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<i>SUBJECT</i>	<i>REQUIREMENT</i>
Access to Books and Records (Cont'd)	special reports and statements from, every generation company affiliated with a local distribution company regarding transactions with its local distribution company affiliate. Upon complaint or on its own initiative, the Commission may also (I) investigate alleged violations of this charter, and (ii) seek to resolve any complaints filed with the Commission against any such affiliated generation company. [20 VAC 5-202-30 B 7]
Employee Transfers	An affiliated competitive service provider shall document each occasion that an employee of its affiliated local distribution company, or of the transmission provider that serves its affiliated local distribution company, becomes one of its employees and each occasion that one of its employees becomes an employee of its affiliated local distribution company or the transmission provider that serves its affiliated local distribution company. Upon staff's request, such information shall be filed with the SCC that identifies each such



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<i>SUBJECT</i>	<i>REQUIREMENT</i>
Employee Transfers (Cont'd)	occasion. Such information shall include a listing of each employee transferred and a brief description of each associated position and responsibility. [20 VAC 5-312-30 B 3]

## TRANSFER PRICING

The SCC's transfer pricing rules applicable to affiliate transactions between the local distribution company (LDC) and certain affiliate are contained in various orders of the Commission.

Rules Applicable to Functional Separation of Incumbent Electric Utilities under the Virginia Restructuring Act (Case No. PUA000029)

The SCC's rules applicable to the functional separation of incumbent electric utilities under the Virginia Electric Utility Restructuring Act contain specific transfer pricing requirements for transactions between the LDC and an affiliated generation company as captured in the following table:

<i>SUBJECT</i>	<i>REQUIREMENT</i>
Sale of Non-Tariffed Services, Facilities and Products	LDCs shall be compensated at the greater of fully distributed cost or market price for all non-tariffed services, facilities, and products provided to an affiliated generation company.
Purchase of Non-Tariffed Services, Facilities and Products	An affiliated generation company shall be compensated at the lower of fully distributed cost or market price for all non-tariffed services, facilities, and products provided to the LDC.

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Unavailable Market Prices	If market price data are unavailable for purposes of such calculations, non-tariffed services, facilities and products shall be compensated at fully distributed costs. In such event, the LDC shall document its efforts to determine market price data and its basis for concluding that such price data are unavailable.

[Source: 20 VAC 5-202-30 B 5 a]

Rules Applicable to Retail Access (Case No. PUE010013)

The SCC's rules for retail access contain specific transfer pricing requirements concerning transactions between the local distribution company and its affiliated competitive service providers as captured in the following table:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Sale of Non-Tariffed Services, Facilities and Products	The local distribution company shall be compensated at the greater of fully distributed cost or market price for all non-tariffed services, facilities, and products provided to an affiliated competitive service provider.
Purchase of Non-Tariffed Services, Facilities and Products	An affiliated competitive service provider shall be compensated at the lower of fully distributed cost or market price for all non-tariffed services, facilities, and products

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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
	provided to the local distribution company.
Unavailable Market Prices	If market price data are unavailable, non-tariffed services, facilities and products shall be compensated at fully distributed cost and the local distribution company shall document its efforts to determine market price data and its basis for concluding that such price data are unavailable. Notification of a determination of the unavailability of market price data shall be included with the annual report of affiliate transactions that is required to be filed by the local distribution company with the SCC.

[Source: 20 VAC 5-312-30 I. 1.]

AFFILIATE TRANSACTION REPORTING REQUIREMENTS

Virginia's general reporting requirements for affiliate transactions have evolved through several recent affiliate agreement approval orders and are summarized in the following table:

<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
Annual Report of Affiliate Transactions	An annual report of affiliate transactions shall be filed by May 1 of each year with the SCC's Director of Public



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<i><b>SUBJECT</b></i>	<i><b>REQUIREMENT</b></i>
	<p>Utility Accounting for transactions for the prior calendar year. The annual report shall include all affiliate agreements/arrangements regardless of amount involved and shall supersede all previous reporting requirements for affiliate transactions (except, see Statement of Utility Assets Sold, Purchased or Acquired below).</p> <p>The report shall contain the following information:</p> <ol style="list-style-type: none"> <li>1. Affiliate's name</li> <li>2. Description of each affiliate arrangement/agreement</li> <li>3. Dates of each affiliate arrangement/agreement</li> <li>4. Total dollar amount of each affiliate arrangement/agreement</li> <li>5. Component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead)</li> <li>6. Profit component of each arrangement/agreement where</li> </ol>

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<b>SUBJECT</b>	<b>REQUIREMENT</b>
<p>Annual Report of Affiliate Transactions (Cont'd)</p>	<p>services are provided to an affiliate and how such component is determined</p> <p>7. Comparable market values and documentation related to each arrangement/ agreement</p> <p>8. Percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts, and</p> <p>9. Allocation bases/factors for allocated costs.</p> <p>Transfers of assets between APCO and AEPC with values of \$100,000 or less must be reported in the annual report of affiliated transactions. All transfers of assets between APCO and AEPC with a value exceeding \$100,000 require prior Commission approval. [Source: SCC Order, dated March 4, 1998, in Case No. PUA970035]</p> <p>The Annual Report of Affiliate Transactions shall also include copies of all executed Greenfield Site Agreements between APCO and AEPC along with a description of the particulars of each site as well as the book value of the underlying land relative to the proposed per site license fee of \$10,200/year (less any volume discount for multiple</p>

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<b>SUBJECT</b>	<b>REQUIREMENT</b>
	sites). [Source: SCC Order, dated December 6, 199, in Case No. PU990053]
Annual Report Under the Virginia Electric Utility Restructuring Act	<p>Local distribution companies (LDCs) shall file annually, with the Commission, a report that shall, at a minimum, include: (i) the amount and description of each type of non-tariffed service provided to or by an affiliated generation company; (ii) accounts debited or credited; and (iii) the compensation basis used (i.e., market price or fully distributed cost).</p> <p>The LDC shall make available to the Commission's staff, upon request, the following documentation for each agreement and arrangement where services are provided to or by an affiliated generation company: (i) component costs (i.e., direct or indirect labor, fringe benefits, travel or housing, materials, supplies, indirect miscellaneous expenses, equipment or facilities charges, and overhead); (ii) profit component; and (iii) comparable market values and documentation. [Source: 20 VAC 5-202-30 B 6]</p>

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<b>SUBJECT</b>	<b>REQUIREMENT</b>
Annual Report Required by the Rules Governing Retail Access to Competitive Energy Services	The local distribution company (LDC) shall file annually, with the SCC, a report that shall, at a minimum, include: the amount and description of each type of non-tariffed service provided to or by an affiliated competitive service provider; accounts debited or credited; and the compensation basis used, i.e., market price or fully distributed cost. The LDC shall maintain the following documentation for each agreement and arrangement where such services are provided to or by an affiliated competitive service provider and make such documentation available to staff upon request: (i) component costs (i.e., direct or indirect labor, fringe benefits, travel or housing, materials, supplies, indirect miscellaneous expenses, equipment or facilities charges, and overhead; (ii) profit component; and (iii) comparable market values, with supporting documentation. [20 VAC 5-312-30 I 2]
Schedule of Utility Assets Purchased or Sold	APCO must file annually a schedule of purchases from affiliates and sales to affiliates, if any, of utility assets, amounting to less than \$25,000 for each such

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<b><i>SUBJECT</i></b>	<b><i>REQUIREMENT</i></b>
	transaction, made during the preceding calendar year. <i>[Source: SCC Order, dated August 29, 1956, in Case No. 13162, and SCC order, dated February 20, 1981, in Case PUA810009]</i>

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WEST VIRGINIA RULES AND REQUIREMENTS

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## SUMMARY

The West Virginia Code requires approval of contracts between a public utility and its affiliates. The orders issued by the Public Service Commission of West Virginia (PSC, or Commission) concerning such matters contain requirements related to affiliate transactions.

## PSC APPROVAL

Unless the consent and approval of the PSC is obtained, no public utility in West Virginia may, by any means, direct or indirect, enter into any contract or arrangement for management, construction, engineering, supply or financial services or for the furnishing of any other service, property or thing with any affiliated corporation, person or interest [West Virginia Code § 24-2-12]. The individual orders issued by the Commission approving such contracts establish requirements applicable to specific transactions with affiliates.



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## OVERVIEW (PROCEDURES)

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### SUMMARY

At AEP, cost allocations between regulated and non-regulated operations take place through intercompany billings and affiliate transactions. The intercompany billing process and related procedures move costs between AEP System's regulated electric utilities and their non-regulated affiliates. The cost allocation process recognizes the nature of the work performed for the respective parties and their use of services and facilities.

### TRANSACTIONS

The financial transaction coding process used by AEP is the first step in separating costs between regulated and non-regulated operations.

### TIME REPORTING

Labor cost is a large component of the total cost allocated between regulated and non-regulated operations. Time reporting and labor costing procedures are in place to ensure that labor costs are properly allocated and billed to the companies that benefit from the services which are performed.

### AEPSC BILLING SYSTEM

AEPSC performs services for American Electric Power Company, Inc., the parent holding company, and most subsidiaries in the AEP System. AEPSC uses a work order system to collect and bill costs to its Affiliate companies for the services that it performs.

# Cost Allocation Manual

Section

Introduction

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Subject

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## OVERVIEW (PROCEDURES)

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### INTERCOMPANY BILLING

Other AEP System companies share costs with their affiliates through an intercompany billing process. This process transfers the cost of performing services and conducting projects for affiliates in the AEP System.

### INTERUNIT ACCOUNTING

Certain transactions are allocated between companies through inter-unit accounting whereby transactions are recorded in the first instance by the companies for which the transactions have been incurred.

### ASSET TRANSFERS

Plant and equipment as well as materials and supplies are transferred among the AEP System companies based on who uses the items. Procedures are in place to properly account for the transfer and sale of those items.



# Cost Allocation Manual

Section

Transactions

Subject

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## OVERVIEW

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### SUMMARY

The process of cost allocation between regulated and non-regulated operations begins with the coding of expenses and other transactions.

### RESPONSIBILITY

Transaction coding is the responsibility of the business units that budget for and initiate the transactions.

**03-02-02**

### CODING BLOCKS

Various coding blocks, also known as chartfields, are used to code financial transactions for accounting and cost allocation purposes.

**03-02-03**

# Cost Allocation Manual

Section

Transactions

Subject

CODING

## SUMMARY

Proper chartfield coding is mandatory to ensure accurate financial reports and inter-company billings.

## CODING RESPONSIBILITY

Chartfield coding is the responsibility of the business units who incur various expenditures, and who report their labor hours. These expenses are initiated and approved by the business units in accordance with their operating plans and financial budgets.

## MAINTENANCE OF CHARTFIELD VALUES

The Service Corporation Accounting group is primarily responsible for maintaining chartfield values. The business units request changes to the chartfield values based on their need to track and manage costs, bill affiliated companies and comply with external reporting requirements. This group evaluates all requests in connection with its oversight responsibilities related to internal budgeting, cost allocations, and external reporting. Approved changes are implemented on a timely basis.

# Cost Allocation Manual

Section

Transactions

Subject

## CHARTFIELDS

### SUMMARY

AEP's accounting systems use chartfields or coding blocks to classify and accumulate transactions for financial and managerial accounting and reporting. Each chartfield/coding block is used for a specific purpose.

### CODING BLOCKS

#### GENERAL LEDGER CHARTFIELDS:

General Ledger Business Unit	Account Number	Department ID	Product Code	Affiliate Code	Operating Unit Code
------------------------------	----------------	---------------	--------------	----------------	---------------------

#### PROJECTS CHARTFIELDS:

Project Costing Business Unit	Project ID	Work Order (Project Activity)	Cost Component (Resource Type)	Activity Code (Resource Category)	Tracking Code (Resource Subcategory)
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### General Ledger Business Unit

The **General Ledger Business Unit** identifies the AEP System company or company segment for which the transaction is recorded. Each AEP System Company is assigned a unique code. For example, American Electric Power Company, Inc. is Business Unit 100 and AEP Texas Central-Distribution is Business Unit 211.

### Account Number

The **Account Number** records the transaction in the appropriate balance sheet or income statement account using the FERC System of Accounts.

### Department ID

The **Department ID** connects the transaction to the responsible organization for reporting and budgeting purposes.

# Cost Allocation Manual

Section

Transactions

Subject

CHARTFIELDS

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Product Code	The <b>Product Code</b> describes the product or service supplied. It is primarily used by entries providing services to other AEP groups.
Affiliate Code	The <b>Affiliate Code</b> identifies transactions conducted with an affiliate. The <b>General Ledger Business Unit</b> code of the affiliate is entered in this coding block, if applicable. The codes in this chartfield are used in preparing consolidated financial statements.
Operating Unit Code	The <b>Operating Unit</b> code sub-divides transactions for special reporting purposes largely related to tax reporting, rate case, and other matters. Valid values include, among others, state abbreviations.
Project Costing Business Unit	The <b>Project Costing Business Unit</b> connects the transaction with the responsible budgeting group or area for project reporting purposes.
Project ID	The <b>Project ID</b> connects the transaction with a budget project. A budget project allows budgeted and actual costs to be captured for managerial reporting purposes.
Work Order	The <b>Work Order</b> is the billing mechanism used to capture and bill like costs, and connects the transaction with a planned project that generally has a set beginning date, a projected end date and an estimated cost to complete. Work Orders include construction and retirement work, R&D work, IT projects, non-regulated activities, and other special projects and transactions.

# Cost Allocation Manual

Section

Transactions

Subject

CHARTFIELDS

Attached to each **Work Order**, as an attribute, is a Benefiting Location Code that identifies the location or area that benefits from the work (i.e., the activity or project that is being performed). A benefiting location can define, among other things, a power plant, a generating unit at a power plant, or a region. Each benefiting location further defines the company or group of companies that operate in the particular location or area. For example, benefiting location code 1358 is only applicable to Amos Plant Unit 1 and pertains to the Generation ledger for Appalachian Power Company; and, benefiting location code 1178 pertains to the Transmission ledgers of Appalachian Power Company, Kentucky Power Company and Kingsport Power Company.

Cost Component

The **Cost Component** relates the transaction to a specific type of cost such as labor, travel, materials, or outside services.

Activity Code

The **Activity Code** identifies the activity being performed. Examples of defined work activities are: "Respond to Customer Inquiries," "Process Payroll" and "Coordinate Federal Income Tax Returns & Reports." The Activity code directs the billing allocation formula for some work orders.

Resource Sub-Category

The **Resource Sub-Category** sub-divides accounting transactions for cost tracking purposes. Among other things, the resource sub-category is used to track vehicle and building expenditures by vehicle number or building number. Certain equipment maintenance costs are also tracked.

Date

February 27, 2019

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# Cost Allocation Manual

Section

Time Reporting

Subject

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## OVERVIEW

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### SUMMARY

AEP's time reporting systems are designed to collect the chartfield information needed to apportion costs between regulated and non-regulated activities.

### TIME RECORDS

Each AEP employee, or a responsible timekeeper, must complete a time record for each pay period.

**03-03-02**

### LABOR COSTING

The cost of labor makes up a high percentage of the service cost which is apportioned between regulated and non-regulated activities.

**03-03-03**

# Cost Allocation Manual

Section

Time Reporting

Subject

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## TIME RECORDS

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### SUMMARY

AEP follows a system of positive time reporting whereby all employees, are required, either personally or through an appointed timekeeper, to provide Payroll with a full accounting of their productive and non-productive time classifications. Time records are prepared for each pay period. Examples of non-productive time include vacation time, holidays, jury duty and other paid absences.

### FEATURES

Positive time reporting is the process by which each employee accounts for the total number of hours in each pay period, including overtime and paid absences. The positive time reporting process used by AEP encompasses the following features:

- Forms the basis for assigning labor costs by accounting for all activities and time spent by activity on a pay period basis
- Accounts for time in hourly increments as small as a one-tenth of an hour
- Accumulates and summarizes time spent on a reported line-item basis
- Requires all chartfield values needed to account for the time spent and to report labor costs
- Requires the amount of time reported for a given pay period to at least equal the total hours in the pay period
- Does not assume employees are working

# Cost Allocation Manual

Section

Time Reporting

Subject

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## TIME RECORDS

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### FEATURES (Cont'd)

only on regulated activities or only on non-regulated activities. The actual time spent must be reported and classified to the applicable activities and/or projects based on the work performed.

- As employees spend and report time, the cost of the time is directly attributable to regulated and non-regulated operations based on benefiting location or it could apply to an indirect cost pool.

### APPROVALS

All time records must be approved by the employee's immediate supervisor or the supervisor's designee. Audit Services performs periodic studies to determine that the time reported by group supervisors has a reasonable relationship to the time reported by their direct reports.

### ELECTRONIC PROCESSING

In most cases, time is reported and approved electronically. The reported time is available to be viewed on-line for a period of time before it is archived.

Employees can view their accrued and used vacation hours on-line using AEP's intranet.



# Cost Allocation Manual

Section

Time Reporting

Subject

LABOR COSTING

## SUMMARY

Labor costing is the process of pricing the time reported by employees for the purpose of apportioning their labor cost to the activities that they perform. The cost of labor is a high percentage of the total service cost apportioned among AEP's regulated and non-regulated affiliates.

## FEATURES

AEP's labor costing process, in conjunction with time reporting, has been designed to meet the following four criteria:

- it must be practical and cost effective to apply
- it must contain safeguards against material misclassifications between regulated and non-regulated operations and between regulated and non-regulated products and services
- it must be adequately documented
- it must provide an audit trail that can be used for procedural testing and for determining the accuracy of results.

The labor costing process used by AEP employs the following features:

- productive time is priced using the employee's hourly rate of pay which, for salaried employees, is derived by using one of two methods: (i) by dividing the employee's annual salary by 2,080 hours, or (ii) by dividing the employee's current pay period salary by the total number of hours worked during the pay period (including non-compensated overtime hours worked by exempt employees)

# Cost Allocation Manual

Section

Time Reporting

Subject

LABOR COSTING

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## FEATURES (Cont'd)

- non-productive pay is accrued, expensed and distributed as a percentage of labor dollars
- where applicable, the cost of incentive pay and severance pay is also accrued and expensed; and it too follows the distribution of labor dollars.

## CONTROLS

Where applicable, appropriate controls are maintained for balancing the total amount of labor cost distributed to the total cost incurred or paid.



# Cost Allocation Manual

Section

AEPSB Billing System

Subject

## OVERVIEW

### SUMMARY

AEPSB is a wholly-owned subsidiary of AEP, a registered public utility holding company. AEPSB provides certain managerial and professional services including administrative and engineering services to affiliated companies in the AEP holding company system and periodically to unaffiliated companies.

As a subsidiary service company, AEPSB and its billings are subject to the regulation of the Federal Energy Regulatory Commission (FERC) under the Public Utility Holding Company Act of 2005.

### SYSTEM OF INTERNAL CONTROLS

Effective operation of the AEPSB work order billing system is tied to AEP's overall system of internal controls.

**03-04-02**

### WORK ORDER ACCOUNTING

AEPSB maintains a work order system for allocating and billing costs in accordance with the applicable Uniform System of Accounts for centralized service companies.

**03-04-03**

### BILLING ALLOCATIONS

Billing allocations are performed using Attribution Bases (i.e., Allocation Factors) approved by the SEC under PUHCA 1935 and continued after its repeal.

**03-04-04**

### REPORTS

AEPSB prepares a monthly billing report for all billed costs.

**03-04-05**

# Cost Allocation Manual

Section

AEPSC Billing System

Subject

SYSTEM OF INTERNAL CONTROLS

## SUMMARY

Effective operation of AEPSC's work order and billing system is tied to AEP's overall system of internal controls. The more relevant controls and administrative procedures include accountability, allocability, budgeting, time-reporting review and approval, billing review, dispute resolution, periodic service evaluations, and internal auditing.

## RESPONSIBILITIES

The business units and process owners who code and approve transactions for processing through the AEPSC billing system are responsible for final results. Employees can access electronic databases that contain titles and descriptions of all applicable codes.

Changes in facts and circumstances that affect the billing process must be addressed in a rapid and responsible manner.

The Corporate Planning and Budgeting group along with Corporate Accounting are responsible for assisting the business units and AEPSC's client companies in evaluating the monthly billing results on a company by company basis. Also see "Billing Review" below.



# Cost Allocation Manual

Section

AEPSC Billing System

Subject

SYSTEM OF INTERNAL CONTROLS

## ALLOCABILITY

Through the transaction coding process, clients are billed only for the services and costs that pertain to them. Shareable costs are billed using allocation factors. The approved billing system is designed to result in a fair and equitable allocation of cost among all client companies, regulated and non-regulated. AEPSC employees are provided information and trained to achieve these results relative to their areas of responsibility.

## BUDGETING

Each year AEPSC prepares an annual budget for the services it will provide during the next calendar year. The budgets are prepared by each AEPSC department.

Corporate Planning & Budgeting and Business Unit Budget Coordinators generate monthly performance reports that compare actual cost against the budget. Performance results can be viewed by Department, by Account, or by Activity, and also by Affiliate company.

AEPSC's managers are primarily responsible for analyzing and explaining cost variances incurred while performing their work. Additionally, AEPSC and its affiliates are jointly responsible for analyzing and explaining the cost variances incurred through the AEPSC billings.

AEPSC's annual budgets are consistent with and support AEP's corporate-wide strategic performance objectives. AEP's Board of Directors, with the assistance of executive management, approves the annual budgets for AEPSC, the utility companies and other AEP affiliates.



# Cost Allocation Manual

Section

AEPSC Billing System

Subject

SYSTEM OF INTERNAL CONTROLS

WORK ORDER  
PROCESSING REVIEW

The Accounting department reviews requests for new AEPSC Work Orders. The review includes (1) Appropriate descriptions - to ensure that the users will understand the type of costs to be accumulated in each work order. (2) Appropriate benefiting location - to ensure that the proper affiliated company or group of companies will be billed (3) Appropriate billing allocation factor - to verify (based on the work being performed) that the appropriate cost drivers are being used for the type of service being performed such as Number of Employees, Transmission Pole Miles, Number of Retail Electric Customers, or Total Assets.

BILLING SYSTEM  
CONTROLS

Specific controls related to the billing system include (1) The Accounting department reviews the reasonableness of the statistics, by affiliate company, that are used to allocate costs by comparing them to other statistics, amounts used in prior periods, etc. (2) Reports are generated by the billings system to reconcile/confirm that all amounts were allocated and the total dollars received for processing were billed out. (3) An automatic e-mail is sent to the Accounting department which identifies any errors created during Journal Generation of the AEPSC Bill. (4) The Accounting department confirms the AEPSC net income is zero each month-end to ensure that all expenses incurred were billed. (5) The Accounting department reviews the list of AEP affiliate companies every month to assure billing statistics are accumulated and posted properly for a newly created affiliate companies, or removed for inactivated affiliate companies.



# Cost Allocation Manual

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AEPSC Billing System

Subject

SYSTEM OF INTERNAL CONTROLS

Please see Appendix 99-00-04 for information regarding the billing allocation factors that are used by AEPSC and their update frequency.

PRE-BILLING TRANS-ACTIONS REVIEW

Various controls exist surrounding the detailed accounting transactions that are processed by the AEPSC billing system, including: (1) Numerous edits/validations are performed mechanically at the time transactions are entered into the accounting system. For example, the validation routines will not permit a labor expense Account to be used in conjunction with non-labor costs. (2) Prior to running the monthly AEPSC billing process, Accounting reviews certain accounting transactions to ascertain if any items are misclassified based on certain criteria. Correction entries are prepared, if necessary, prior to the bill processing, For example, transactions charges to income tax FERC expense account should be charged to the income tax work order. (3) An "unbillable" report is run numerous times prior to processing of the bill. This report identifies transactions that will not bill due to recently inactivated Work Orders, invalid combinations of statistics, etc. Correction entries are made as necessary prior to running the bill.

ALLOCATION

Shared costs are billed using approved allocation factors. The billing systems is designed to result in a fair and equitable allocation of cost amount all affiliate companies. As mentioned above under "Responsibilities", information is readily



# Cost Allocation Manual

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AEPSC Billing System

Subject

SYSTEM OF INTERNAL CONTROLS

available to employees to assist with the proper coding of transactions in order to achieve these results relative to their areas of responsibility.

## TIME REPORTING REVIEW AND APPROVAL

AEPSC uses positive time reporting whereby time records are submitted by each AEPSC employee, on a bi-weekly basis. Supervisors, or their designated delegates, review and approve the time records for the employees in their respective groups.

In addition to the normal approval process, periodically the Accounting department provides reports to each AEPSC manager for review and validation of their employees; labor charges. The report indicates the companies that each employee billed, the work performed for the company, the labor hours charged, and the work orders(s) used to bill the hours. This report provides an additional control to ensure employees were billing correctly and that their managers concurred with the billing. Managers were required to sign the report indicating their review and approval, and return the signed copy to Accounting. If a manager has questions about an employee's time charges, or believes a correction is required, the manager communicates those concerns to Accounting.

## AFFILIATED BILLING REVIEW

Monthly, Regulated Accounting sends reports to the State Operating Companies Regional Presidents (and/or their staff), and other members of management, for their review and approval of the AEPSC Work Order billing by affiliate company.

The services performed and the amounts





# Cost Allocation Manual

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AEpsc Billing System

Subject

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## SYSTEM OF INTERNAL CONTROLS

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billed are reviewed for accuracy on behalf of the regulated utilities and AEPSC's other affiliated clients. The performing organizations initiate all needed corrections and Corporate Accounting processes the corrections.

### DISPUTE RESOLUTION

The monthly AEPSC billings to the affiliate Operating companies are submitted to the AEP state Business Operations Support groups for their review and approval. The AEPSC bill approval process for the Business Operations Support groups includes various steps. Monthly, Directors review the AEPSC departments allocating costs to their companies to determine whether it appears reasonable for each department to be allocating to that operating company. Also monthly, Directors notify AEPSC of their approval of the monthly AEPSC billing, noting any issues needing resolved as a result of their monthly review. Any issues arising from the above reviews are coordinated through the affected AEPSC department and the AEPSC Controllers department, which will be responsible for resolving issues raised by the operating companies and making appropriate adjustments. Each of the above steps is documented, including approvals, explanations of variances, and any adjustments resulting from this review and approval process. Directors are responsible for retaining documentation for a minimum of two years.

If a resolution cannot be reached among the parties, the dispute is referred to the Chief Financial Officer or another

# Cost Allocation Manual

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AEPSC Billing System

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## SYSTEM OF INTERNAL CONTROLS

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appropriate member of executive management.

### SERVICE EVALUATIONS

Internal customer input and an internal customer-oriented philosophy are necessary in order to keep AEPSC operating efficiently and at cost-competitive levels.

Internal customer surveys are used to measure performance and internal customer satisfaction. The internal customer surveys, along with the budgeting process and service level agreements, are used to seek customer input relative to the quantity, quality and value of the various services being provided by AEPSC to other groups within the AEP holding company system.

Whenever feasible, and to the extent necessary, cost levels and business practices are benchmarked against other companies both within and outside the electric utility industry.

### INTERNAL AUDITING

The AEPSC Audit Services department performs periodic audits of the AEPSC billing system. The purpose of the audits is to examine the internal controls over the billing process and to ascertain that billing allocations are being performed in accordance with the approved Allocation Factors and in accordance with the Service Agreements AEPSC has with its affiliated clients.

### EXTERNAL AUDITING

Annually, AEPSC provides unaudited financial statements to various banks and leasing companies. In addition, the applicable banks and leasing companies have access to AEP Consolidated financial statements, which are audited by Price Waterhouse Cooper. The



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AEPSC Billing System

Subject

SYSTEM OF INTERNAL CONTROLS

audited AEP Consolidated financial statements include an audit of various transactions through the billing system to verify accuracy of the procedures and amounts billed to affiliates.

## STATE AND FEDERAL AUDITS AND REPORTING

### STATE AUDITS:

AEPSC is subject to periodic state affiliate and code of conduct audits, in order to comply with certain state regulatory requirements. For example, Texas requires an affiliated code of conduct audit every three years.

### FERC AUDITS:

Effective with the passage of the Public Utility Holding Company Act of 2005 (which became effective February 6, 2006) AEPSC is now regulated by the Federal Energy Regulatory Commission, and as such is subject to FERC oversight and audit.

### FERC REPORTING:

The FERC requires a detailed annual financial report for services companies, the FERC Form 60. This report contains detailed AEPSC information, including amounts billed to each affiliate company.

These periodic audits and annual reporting requirements provide additional controls governing AEPSC's accounting routines, financial transactions, and billing to affiliates.

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Section

AEPSC Billing System

Subject

Work Order Accounting

## SUMMARY

AEPSC uses a work order system for the accumulation of cost on a job, project or functional basis. It includes schedules and worksheets used to account for charges billed to single and groups of associate and nonassociate companies.

## COST IDENTIFICATION

As a subsidiary service company, AEPSC identifies billable costs using two separate chartfields (i.e., transaction coding blocks); namely,

- Activity (through General "G" Work Orders) and
- Work Order.

Each of these chartfields is defined elsewhere in this manual (look up "Chartfields" in the Table of Contents or the Alphabetic Subject Index to determine the applicable Document Number).

General (i.e., "G") work orders have been established to assign the benefiting location to general services that are billed by "Activity".

## FUNCTION AND TYPES OF WORK ORDERS

A billable cost is derived by using a Work Order or Activity with a Benefiting Location (including "G" Work Orders). While Work Order and Activity define the nature of the service performed, the Benefiting Location identifies the company or group of companies for which the service is performed. Benefiting Location is not a chartfield, but it is an attribute of each billable Work Order. AEPSC uses the following types of Work Orders

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AEPSC Billing System

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Work Order Accounting

FUNCTION AND TYPES OF  
WORK ORDER (Cont'd)

(billable and non-billable):

**Direct** - A Direct Work Order is used when the service being provided benefits a single company or company segment. The monthly cost accumulated for a Direct Work Order is billed 100% to the company for which the service was performed as designated by the benefiting Location code associated with the service.

**Allocated** - An Allocated Work Order is used when the service being performed benefits two or more companies or company segments. The monthly cost accumulated for an Allocated Work Order is allocated and billed to the companies for which the service is performed as designated by the Benefiting Location code associated with the service.

The AEPSC billing system uses specific company cost-causative Allocation Factors to allocate costs that are accumulated under Allocated Work Orders.

**SCFringe** - The SCFringe Work Order is used to accumulate the cost of labor-related overhead. Labor-related overhead includes, among other things, payroll taxes and employee benefits such as pension and medical expense.

SCFringe is charged to client companies in proportion to the distribution of AEPSC's labor dollars.

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AEPSC Billing System

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Work Order Accounting

FUNTION AND TYPES OF  
WORK ORDER (Cont'd)

While not part of SCFringe, it should be noted that the cost of compensated absences such as vacation and holiday pay is also charged to client companies based on the distribution of AEPSC's labor dollars.

### **AEPSC Departmental Overhead -**

Information Technology, Human Resources, and Real Estate and Workplace Services all provide services to AEPSC Departments. Therefore, the portion of an Information Technology, Human Resources, or Real Estate and Workplace Services work orders that relate to AEPSC is allocated to the AEPSC departments that benefit from the service based on number of workstations (Information Technology), number of employees (Human Resources), and occupancy (Real Estate and Workplace Services). The AEPSC departments' share of the costs is then allocated to the client companies in proportion to the labor charged by each AEPSC department to the client companies.

**Internal Support Costs Overhead -** The Internal Support Costs (ISC) Overhead Work Order is used to identify the expenses incurred in support of AEPSC's overall operations. ISC includes all expenses identified with work order G0000103, which has an attribute of Benefiting Location 103 (the code for AEPSC). For example, the expenses incurred in processing the payroll for AEPSC's employees and in paying AEPSC's vendors are included in ISC overhead is

# Cost Allocation Manual

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Subject

Work Order Accounting

allocated to client companies in proportion to the total cost charged to each company.

## ACTIVITY AND WORK ORDER REQUESTS

Service requests fall into two major categories:

- Activity, and
- Work Order.

As the overseer of the budgeting process, AEPSC's Corporate Planning and Budgeting group is responsible for approving all requests for adding or deleting Activities. The Corporate Planning and Budgeting group processes all requests for opening or closing new Activities while the Regulated Accounting group processes all requests for new AEPSC Work Orders.

**The ABM Activity Request Form** - This form requires the following information:

Line Item	Information
Requested By	Name of requestor. Electronic requests are automatically populated with requestor's required information, date and time.
Effective Date	The requesting business unit recommends an effective date for use of the new activity.
Activity Number	The requesting business unit provides the Activity Number only when an existing activity is being

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AEPSB Billing System

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Work Order Accounting

Line Item	Information
	changed.
Activity Description	The requesting business unit provides the proposed title of the new activity (e.g., "Develop Coal Delivery Forecast").
Process Group	The requesting business unit provides the name of the high-level process group to which the new activity is related (e.g., "Generate Energy").
Major Process	The requesting business unit provides the name of the high-level major process to which the new activity is related (e.g., "Procure, Produce & Deliver Fuel").
Business Process	The requesting business unit provides the name of the high-level business process to which the activity is related (e.g., "Procure Coal").
Purpose and Use	The requesting business unit provides a description of the new activity, its purpose and use.
Task List	Provide a list of all the steps and preparation undertaken to arrive at the request.
Suggested FERC Accounts	The requesting business unit provides the suggested FERC account.
Service Corp Attribution Basis	The requesting business unit recommends an Allocation Factor for use.



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AEpsc Billing System

Subject

Work Order Accounting

Line Item	Information
Cost Drivers	The requesting business unit provides the reasons for the request.

See the ILLUSTRATIONS at the end of this document for a copy of the Activity Request Change Form.

**Work Order Request Form** - This form requires the following information:

Line Item	Information
Recommended Title	The requesting business unit provides the recommended work order title.
Project Costing Business Unit	The requesting business unit provides the Project Costing Business Unit identification.
Budget Project	The requesting business unit provides the applicable Budget Project code.
Work Order Type	The requesting business unit provides the Work Order type.
Estimated Total Costs to be incurred by AEPSC	The requesting business unit supplies the estimated cost of the work performed.
Estimated Duration	The requesting business unit provides the start and the estimated completion date.
Description of Service(s) To Be Rendered	The requesting business unit supplies a description of the work order

# Cost Allocation Manual

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AEPSC Billing System

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Work Order Accounting

Line Item	Information
	based on the nature and scope of the project to be performed.
Benefiting Location	The requesting business unit supplies the applicable benefiting location code based on the company or class of companies that will benefit from the work order. The requester can select the benefiting location code either by Name or by Number. The benefiting location will become an attribute of the work order.
Recommended Allocation Factor	The requesting business unit supplies the recommended Allocation Factor code for the work order. The Allocation Factor code identifies the proposed method of allocation for Allocated work orders. The Allocation Factor becomes an attribute of the work order. Work orders that pertain to a single company should be assigned an Allocation Factor code of "39, Direct".

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AEpsc Billing System

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Work Order Accounting

Line Item	Information
Shared Services	The requesting business unit must indicate if this is a work order to be used by Human Resources, Information Technology and Real Estate and Workplace Services. If "Yes" is selected, then the requestor is required to select the appropriate department for the shared service organization. This will be used as part of the AEPSC Departmental Overhead.
Additional Remarks	The requesting business unit provides any special project or accounting instructions related to the work order or makes reference to any attachments.
Others To Be Notified When Request Is Approved	The requesting business unit provides a list of employees to be notified when the work order is opened for charges.
Are you the Sponsoring Supervisor for This Request?	The requester must indicate if he or she is the sponsoring supervisor for this work order request.
Other Reviewers	The sponsoring supervisor must approve the request. In addition, the Corporate Accounting group must accept or decline each request.

# Cost Allocation Manual

Section

AEPS SC Billing System

Subject

Work Order Accounting

See the ILLUSTRATIONS at the end of this document for a copy of the Work Order Request Form.

before submitting the work order.

REQUEST HEADER STEP 1	WORK ORDER #/BENEFITING LOCATION/ALLOCATION STEP 2	SHARED SERVICES/ SCNA / ADDITIONAL INFORMATION STEP 3	APPROVAL / ROUTING STEP 4
<p>Recommended Work Order Title*</p> <p>Budget Project*</p> <p>Estimated Total cost to be incurred by AEPSC* \$ 00.00</p> <p>Enter the GL account* Enter the first digit of the Account</p>	<p>Project Costing Business Unit (PCBU)* Enter the first character</p> <p>Work Order Type* Enter the first character</p> <p>Estimation Start Date* MM/DD/YYYY</p> <p>Estimation End Date* MM/DD/YYYY</p> <p>Enter Effective Date for Work Order MM/DD/YYYY</p>	<p>On - Going</p>	
<p><b>Warning! Do not include any competitively-sensitive or non-public information in this request.</b></p>			
<p>SUBMIT &amp; EXIT</p>		<p>SAVE AS INCOMPLETE &amp; EXIT</p>	
<p>EXIT WITHOUT SAVING</p>		<p>SUBMIT WITHOUT PUBLISHING</p>	
<p>SAVE &amp; PUBLISH</p>			

# Cost Allocation Manual

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AEPSB Billing System

Subject

Work Order Accounting

the work order.

REQUEST HEADER STEP 1	WORK ORDER #/BENEFITING LOCATION/ALLOCATION STEP 2	SHARED SERVICES/ SCNA / ADDITIONAL INFORMATION STEP 3	APPROVAL / ROUTING STEP 4
--------------------------	--	---	---------------------------------


Work Order Number   Full Description of the work to be performed\*  

**Benefiting Location**

Benefiting Location - Search by Name/Number\*

Enter the first character - Name/Number  

Billed Company

Reason/Support for billing these Companies\*  

**Allocation/Attribution Basis**

Recommended Allocation/Attribution Basis - Search by Name/Code\*

Enter the first character  

Reason/Support for using this Allocation/Attribution to bill\*  

Warning! Do not include any competitively-sensitive or non-public information in this request.

# Cost Allocation Manual

Section

AEPSC Billing System

Subject

Work Order Accounting

REQUEST HEADER  
STEP 1

WORK ORDER #/BENEFITING  
LOCATION/ALLOCATION  
STEP 2

SHARED SERVICES/ SCNA /  
ADDITIONAL INFORMATION  
STEP 3

APPROVAL /  
ROUTING  
STEP 4

**Shared Services**

Is this Work Order for Work Place Services, Information Technology, or Human Resources?\*

Yes  No ?

**Additional Information**

Additional Remarks BROWSE Attach a file here

---

Others To be Notified When Request is Approved

Enter the first 3 letters of the person's FIRST name ?

Are you the First Approver for this request\*  Yes  No ?

**Warning! Do not include any competitively-sensitive or non-public information in this request.**

SUBMIT & EXIT

SAVE AS INCOMPLETE & EXIT

EXIT WITHOUT SAVING

SUBMIT WITHOUT PUBLISHING

SAVE & PUBLISH

# Cost Allocation Manual

Section

AEPSC Billing System

Subject

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## BILLING ALLOCATIONS

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### SUMMARY

Each Allocated Service ID, whether related to an Activity or a Work Order, is assigned an appropriate Allocation Factor code that, along with the Benefiting Location code, ultimately determines the dollars of cost that will be charged to each client company. Allocation Factor codes are assigned according to the nature of the services performed.

Each Direct Service ID is assigned an Allocation Factor code of "39" which is fixed at 100%.

### FUNCTION OF THE ALLOCATION FACTOR CODE

The Allocation Factor code identifies the statistical factor that will be used to calculate the percentage of cost applicable to each client company. The assigned code points to a table that includes the company-specific values needed to calculate the allocation percentages.

### ROLE OF REGULATED ACCOUNTING

An accounting administrator in the Regulated Accounting group has primary responsibility for ensuring that the Allocation Factor code assigned to each Allocated Service ID is relevant to the service being performed. Regulated Accounting is also responsible for ensuring that the company-specific statistical values needed for each Allocation Factor are accurate and kept up to date. The values are refreshed according to the intervals determined for each Allocation Factor (e.g., monthly, quarterly, semi-annually and annually).

The Allocation Factor assigned to each Allocated Service ID should be the most relevant cost-causative cost driver.

# Cost Allocation Manual

Section

AEPSC Billing System

Subject

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## BILLING ALLOCATIONS

---

### PROCESS

The requestor of a new Activity or Work Order is required to recommend an appropriate Allocation Factor code. Requestors are in the best position to recommend an appropriate Allocation Factor code since they are intimately familiar with the work to be performed and with the inherent cost drivers. Regulated Accounting reviews all Allocation Factor code selections for reasonableness.

### EXAMPLES

Examples of the appropriate use of Allocation Factors are captured in the following table:

Activity/Shared Service	Allocation Factor
191. Maintain Transmission Right-of-Way	28. Number of Transmission Pole Miles
340. Process payroll	09. Number of employees
663. Perform Stores Accounting	26. Number of Stores Transactions

### LIST OF APPROVED ALLOCATION FACTORS

The APPENDIX to this manual contains a list of all the approved Allocation Factors.



# Cost Allocation Manual

Section

AEPSC Billing System

Subject

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## REPORTS

---

### SUMMARY

An electronic journal entry is created by the AEPSC billing system as part of the billing process to record the accounts receivable and revenue on AEPSC's books, and to record the corresponding distribution and accounts payable on the associate companies' books (billing interface).

### BILL FORMAT

The following represents a view of the monthly bill for services rendered by AEPSC to an associate company:

### AUDIT TRAIL

An audit trail is maintained for all AEPSC billing system transactions starting with the source documents all the way through general ledger posting.

The AEPSC billing system produces a journal entry that is posted to each respective company's general ledger on a monthly basis. The mask for this journal entry is "SCBBILxxxx". The alpha section of the mask is constant. The numeric section of the mask is assigned the next available journal entry number each month for each company.



# Cost Allocation Manual

Section

Intercompany Billing

Subject

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## OVERVIEW

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### SUMMARY

The PeopleSoft general ledger system used by AEP allows transactions to be coded for intercompany billing.

### BILLING SYSTEM

AEP's intercompany billing process automates the accounting for costs incurred by one AEP System company for the exclusive or mutual benefit of one or more affiliates.

**03-05-02**

# Cost Allocation Manual

Section

Intercompany Billing

Subject

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## BILLING SYSTEM

---

### SUMMARY

Intercompany billing of O&M and capital costs automates the accounting for work performed by one company for the exclusive or mutual benefit of one or more affiliates. This process allows the performing company to incur the cost and bill it to the appropriate benefiting company or companies. All intercompany billing transactions between companies are summarized on a monthly basis, resulting in one net billing between companies.

### USES

Intercompany billing is used most often to share operating expenses or when one company performs services for another company. The Affiliate Transaction Agreement, dated December 31, 1996, and the Mutual Assistance Agreement, dated July 30, 1987 provide the basis of the intercompany billing.

Costs incurred which are subject to intercompany billing can include, among other costs, O&M or capital company labor including appropriate transportation and labor fringes, purchased materials or services, materials issued from company storerooms, and rental charges for use of another company's facilities.

### CODING REQUIREMENTS

The initiation of the intercompany billing process requires the proper use of chartfield values. An intercompany billing transaction is initiated whenever a benefiting location number is different than the performing company's business unit code. Benefiting location numbers can be either 100% billed or shared among multiple companies. A 100% billed and a multiple company benefiting location example follow:

# Cost Allocation Manual

Section

Intercompany Billing

Subject

BILLING SYSTEM

CODING REQUIREMENTS  
(Cont'd)

**Example: 100% billed Benefiting Location**

The duties performed by the West Virginia Rates Department benefit the AEP customers within the state of West Virginia. Both Appalachian Power Company and Wheeling Power Company - Distribution serve customers in West Virginia. All Rates Department employees serving West Virginia are on the payroll of Appalachian Power Company.

Whenever the Rates Department performs work exclusively on a Wheeling Power Company - Distribution rate case, their labor and expenses are classified to benefiting location 210. The use of 210 benefiting location results in a 100% billing to Wheeling Power Company - Distribution. This intercompany billing establishes an accounts receivable entry for Appalachian Power Company, the performing company, and a corresponding accounts payable entry for Wheeling Power Company - Distribution, the company benefiting from the work.

**Example: Shared Benefiting Location**

An invoice is received for aerial patrol services performed for the Central Transmission Region. Since this work has been performed for the benefit of all five companies served by the Central Transmission Region, the processing company charges a multiple company benefiting location. This multi-company benefiting location shares the cost among the five companies served by the Central Transmission Region.

Since the invoice pertains to transmission

Date

July 24, 2012

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# Cost Allocation Manual

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Intercompany Billing

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## BILLING SYSTEM

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services, the cost incurred will be allocated among the five companies using an Allocation Factor of transmission pole miles. This intercompany billing establishes an accounts receivable entry for the performing company and a corresponding accounts payable entry for the four remaining benefiting companies.

### INTERCOMPANY BILLING COST ALLOCATIONS

All intercompany billing allocations are either direct (i.e., 100%) or are allocated among the appropriate companies based on the applicable multi-company benefiting location code. Every multi-company transaction is allocated using one of the approved Allocation Factors for service company billings. The Allocation Factor must be appropriate for the function for which the cost is incurred. For example, cost incurred for the performance of transmission services would be allocated using an Allocation Factor of number of transmission pole miles.

### AUDIT TRAIL

An audit trail is maintained for all intercompany billing transactions starting with the source documents all the way through general ledger posting.

The intercompany billing procedure produces journal entries that are posted to each respective company's general ledger on a monthly basis. The journal entry mask for the intercompany billing process is "INTCOMxxxx". The alpha section in each mask is constant. The numeric section of the masks is assigned the next available journal entry number each month for each company.

# Cost Allocation Manual

Section

Intercompany Billing

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Subject

BILLING SYSTEM

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Any given intercompany journal entry can contain several thousand lines of data each month.

The accounts receivable and accounts payable transactions created by the intercompany billing process are assigned account numbers 1460006 and 2340027, respectively.

## CASH SETTLEMENT

Intercompany billing transactions are settled through the AEP money pool among money pool participants. Non-money pool participants settle-up through cash disbursements.

# Cost Allocation Manual

Section

InterUnit Accounting

Subject

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## OVERVIEW

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### SUMMARY

The PeopleSoft general ledger and accounts payable systems used by AEP allow transactions to be recorded that pertain to two or more companies.

### JOINT PAYMENTS AND JOURNAL TRANSACTIONS

InterUnit accounting can be applied to accounts payable processing or general ledger journal entry processing.

03-06-02

# Cost Allocation Manual

Section

InterUnit Accounting

Subject

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## JOINT PAYMENTS AND JOURNAL TRANSACTIONS

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### SUMMARY

InterUnit accounting automates the process of accounting for transactions that affect two or more affiliated companies. The process automatically generates the general ledger transactions applicable to each company. All InterUnit accounting transactions are summarized on a daily basis, resulting in a net amount due to and from each company, by affiliated company.

### USES

InterUnit accounting can be applied to accounts payable processing, accounts receivable processing, or to general ledger journal entry processing.

InterUnit accounting is used whenever one company (i.e., business unit) processes a vendor invoice, deposits funds, or classifies journal entry transactions that pertain to one or more other affiliated companies.

The InterUnit accounting feature within the PeopleSoft software saves time, reduces processing costs, accurately creates reciprocal transactions, and provides for an efficient settlement routine. It simplifies the intercompany billing process by eliminating the need to prepare and handle paper billings. A complimentary process also summarizes and nets the daily InterUnit activity that occurs between companies.

### CODING REQUIREMENTS

InterUnit accounting requires the proper use of business unit codes. An InterUnit transaction is initiated by entering a business unit code on a transaction classification line that is different from the processing company's business unit code.





# Cost Allocation Manual

Section

InterUnit Accounting

Subject

---

 JOINT PAYMENTS AND JOURNAL TRANSACTIONS
 

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## CODING REQUIREMENTS

The uses of InterUnit accounting and the related coding requirements are illustrated by the following three examples:

### **Example of invoice processing through accounts payable:**

An invoice is received for legal services performed for six of AEP's generating companies. Since the invoice pertains to more than one company, the invoice can be processed by one of the companies using at least six lines of accounting classification; that is, one line for each company. InterUnit accounting will be triggered for all the lines of classification that have a business unit code that is different from the processing company's business unit code.

For each line of classification with a different business unit code, the InterUnit accounting process will establish a receivable from associated companies on the processing company's books and a payable to associated companies on the applicable affiliate companies' books. In addition, the balance sheet and expense transactions actually coded on the original accounts payable voucher will automatically be posted to the books of the applicable companies based on the business unit codes that are used.

### **Example of receipt processed through accounts receivable:**

A single wire transfer is received for materials sold by three of AEP's distribution companies. The customer

# Cost Allocation Manual

Section

InterUnit Accounting

Subject

---

## JOINT PAYMENTS AND JOURNAL TRANSACTIONS

---

received three separate invoices, one from each distribution company, but chose to wire funds to only one of AEP's distribution companies for full payments to eliminate incurring multiple wire fees.

### CODING REQUIREMENTS (Cont'd)

The Billing and Accounts Receivable section will apply payment to each distribution company invoice by reflecting the deposit company (i.e.: business unit), which receipted for the wire transfer. Two of the company invoices will have an invoicing business unit different than the deposit business unit. For these two invoices, the InterUnit accounting process will establish a receivable from associated companies on the company rendering the invoice, and a payable to associated companies on the company that deposited the funds. In addition, the bill classification will be relieved on the company that issued the bill to the customer.

### **Example of general ledger journal entry processing:**

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A single company (i.e., business unit) operates a messenger delivery service for itself and several affiliates. Corporate Services provides Accounting Services with the amounts to be billed each month to the other companies based on their actual use of the services.

Since this is a recurring transaction, an InterUnit journal entry can be pre-coded with the appropriate chartfield codes, including the applicable business unit



# Cost Allocation Manual

Section

InterUnit Accounting

Subject

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## JOINT PAYMENTS AND JOURNAL TRANSACTIONS

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codes. The dollar amounts to be billed to the business units and the date of the transaction are the only variables required for journal entry preparation.

When processed, the InterUnit journal entry will record the charges on the benefiting affiliated companies' books and establish an associated company accounts payable. The

### CODING REQUIREMENTS (Cont'd)

journal entry will also record the appropriate associated company accounts receivable entries and offset the original charges on the performing company's books. The debits to accounts receivable from associated companies and the credits to accounts payable to associated companies are automatically generated for each journal entry line item that has a business unit code that is different from the performing company's business unit code.

### INTERUNIT ACCOUNTING

For InterUnit accounting purposes, the amount applicable to each company must be coded using separate detail lines. The amount for any transaction that pertains to two or more companies should be allocated using one of the approved Allocation Factors for service company billings. The Allocation Factor selected must be appropriate for the type of cost being allocated based on the nature of the activity or project for which the cost is incurred.

### AUDIT TRAIL FEATURES

An audit trail is maintained for all InterUnit transactions starting with the source documents all the way through to the general ledger postings.

# Cost Allocation Manual

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InterUnit Accounting

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## JOINT PAYMENTS AND JOURNAL TRANSACTIONS

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The InterUnit transactions processed through Accounts Payable and Billing and Accounts Receivable are posted to the general ledger through the daily distribution interfaces. InterUnit journal entries are posted directly to the general ledger.

InterUnit transactions can be viewed on-line through simple queries where the "Business Unit does not equal Business Unit\_GL" for accounts payable transactions, where the "Business Unit does not equal Deposit\_BU" for accounts receivable, or where the "Business

AUDIT TRAIL FEATURES  
(Cont'd)

Unit does not equal Business Unit\_IU" for general ledger journal entries.

InterUnit accounting creates the affiliated accounts receivable and accounts payable transactions. Account numbers are assigned as follows:

- 1) if the accounting is generated by either journal entries or Billing and Accounts Receivable, accounts 1460001 and 2340001 reflect the reciprocal receivable and payable, or
- 2) if InterUnit accounting is generated by Accounts Payable, accounts 1460009 and 2340030 reflect the reciprocal receivable and payable.

AFFILIATED SETTLEMENTS

A settlement process is initiated daily for all InterUnit transactions. Corporate and General Accounting supplies a file to Treasury summarizing each company's net affiliated position for InterUnit transactions. A net payable position results in either increased short-term

# Cost Allocation Manual

Section

InterUnit Accounting

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## JOINT PAYMENTS AND JOURNAL TRANSACTIONS

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borrowings or decreased short-term investments in the AEP money pool among money pool participants. A net receivable position results in either increased short-term investments or decreased short-term borrowings in the AEP money pool among money pool participants. Non-money pool participants settle through cash disbursements.

# Cost Allocation Manual

Section

Asset Transfers

Subject

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## OVERVIEW

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### SUMMARY

AEP companies, especially AEP's electric utilities, sell plant and equipment among themselves. AEP companies also sell materials and supplies to each other.

### PLANT AND EQUIPMENT

Plant and equipment generally is sold "at cost" (i.e., net book value) to associate companies in the AEP holding company system.

**03-07-02**

### MATERIALS AND SUPPLIES

Materials and supplies are generally sold to associate companies "at cost" using the selling company's average unit inventory cost.

**03-07-03**



# Cost Allocation Manual

Section

Asset Transfers

Subject

PLANT AND EQUIPMENT

## SUMMARY

The physical integration of AEP's power plants and its many circuit miles of transmission and distribution lines and the use of common parts and equipment allow the AEP companies to achieve cost savings by combining their purchasing needs and improving their ability to respond rapidly to emergency situations throughout the entire network.

Such benefits are achieved in part through exchanges of plant and equipment among affiliated utility companies as conditions warrant. The exchanges take place either through rental arrangements (i.e., loans) or through direct sales.

## GUIDELINES

### Sales

Sales between affiliated regulated utility companies will be transacted at original cost less depreciation, except as permitted by any other applicable order filed with FERC or required by state rule. Sales from regulated affiliates to non-regulated affiliates are priced at higher of cost or market. Sales from non-regulated affiliates to regulated affiliates are priced at lower of cost or market. As allowed by FERC waiver, capitalized spare parts will continue to be transferred between AEP East Utility Companies and AGR at net book value.

AEP Legal-Regulatory is to be informed for the purpose of determining whether any regulatory approvals must be sought.

### Loans

Rental fees for loaned property shall cover

# Cost Allocation Manual

Section

Asset Transfers

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PLANT AND EQUIPMENT

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all applicable costs. Such costs include cost of capital, depreciation, and taxes.



# Cost Allocation Manual

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Asset Transfers

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MATERIALS AND SUPPLIES

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## SUMMARY

AEP's material management groups along with procurement personnel can initiate requests to transfer materials and supplies (M&S) from one AEP storeroom to another. M&S sent from one company's storeroom to an associate company's storeroom results in a sale between companies.

## MONTHLY BILLS TO ASSOCIATE COMPANIES

The company owning the part generates a Monthly bill for M&S shipped during the month to an associate company. This method is used very rarely since most transfers occur through the inter-company journal entries. Each item sold is priced "at cost" using the seller's average unit inventory cost. Stores expense is added as appropriate. All sales are recorded through associated company accounts receivable and accounts payable (i.e., Accounts 146 and 234, respectively).

# Cost Allocation Manual

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Introduction

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## OVERVIEW (DOCUMENTS)

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### SUMMARY

AEP's state regulatory commissions require certain documents to be maintained in connection with the transactions AEP's regulated utilities have with their affiliates. In some cases, the documents need to be maintained as part of the utility company's Cost Allocation Manual (CAM).

### AFFILIATE CONTRACTS

This manual provides a brief description of all contracts and agreements AEP's regulated utilities have with their affiliates.

**04-02-01**

### DATABASES

Certain databases have been established for reference purposes. The databases described in this manual provide additional information concerning certain subjects in the manual.

**04-03-01**

### JOB DESCRIPTIONS

The Public Utilities Commission of Ohio requires the job descriptions of certain shared and transferred employees to be maintained as part of the electric utility's CAM.

**04-04-01**

### COMPLAINT LOG

The Public Utilities Commission of Ohio requires each electric utility to maintain a log of the complaints the utility receives in connection with the Commission's corporate separation rules. The Commission requires the electric utility to include the complaint log in its CAM.



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OVERVIEW (DOCUMENTS)

**04-05-01**

BOARD OF DIRECTORS

The Public Utilities Commission of Ohio requires each electric utility in Ohio to keep a copy of the minutes from its board of directors meetings in its CAM.

**04-06-01**

# Cost Allocation Manual

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Affiliate Contracts with Regulated  
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Subject

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## OVERVIEW

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### SUMMARY

The AEP System's regulated utilities provide products and services to affiliates and receive products and services from affiliates under various contracts and agreements. Copies of the contracts and agreements are maintained in an electronic database that is incorporated in this manual by reference.

### SERVICE AGREEMENTS

AEP's electric utilities receive services from AEPSC. The electric utilities provide incidental services to each other as well as to AEPSC.

**04-02-02**

### MINING AND TRANSPORTATION

AEP System affiliates provide coal mining, coal preparation and coal handling services as well as transportation services to AEP's regulated utilities.

**04-02-03**

### CONSULTING SERVICES

Engineering and consulting services are provided by AEP's regulated utilities to certain non-regulated affiliates and vice versa.

**04-02-04**

### JOINT OPERATING AGREEMENTS

Certain AEP facilities are jointly owned and operated.

**04-02-05**

### TAX AGREEMENT

American Electric Power Company, Inc. and its AEP System affiliates file a consolidated Federal income tax return and

# Cost Allocation Manual

Section  
Affiliate Contracts with Regulated  
Companies

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Subject

## OVERVIEW

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share the consolidated tax liability.

**04-02-06**

### MONEY POOL AGREEMENT

AEP and certain of its regulated subsidiaries participate in the AEP System Money Pool. The Money Pool is designed to efficiently match the available cash and short-term borrowing requirements of their participants, minimizing the need for them to borrow from external sources.

**04-02-07**

### NONUTILITY MONEY POOL AGREEMENT

AEP, and certain of its unregulated subsidiaries participate in the AEP System Nonutility Money Pool. The Nonutility Money Pool is designed to efficiently match the available cash and short-term borrowing requirements of their participants, minimizing the need for them to borrow from external sources.

**04-02-08**



# Cost Allocation Manual

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Affiliate Contracts with Regulated  
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## SERVICE AGREEMENTS

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### SUMMARY

AEPSC provides various services to the AEP System's regulated utilities and non-regulated affiliates under a standard service agreement with each of the companies served. The regulated utilities also provide services to each other and to AEPSC under other agreements.

### AEPSC SERVICE AGREEMENT

AEPSC has a service agreement, in a standard format, with each of the AEP System companies it serves. All agreements are dated June 15, 2000, unless the client company was formed after that date. In addition APCO and Wheeling have updated service agreements dated May 15, 2008. The types of services provided by AEPSC are listed in Document Number **01-03-02** by category and description.

### AEPSC SERVICE AGREEMENT WITH TRANSMISSION COMPANIES

AEPSC has a service agreement, in a standard format, with each of the AEP Transmission companies it serves. The agreements have various effective dates depending on when the client company was formed. The types of services provided by AEPSC are included in the list in Document Number **01-03-02** by category and description.

### AFFILIATED TRANSACTIONS AGREEMENT

The Affiliated Transactions Agreement, dated December 31, 1996, is among Appalachian Power Company, Columbus Southern Power Company (Which was merged into Ohio Power Company effective December 31, 2011), Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Wheeling Power Company and AEPSC.

This agreement covers the provision of

# Cost Allocation Manual

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## SERVICE AGREEMENTS

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incidental services, the sale of goods, and use of facilities and vehicles among the participating companies.

OPERATING COMPANY  
SERVICE AGREEMENT  
WITH TRANSMISSION  
COMPANIES

Each Transmission company has a standard affiliate service agreement with the operating company in its jurisdiction. The agreements have various effective dates depending on when the Transmission Company was formed.

This agreement covers services in connection with the operation of each Transmission Company's transmission assets. The agreements also contain a provision appointing the operating company as agent for licensing space on the transmission company's facilities.

CSW SYSTEM GENERAL  
AGREEMENT

The CSW System General Agreement, effective June 1, 1999, is among AEPSC, Central Power and Light, now AEP Texas Central, Public Service Company of Oklahoma, Southwestern Electric Power Company, West Texas Utilities Company, now AEP Texas North and other CSW subsidiaries including CSW Energy, Inc., CSW International, Inc., CSW Credit, Inc., CSW Leasing, Inc., C3 Communications, Inc., CSW Energy Services, Inc., and EnerShop Inc. AEPSC is the successor of Central and South West Services, Inc.

This agreement is intended to provide written documentation governing certain transactions between the CSW electric operating companies and by and between the CSW electric operating companies and other CSW subsidiaries to the extent such matters are

Date

August 18, 2016

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# Cost Allocation Manual

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Affiliate Contracts with Regulated  
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## SERVICE AGREEMENTS

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not addressed in other written agreements.

### MUTUAL ASSISTANCE AGREEMENT

The Mutual Assistance Agreement, dated July 30, 1987, is among Appalachian Power Company, Columbus Southern Power Company (Which was merged into Ohio Power Company effective December 31, 2011), Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company.

This agreement allows any participating company to request emergency aid from any one or more of the other participating companies for the purpose of restoring electric service caused by natural disasters and other emergencies.

### CENTRAL MACHINE SHOP AGREEMENT

The Central Machine Shop Agreement, dated January 1, 1979, is among Appalachian Power Company and the Companies affiliated with American Electric Power, Inc.

This agreement covers machine shop services provided by Appalachian Power Company to affiliates within the AEP System.

### SYSTEM INTEGRATION AGREEMENT

The System Integration Agreement, as amended, is among Appalachian Power Company, Kentucky Power Company, Ohio Power Company, Columbus Southern Power Company (Which was merged into Ohio Power Company effective December 31, 2011), Indiana Michigan Power Company, and their agent AEPSC; Public Service Company of Oklahoma, Southwestern Electric Power Company, and AEPSC.

This agreement provides the contractual



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## SERVICE AGREEMENTS

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basis for coordinated planning, operation, maintenance of the power supply resources of the AEP East Zone and the AEP West Zone to achieve economies consistent with the provision of reliable electric service and an equitable sharing of the benefits and costs of such coordinated arrangements. This agreement is intended to apply in addition to and not in lieu of the AEP Interconnection Agreement and [CSW] Operating Agreement.

### Power Coordination Agreement

The Power Coordination Agreement ("PCA"), effective 1/1/2014, is among Appalachian Power Company ("APCo"), Indiana Michigan Power Company ("I&M"), Kentucky Power Company ("KPCo"), and, effective 6/1/2015, Wheeling Power Company ("WPCo" and, collectively with APCo, I&M, and KPCo, the "Operating Companies"), and American Electric Power Service Corporation ("AEPSC") as agent to APCo, I&M, KPCo, and WPCo.

This agreement provides for a contractual basis for coordinating the power supply resources of the Operating Companies to achieve economies and efficiencies consistent with the provision of reliable electric service and an equitable sharing of the benefits and costs of such coordinated arrangements. This Agreement is based on the premise that each Operating Company will maintain sufficient long-term power supply resources to meet its Internal Load requirements. Further, the PCA allows, but does not obligate, the Operating Companies to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase



# Cost Allocation Manual

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## SERVICE AGREEMENTS

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activities.

### Bridge Agreement

The Bridge Agreement, effective 1/1/2014, is among Appalachian Power Company ("APCo"), Indiana Michigan Power Company ("I&M"), Kentucky Power Company ("KPCo"), Ohio Power Company ("OPCo" and, collectively with APCo, I&M and KPCo, the "Operating Companies"), AEP Generation Resources Inc. ("AEP Generation Resources") and American Electric Power Service Corporation ("Agent" and, collectively with APCo, I&M, KPCo, OPCo and AEP Generation Resources, the "Parties").

This agreement is an interim arrangement to: (a) address the treatment of purchases and sales made by AEPSC on behalf of the Operating Companies that extend beyond termination of the Interconnection Agreement

### OPERATING AGREEMENT

The [CSW] Operating Agreement (CSW no longer exists), dated January 1, 1997, is among CSWS, Central Power and Light Company, Public Service Company of Oklahoma, Southwestern Electric Power Company and West Texas Utilities Company.

A restated and amended operating agreement for Public Service Company of Oklahoma and Southwestern Electric Power Company was signed December 21, 2001.

This agreement provides the contractual basis for a single interconnected electric system through the coordinated planning, construction, operation, and maintenance of the above mentioned companies' electric supplies. CSWS has been designated to act as Agent for this agreement.

# Cost Allocation Manual

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## SERVICE AGREEMENTS

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### SYSTEM TRANSMISSION INTEGRATION AGREEMENT

The System Transmission Integration Agreement, dated June 15, 2000, is among Appalachian Power Company, Kentucky Power Company, Ohio Power Company, Columbus Southern Power Company (Which was merged into Ohio Power Company effective December 31, 2011), Indiana Michigan Power Company, and their agent AEPSC; and Public Service Company of Oklahoma, Southwestern Electric Power Company, Central Power and Light, now AEP Texas Central, West Texas Utilities, now AEP Texas North, and their agent CSWS (succeeded by AEPSC).

This agreement provides the contractual basis for coordinated planning, operation and maintenance of the AEP East Zone and the AEP West Zone System Transmission Facilities to achieve economies consistent with the provision of reliable electric service and an equitable sharing of the benefits and costs of such coordinated arrangements.

### TRANSMISSION AGREEMENT

The Transmission Agreement, dated April 1, 1984, is among Appalachian Power Company, Columbus Southern Power Company (Which was merged into Ohio Power Company effective December 31, 2011), Indiana Michigan Power Company, Kentucky Power Company, and Ohio Power Company (Members) and AEPSC (Agent).

This agreement provides for the equitable sharing of costs incurred among the Members for their respective high-voltage and extra high-voltage transmission facilities. This agreement is administered by AEPSC.

### AEP SYSTEM TRANSMISSION CENTER AGREEMENT

AEP SYSTEM TRANSMISSION AGREEMENT, dated December 1, 2009 between Ohio Power Company and the AEP West operating companies (AEP



# Cost Allocation Manual

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## SERVICE AGREEMENTS

Texas Central Company, AEP Texas North Company, Public Service Company of Oklahoma, and Southwestern Electric Power Company).

This agreement provides for the West Operating Companies to make use of the AEP Transmission Training Center facilities located in Pataskala, OH and owned by AEP Power for the training of transmission line personnel employed by the West Operating Companies.

TRANSMISSION  
COORDINATION AGREEMENT

This agreement, dated January 1, 1997 and revised October 29, 1999, is among Central Power and Light Company, West Texas Utilities Company, Public Service Company of Oklahoma, and Southwestern Electric Power Company.

This agreement provides for the equitable sharing of costs incurred and revenues earned among the members for their respective transmission systems.

THIRD AMENDED AND  
RESTATED AGENCY  
AGREEMENT (ACCOUNTS  
RECEIVABLE)

This agreement, dated August 25, 2004 as amended March 22, 2006 and January 30, 2008, is among AEP Credit, Inc. and certain AEP electric companies.

This agreement provides for the sale by the operating companies to AEP Credit, Inc. of accounts receivables arising from the sale and delivery of electricity, gas and other related services in the normal course of business.

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## SERVICE AGREEMENTS

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THIRD AMENDED AND  
RESTATED PURCHASE  
AGREEMENT (ACCOUNTS  
RECEIVABLE)

This agreement, dated August 25, 2004 as amended March 22, 2006 and January 30, 2008 is among AEP Credit, Inc. and certain AEP electric companies.

This agreement provides for the agent (Operating Companies) to take any and all steps on behalf of AEP Credit to collect all amounts due under any or all of the receivables arising from the sale and delivery of electricity, gas and other related services in the normal course of business.

ENERGY CONSERVATION  
MEASURE UTILITY/ENERGY  
SERVICE COMPANY AGENCY  
AGREEMENT

This agreement, dated December 22, 1997, is between West Texas Utilities, Inc. and EnerShop, Inc (EnerShop not longer exists).

West Texas Utilities, Inc. (WTU) has signed an Energy Conservation Measures Agreement with the United States Government relating to the refurbishing and upgrading of US Government facilities located within the service territory of WTU. EnerShop is authorized as the agent for WTU in completing any Delivery/Task Orders agreed to by WTU and the US Government. These Orders are for energy conservation projects.

FRANKLIN AND INDIANA  
FRANKLIN PURCHASE  
CONTRACTS

Franklin Real Estate Company (Franklin) and Indiana Franklin Realty, Inc. (Indiana Franklin) have purchase contracts with AEP's electric utilities (various dates).

The contracts provide that Franklin and Indiana Franklin (Sellers) may buy, sell, hold

# Cost Allocation Manual

Section  
Affiliate Contracts with Regulated  
Companies

Subject

---

## SERVICE AGREEMENTS

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title to, or lease real estate as agents for the benefit of the respective electric utilities (i.e., each Purchaser).

INDIAN MESA  
INTERCONNECTION  
AGREEMENT

The Interconnection Agreements dated March 19, 2001, are between West Texas Utilities, now AEP Texas North and Indian Mesa Power Partners, LP (Generator). These two agreements provide for the interconnection of WTU, now AEP Texas North's transmission system to the Generator's electric generating facilities (Plant) built in two (2) phases. The interconnection of each phase of the Plant is provided by the separate agreements.

ELECTRIC TRANSMISSION  
TEXAS SERVICE AGREEMENT

This agreement, dated December 21, 2007 is between Electric Transmission Texas (ETT) and AEPSC.

This agreement covers the provision of services by AEPSC for ETT related to (i) the evaluation and permitting of electric transmission projects by ETT; (ii) budgeting and scheduling services, the preparation of construction documents, land acquisition services, engineering services, procurement services, construction services, and the compilation of project records, relating to the construction of electric transmission projects by ETT; (iii) operation and maintenance of its electric transmission projects; (iv) legal, human resources, environmental services, payroll, cash management, financial, billing, collection, accounts-payable, risk management, regulatory affairs, accounting, tax, and other business functions.

# Cost Allocation Manual

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Subject

## SERVICE AGREEMENTS

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PATH WEST VIRGINIA  
TRANSMISSION COMPANY  
SERVICE AGREEMENT

This agreement, dated September 1, 2007  
(PATH) is between PATH West Virginia  
Transmission Company, LLC and AEP T&D  
Services, LLC.

This agreement covers the provision of  
services by AEP T&D Services, LLC for PATH  
relating to designing, engineering, siting,  
acquiring right-of-way for procuring,  
permitting, construction, commissioning,  
financing, owning, operating, and  
maintaining certain electric transmission  
and interconnection facilities.



# Cost Allocation Manual

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Affiliate Contracts with Regulated  
Companies

Subject

## MINING AND TRANSPORTATION

### SUMMARY

AEP System affiliates acquire coal for and provide for transporting coal to AEP's regulated utilities. With respect to certain affiliated power plants, AEP System affiliates may provide coal mining, coal preparation and/or coal transloading services.

### COAL MINING (including lignite)

The following table lists the mining agreements between AEP's electric utilities and their mining subsidiaries:

<i>DATE</i>	<i>PARTIES</i>
05-31-01	Southwestern Electric Power Company and Dolet Hills Lignite Company LLC.

This agreement provides that the above mentioned mining company agree to mine, extract, remove, prepare and sell the coal or lignite they mine from their lands and, in some cases, from lands owned by the electric utility. The electric utility, in turn, agrees to purchase the coal and lignite. Certain AEP mines have been closed but continue to incur mine shutdown costs.

### COAL TRANSPORTATION

There are several contracts under which AEP's electric utilities receive coal transportation services from affiliates.

### BARGE TRANSPORTATION

The Barge Transportation Agreement, dated May 1, 1986 and amended September 12, 2013, and amended May 9, 2019 is among Appalachian Power Company, Ohio Power Company, AEP Generating Company and Kentucky Power Company (Shippers) and the River Transportation Division of Indiana Michigan Power Company (Division).



# Cost Allocation Manual

Section  
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Subject

---

## MINING AND TRANSPORTATION

---

This agreement provides for the Shippers to furnish and deliver coal to the Division at loading points along certain rivers and to accept delivery of such coal at designated delivery points and pay for the services of the Division in receiving, transporting and delivering such coal.

COAL TRANSFER-COOK  
COAL TERMINAL

The Amended and Restated Cook Coal Transfer Agreement - Cook Coal Terminal, dated December 16, 2013, is between AEP Generating Company (Operator) and Ohio Power Company, Indiana Michigan Power Company, Kentucky Power Company and Appalachian Power Company (Users).

This agreement provides for the Operator to unload coal for the Users from unit trains, transfer such coal from the unloading point at the terminal, re-load such coal on barges, and perform other related services at the terminal.

RAIL CAR USE

The AEP System Rail Car Use Agreement, dated April 1, 1982, is among Indiana Michigan Power Company, Appalachian Power Company and Ohio Power Company. It was amended effective July 1, 2006 to add Public Service Company of Oklahoma and Southwestern Electric Power Company as parties to the agreement. It was amended again effective September 12, 2013 to add Kentucky Power Company as a party to the agreement.

This agreement provides that coal hopper cars leased or otherwise deployed by the above parties be made available for the mutual benefit of each party without regard to lease ownership by a specific party but on the basis of proximity and availability



# Cost Allocation Manual

Section  
Affiliate Contracts with Regulated  
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Subject

---

## MINING AND TRANSPORTATION

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for use, and other dispatching  
considerations.

### RAILCAR MAINTENANCE

The Rail Car Maintenance Agreement, dated August 1, 2013, is among AEP Generating Company (Provider), Ohio Power Company, Appalachian Power Company, Kentucky Power Company, Public Service of Oklahoma Southwestern Electric Power Company and Indiana Michigan Power Company.

This agreement provides for AEP Generating Company to furnish routine, preventive and other maintenance to the railroad hopper cars owned or leased by Appalachian Power Company, Kentucky Power Company, Public Service of Oklahoma Southwestern Electric Power Company and Indiana Michigan Power Company.

The Rail Car Maintenance Facility Agreement, dated July 29, 1997, is among SWEPCO, CPL, now AEP Texas Central, PSO.

A unit train rail car maintenance facility near Alliance, Nebraska has been established. SWEPCO is the majority owner and operates the facility. The actual cost of inspection and maintenance of individual rail cars and other expenses directly assignable to a specific rail car shall be paid by the party owning the rail car. Non-assignable costs are shared based on the direct labor charges for rail cars actually repaired or inspected per party in ratio to the total direct labor charges for all cars owned by the parties repaired at the facility during the month.

# Cost Allocation Manual

Section  
 Affiliate Contracts with Regulated  
 Companies

Subject

## CONSULTING SERVICES

### SUMMARY

This document identifies the consulting services agreements AEP's regulated utilities have with certain non-regulated affiliates.

AEP PRO SERV, INC. formerly AEP Resources Service Company, AEP Resources Engineering & Services Company and AEP Energy Services, Inc.)

The following table lists the consulting agreements between the AEP electric utilities and AEP Pro Serv, Inc. referred to as the "Client". These agreements allow the Client to utilize certain services, properties and resources of the AEP electric utilities to sell management, technical and training services and expertise to non-affiliate companies.

<i>DATE</i>	<i>PARTIES</i>
04-08-1983	Indiana Michigan Power Company and AEP Pro Serv, Inc.
04-08-1983	Ohio Power Company and AEP Pro Serv, Inc.
07-07-1983	Kingsport Power Company and AEP Pro Serv, Inc.
07-07-1983	Kentucky Power Company and AEP Pro Serv, Inc.
10-03-1983	Appalachian Power Company and AEP Pro Serv, Inc.
10-03-1983	Wheeling Electric Company and AEP Pro Serv, Inc.

# Cost Allocation Manual

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**CONSULTING SERVICES**

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AEP ENERGY SERVICES,  
INC. (formerly AEP  
Energy Solutions, Inc.)

The table which starts on the next page lists the consulting agreements between the AEP electric utilities and AEP Energy Services, Inc. (Client). These agreements allow the Client to utilize certain services, properties and resources of the electric utilities to broker and market energy commodities.

<b>DATE</b>	<b>PARTIES</b>
09-27-1996	Ohio Power Company and AEP Energy Services, Inc.
09-27-1996	Kingsport Power Company and AEP Energy Services, Inc.
09-27-1996	Kentucky Power Company and AEP Energy Services, Inc.
09-27-1996	Indiana Michigan Electric Company and AEP Energy Services, Inc.
01-09-1997	Wheeling Power Company and AEP Energy Services, Inc.
03-06-1997	Appalachian Power Company and AEP Energy Services, Inc.

# Cost Allocation Manual

Section  
Affiliated Contracts with Regulated  
Companies  
Subject

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## JOINT OPERATING AGREEMENTS

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### SUMMARY

Certain other AEP facilities are jointly owned and/or operated.

### PHILIP SPORN PLANT AGREEMENT

The Sporn Plant Operating Agreement, dated January 1, 2014, is between Appalachian Power Company and AEP Generation Resources Inc. ("Owners") and American Electric Power Service Corporation ("Agent").

Appalachian Power Company ("APCO") owns Sporn Unit Nos. 1 and 3) and AEP Generation Resources Inc. ("AEPGR") owns Sporn units 2, 4 and 5). The Sporn Plant retired in May 2015. Under the Agreement, APCO bills AEPGR for its share of the post-retirement costs that APCO incurs at Sporn Plant.

### MITCHELL PLANT

The Mitchell Plant Operating Agreement, dated January 31, 2015, is between Kentucky Power Company and Wheeling Power Company ("Owners") and American Electric Power Service Corporation ("Agent").

Kentucky Power Company and Wheeling Power Company have an undivided ownership interest in Mitchell Plant which consists of two 800 megawatt generating units. The Owners desire that Kentucky Power Company operate and maintain Mitchell Plant.



# Cost Allocation Manual

Section  
Affiliated Contracts with Regulated  
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Subject

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## JOINT OPERATING AGREEMENTS

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EAST HVDC  
INTERCONNECTION AGREEMENT

This agreement, dated August 3, 1995, is among Southwestern Electric Power Company, CSW, now AEP Texas, Houston Lighting and Power Company (now Reliant Energy, HLP) and Texas Utilities Electric Company.

This agreement covers certain high voltage direct current (HVDC) conversion and related alternating current transmission defined as the HVDC Interconnection located in Titus County.

SWEPCO operates the facility. It owns certain of the alternating current facilities and charges the other participants a facility charge based on their ownership interest in the HVDC Project. SWEPCO also bills operational and maintenance charges it incurs as the operator based on ownership interest.

OKLAUNION UNIT NO.1  
CONSTRUCTION, OWNERSHIP  
AND OPERATING AGREEMENT  
(Also known as the  
Participation Agreement)

This agreement, dated April 26, 1985 (as amended on August 14, 1985) is among Public Service Company of Oklahoma, AEP Texas North, now AEP Texas, the Oklahoma Municipal Power Authority and the City of Brownsville, Texas.

The Oklaunion Power Unit No. 1 is a 720 MW western coal fired steam generator. It is located on 1937.2 acres in Wilbarger County, Texas. This agreement is for the construction, ownership and operation of Oklaunion Power Unit 1.

OKLAUNION HVDC PROJECT  
CONSTRUCTION, OWNERSHIP  
AND OPERATING AGREEMENT

This agreement, dated September 14, 1988, is among PSO, AEP Texas North Company now AEP Texas and Central and South West Services, Inc.

PSO and TNC own, and PSO operates the project known as the Oklaunion HVDC Tie located in Wilbarger County, Texas.

# Cost Allocation Manual

Section  
Affiliate Contracts with Regulated  
Companies

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Subject

## TAX AGREEMENT

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### SUMMARY

American Electric Power Company, Inc. (AEP) joins in filing a consolidated federal income tax return with its affiliates in the AEP holding company system.

### TAX AGREEMENT

The AEP System tax agreement, among other things, sets forth the companies' agreement to annually join in the filing of a consolidated federal income tax return and the method under which to allocate the consolidated tax to the system companies. This agreement permits the allocation of the benefit of current tax losses utilized to the System companies giving rise to them in determining their current tax expense.

The tax loss of AEP is allocated to its subsidiaries with taxable income. With the exception of the loss of AEP, the method of allocation approximates a separate return result for each company in the consolidated group.

# Cost Allocation Manual

Section  
Affiliate Contracts with Regulated  
Companies

Subject  
AEP SYSTEM AMENDED AND RESTATED MONEY POOL  
AGREEMENT

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## SUMMARY

The AEP System Utility Money Pool Agreement is an arrangement whereby the participants in the Utility Money Pool lend to and borrow from each other on a short-term basis.

## DESCRIPTION

The AEP System Amended and Restated Money Pool Agreement, dated November 3, 2017, is among and between AEP, American Electric Power Service Corporation, and AEP Utility Funding LLC and regulated direct and indirect operating and certain other subsidiaries each of which are signatories to the Agreement or have become signatories.

The Agreement gives participants the right to borrow from the pool and invest their excess funds in the pool.

A further description of the Utility Money Pool is contained in another section of this manual (see the Table of Contents or the Alphabetic Subject Index to find the applicable Document Number).



# Cost Allocation Manual

Section  
Affiliate Contracts with Regulated  
Companies

Subject  
AEP SYSTEM AMENDED AND RESTATED NONUTILITY  
MONEY POOL AGREEMENT

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## SUMMARY

The AEP System Nonutility Money Pool Agreement is an arrangement whereby the participants in the Nonutility Money Pool lend to and borrow from each other on a short-term basis.

## DESCRIPTION OF THE AGREEMENT

The AEP System Fourth Amended and Restated Nonutility Money Pool Agreement, dated May 1, 2012, is between AEP, and American Electric Power Service Corp., AEP Nonutility Funding LLC certain and unregulated direct and indirect subsidiaries of AEP each of which are signatories to the Agreement or have become signatories.

The Agreement gives each pool participant the right to borrow from the pool and to invest excess funds in the pool.

A further description of the Nonutility Money Pool is contained in another section of this manual (see the Table of Contents or the Alphabetic Subject Index to find the applicable Document Number).

# Cost Allocation Manual

Section

Databases

Subject

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## OVERVIEW

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### SUMMARY

Certain databases have been established for employee reference purposes.

### CHARTFIELD VALUES

A separate database can be used to view certain chartfield values. The chartfield database contains the most current information regarding the various chartfield values and descriptions.

**04-03-02**

### AFFILIATE AGREEMENTS

Copies of all agreements between AEP regulated utilities and their affiliates are kept in Company files.

**04-03-03**

# Cost Allocation Manual

Section

Databases

Subject

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## CHARTFIELD VALUES

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### SUMMARY

Several chartfield databases have been established for employee reference purposes. A web link provides a menu for accessing the separate databases and tools. The chartfield databases contain the most current information regarding the various chartfield values and descriptions and links to the same information regarding work orders.

### INSTRUCTIONS FOR VIEWING

<https://sharenow2.sp.aepsc.com/shsvcs/cfieldport/SitePages/ChartFieldHome.aspx>

The Chartfield Databases Portfolio (or Chartfield Portfolio) collects all the databases containing chartfield information into one place. By accessing the portfolio, you are going to the one place where all the most current chartfield values are available. provides views and extensive search capabilities to help you find the appropriate chartfield value. If you need more information on this database, please contact Bobbi Epley (audinet 200-1799) or Kim Bothager (audinet 200-2771).

FINANCE CHARTFIELDS	PROJECT CHARTFIELDS	VALIDATION TOOLS
GL Business Units	Benefiting Locations	Validate Chartfield Values
Account	AEPSC Work Orders	Find Projects
Departments	UT Work Orders	Find Work Orders
State/Jurisdiction	NR Work Orders	
Products		<b>REQUEST A CHARTFIELD</b>
ABM Activity		Chartfield Request
Cost Components		AEPSC Work Order Request
Resource Subcategory (includes Tracking Codes)		UT Work Order Request
		NR Work Order Request

# Cost Allocation Manual

Section

Databases

Subject

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## AFFILIATE AGREEMENTS

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### SUMMARY

An affiliated contracts Sharepoint site exists for reference purposes. A SharePoint web-link provides a method for accessing this information. The affiliated contracts Sharepoint site contains copies of the affiliated contracts.

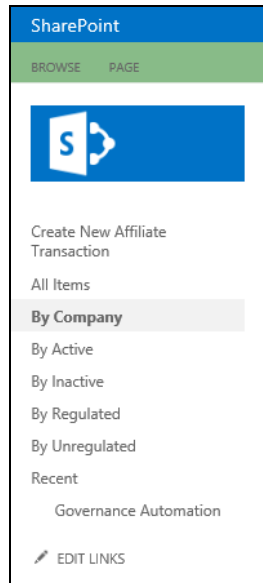
### INSTRUCTIONS FOR ACCESSING SHAREPOINT

Enter the below address into web browser:

<https://sharenow2.sp.aepsc.com/shsvcs/ACA/SitePages/Home.aspx>

### INSTRUCTIONS FOR VIEWING

To view the appropriate affiliate contract, use the category groups on the left panel and click on the name of the contract.



### SECURITY ACCESS

The CAM Administrator grants access to the affiliated contracts SharePoint site on an as needed basis.



# Cost Allocation Manual

Section

Job Descriptions

Subject

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## OVERVIEW

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### SUMMARY

The corporate separation rules adopted by the Public Utilities Commission of Ohio (PUCO) require the electric utility, as defined in the rules, to maintain a copy of each shared employee's job description in its Cost Allocation Manual (CAM). In addition, the CAM shall include a copy of all transferred employees' previous and new job descriptions.

The corporate separation rules define "employees" as "all full-time or part-time employees of an electric utility or its affiliates, as well as consultants, independent contractors or any other persons, performing various duties or obligations on behalf of or for an electric utility or its affiliates."

Job descriptions are not required, nor are they maintained, for consultants, independent contractors or any other persons who are not actual employees of the electric utility or its AEP affiliates.

### SHARED EMPLOYEES

Job descriptions for all employees who are shared between AEP's PUCO regulated electric utilities and any affiliate that provides a competitive retail electric service, or that provides a non-electric product or service to customers, are incorporated in this manual by reference.

04-04-02

# Cost Allocation Manual

Section

Job Descriptions

---

Subject

---

## OVERVIEW

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### TRANSFERRED EMPLOYEES

The required previous and current job descriptions for employees transferred from AEP's PUCO regulated electric utilities to any affiliate that provides a competitive retail electric service, or that provides a non-electric product or service to customers, are incorporated in this manual by reference.

**04-04-03**



# Cost Allocation Manual

Section

Job Descriptions

Subject

SHARED EMPLOYEES (PUCO)

## SUMMARY

4901:1-37-04 (A)(4) of the Public Utilities Commission of Ohio's (PUCO's) corporate separation rules states that an electric utility may not share employees and/or facilities with any affiliate, if the sharing, in any way, violates the code of conduct provisions contained in its corporate separation rules.

In addition, 4901:1-37-08 (D)(4) and 4901:1-37-04 (A) (5) of the corporate separation rules require the electric utility to maintain a copy of each shared employee's job description in its Cost Allocation Manual and to ensure that all shared employees appropriately record and charge their time based on fully allocated costs.

## DEFINITION OF SHARED EMPLOYEE

In the corporate separation plans filed by Columbus Southern Power Company (Which was merged into Ohio Power Company effective December 31, 2011) (Case No. 99-1730-EL-ETP), the respondents defined a "shared employee" as:

*Any employee of the electric utility, or any affiliate which provides a competitive retail electric service or which provides a non-electric product or service to customers (i.e., the Separate AEP Companies), or a consultant, independent contractor, or any other person performing various duties or obligations on behalf of the electric utility or the Separate AEP Companies, whose more than incidental job duties and responsibilities are divided between the electric utility and any Separate AEP Companies for other than emergency purposes.*



# Cost Allocation Manual

Section

Job Descriptions

Subject

SHARED EMPLOYEES (PUCO)

## PROCEDURE

For purposes of this manual, job descriptions for shared employees who are true employees of the electric utility or any Separate AEP Company are included in this manual by reference and, as such, are part of this manual.

Job descriptions are not maintained for consultants, independent contractors or other persons who are shared but are not actual employees of the electric utility or the Separate AEP Companies. However, a list of such persons will be maintained. The list will identify the name of each such person and the name of the person's actual employer. The list, which will be prepared at least every six months, is incorporated in this manual by reference and, as such, is part of this manual.

## RESPONSIBILITY

AEP Service Corporation's Human Resources Department, working with AEP's various business units, will prepare, on behalf of AEP's PUCO regulated electric utilities, the required job descriptions for all shared employees; and it will also maintain the required list of other shared persons who are not actual employees.



# Cost Allocation Manual

Section

Job Descriptions

Subject

SHARED EMPLOYEES (PUCO)

## TIME CHARGES

AEP's time reporting systems are designed to ensure that salary and salary-related costs are properly allocated by requiring employees, using positive time reporting, to charge their time to the appropriate accounting codes. All time charges are allocated and billed on a fully allocated cost basis as defined in the PUCO's Corporate Separation rules.

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*[NOTE: Other state commissions have established requirements relative to shared employees. See TAB 02, Section 04 of this manual for further information.]*



# Cost Allocation Manual

Section

Job Descriptions

Subject

TRANSFERRED EMPLOYEES (PUCO)

## SUMMARY

4901:1-37-08 (D)(6) of the Public Utilities Commission of Ohio's (PUCO's) corporate separation rules require electric utilities, as defined in the rules, to add to their Cost Allocation Manuals (CAMs) a copy of all transferred employees' previous and new job descriptions.

## DEFINITION OF TRANSFERRED EMPLOYEE

A "transferred employee" is any full-time or part-time employee of the electric utility, as well as any consultant, independent contractor or any other person, who performs various duties or obligations for or on behalf of the electric utility, that transfers from the electric utility to any affiliate which provides a competitive retail electric service or which provides a non-electric product or service to customers (i.e., the Separate AEP Companies).

## PROCEDURE

For purposes of this manual, previous and new job descriptions for all true employees of the electric utility that transfer to a Separate AEP Company are included in this manual by reference and, as such, are part of this manual.

Job descriptions are not maintained for consultants, independent contractors or other persons who are not true employees of the AEP System. However, a list of all such persons who transfer from the electric utility to a Separate AEP Company will be maintained. The list will identify the name of each such person and the name of the person's actual employer. The list, which will be prepared at least every six months, is incorporated in this manual by reference and, as such, is part of this manual.

# Cost Allocation Manual

Section

Job Descriptions

Subject

TRANSFERRED EMPLOYEES (PUCO)

## RESPONSIBILITY

AEP Service Corporation's Human Resources Department, working with AEP's various business units, will prepare, on behalf of any AEP electric utility regulated by the PUCO, the required job descriptions for all employees who transfer from the electric utility to a Separate AEP company. A list of all such persons who transfer from the electric utility to a separate AEP Company will be maintained electronically. Information stored will include the name of each such person and the name of the person's actual employer. The list, which can be prepared at any time upon request, is incorporated in this manual by reference and, as such, is part of this manual. Human Resources will also maintain the required list of other transferred persons who are not actual employees of the AEP System.

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*[NOTE: Other state commissions have established requirements relative to transferred employees. See TAB 02, Section 04 of this manual for further information.]*

# Cost Allocation Manual

Section

Complaint Log

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Subject

## OVERVIEW

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### SUMMARY

The corporate separation rules adopted by the Public Utilities Commission of Ohio require Columbus Southern Power Company (Which was merged into Ohio Power Company effective December 31, 2011) to establish a complaint procedure for issues related to their respective corporate separation plans.

### COMPLAINT LOG

A log of complaints brought to the electric utility must be maintained as part of the electric utility's Cost Allocation Manual.

**04-05-02**

# Cost Allocation Manual

Section

Complaint Log

Subject

CORPORATE SEPARATION (PUCO)

## SUMMARY

4901:1-37-05 (B) (14) and 4901:1-37-08 (D)(8) of the Public Utilities Commission of Ohio's (the PUCO's) corporate separation rules require the electric utilities, as defined in the rules, to establish a complaint procedure for issues concerning compliance with the PUCO's corporate separation rules and a log of complaints brought to the utility to be included in its CAM.

## RESPONSIBILITY

AEP's Chief Compliance Officer will follow the procedures for handling such complaints as set forth in the PUCO's rules and as stated in the corporate separation plans filed by Columbus Southern Power Company (Which was merged into Ohio Power Company effective December 31, 2011) and Ohio Power Company.

## CAM REQUIREMENTS

The required complaint log is incorporated in this manual by reference and, as such, is part of this manual.

# Cost Allocation Manual

Section

Board of Directors Minutes

Subject

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## OVERVIEW

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### SUMMARY

The corporate separation rules adopted by the Public Utilities Commission of Ohio (PUCO) require Columbus Southern Power Company (Which was merged into Ohio Power Company effective December 31, 2011), or any successor electric utility company operating in the state of Ohio, to incorporate a copy of the minutes of each of their board of directors meetings in their Cost Allocation Manual (CAM).

### COPIES

The required minutes are incorporated in this manual by reference.

**04-06-02**

# Cost Allocation Manual

Section

Board of Directors Minutes

Subject

COPIES (PUCO)

## SUMMARY

4901:1-37-08(D)(9) of the PUCO's corporate separation rules require electric utilities to incorporate their minutes of each board of directors meeting in their Cost Allocation Manual (CAM) as a structural safeguard for a minimum period of three years.

## RESPONSIBILITY

AEP's Legal Department maintains the required minutes as described in the corporate separation plans filed by Columbus Southern Power Company (Which was merged into Ohio Power Company effective December 31, 2011) and Ohio Power Company.

## CAM REQUIREMENTS

The required minutes are incorporated in this manual by reference and, as such, are part of this manual.

# Cost Allocation Manual

Section

Tariff Provisions

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Subject

Overview

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## SUMMARY

The corporate separation rules adopted by the Public Utilities Commission of Ohio requires Ohio Power Company to establish a procedure detailing each instance in which the electric utility exercised discretion in the application of its tariff provisions.

## TARIFF DISCRETION LOG

A log detailing each instance when the electric utility exercised discretion in application of its tariff provisions must be maintained as part of the electric utility's Cost Allocation Manual.



# Cost Allocation Manual

Section

Tariff Provisions

Subject

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## SUMMARY

4901:1-37-08 (D) (7) of the Public Utilities Commission of Ohio's (the PUCO's) corporate separation rules require the electric utilities, as defined in the rules, to establish a procedure detailing each instance in which the electric utility exercised discretion in the application of its tariff provisions and a log of such instances to be included in its CAM.

## RESPONSIBILITY

AEP Ohio's VP of Regulatory and Finance maintains the required procedure and related Tariff Discretion Log.

## CAM REQUIREMENTS

The required log is incorporated in this manual by reference and, as such, is part of this manual.

# Cost Allocation Manual

Section

Appendix

Subject

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## OVERVIEW (APPENDIX)

---

### SUMMARY

This appendix contains tables and other supplementary information that can be used for reference purposes.

### GLOSSARY OF KEY TERMS

A glossary of key terms and acronyms is provided to assist the reader.

**99-00-02**

### RECORD RETENTION REQUIREMENTS

A summary of the record retention requirements prescribed by AEP's various commissions for transactions with affiliates is maintained as part of this manual.

**99-00-03**

### LIST OF APPROVED ALLOCATION FACTORS

An Allocation Factor defines the factor(s) that will be used to derive the percentages of cost to be billed to each company whenever costs are shared among AEP System companies through the billing process.

A list of approved Allocation Factors is maintained as part of this manual.

**99-00-04**

### LIST OF PRIMARY ALLOCATION FACTORS BY FUNCTION

Allocation Factors are assigned to final cost objectives generally based on the nature (i.e., function) of the work performed.

A list of the primary Allocation Factors for each function is maintained as part of this manual.

**99-00-05**

### LIST OF AFFILIATE

AEP's regulated utilities have entered into



# Cost Allocation Manual

Section

Appendix

Subject

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## OVERVIEW (APPENDIX)

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CONTRACTS BY COMPANY

various agreements with their affiliates.

LIST OF AFFILIATE

**TAB 04**, Section 02 of this manual contains a description of each contract.

CONTRACTS BY COMPANY

(Cont'd)

A list of the various contracts with each regulated utility is maintained as part of this manual.

99-00-06

# Cost Allocation Manual

Section

Appendix

Subject

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## GLOSSARY OF KEY TERMS

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### SUMMARY

This glossary provides definitions for key terms and abbreviations used in this manual. Unless the context in which the terms and abbreviations as used in this manual clearly indicate a different meaning as indicated in this glossary

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<b>AEP</b>	American Electric Power Company, Inc.
<b>AEPS</b>	American Electric Power Service Corporation
<b>AEP holding company system</b>	American Electric Power Company, Inc. (parent holding company) together with all of its subsidiaries.
<b>AEP System</b>	The electric utility companies, subsidiaries of American Electric Power Company, Inc. together with their subsidiary coal-mining and power generating companies as well as AEPS.
<b>Affiliates</b>	While each regulatory commission has its own unique definition of the term "affiliates," as used in this manual the term generally includes American Electric Power Company, Inc. and all companies that are owned or controlled by American Electric Power Company, Inc.
<b>Affiliate transactions</b>	Transactions between or among affiliates for the sale and purchase of products, services and capital assets.
<b>Allocation Factors</b>	The cost allocation methods, factors and percentages used in the billing process to allocate costs among AEP companies.

# Cost Allocation Manual

Section

Appendix

Subject

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## GLOSSARY OF KEY TERMS

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<b>Chartfields</b> (or coding blocks)	The distinctive fields used to affix codes to transaction records generally for the purpose of identification, classification and retrieval.
<b>Common costs</b>	Costs that benefit both regulated and non-regulated products and services. Also see, <b>Joint costs</b> .
<b>Cost allocator</b>	The method or ratio used to apportion cost. A cost allocator can be based on the origin of costs, as in the case of cost drivers; cost-causative linkage of an indirect nature; or one or more overall factors (also known as general allocators).
<b>Cost driver</b>	A measurable event or quantity which influences the level of cost incurred and which can be directly traced to the origin of the costs themselves.
<b>Primary cost driver</b>	The dominant driver of a given cost or cost pool.
<b>Cross-subsidy</b>	The amount of cost recovered from one class of customers or business unit that is attributable to another.
<b>Direct costs</b>	Costs that can be identified specifically with a given cost objective.
<b>FERC</b>	Federal Energy Regulatory Commission.
<b>Fully-allocated costs</b> (or fully-distributed)	Direct costs plus an appropriate share of indirect costs attributed to a given cost

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## GLOSSARY OF KEY TERMS

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costs)

objective.

**General allocator**

See **Cost allocator**.

**Indirect costs**

Costs that cannot be identified specifically with a given cost objective. Indirect costs include, but are not limited to overhead costs, and some taxes.

**Joint costs**

Costs that benefit two or more cost objectives.

**Non-regulated**

Activities which produce products or services

**operations**

that are not subject to price regulation by regulatory authorities.

**Regulated operations**

Activities which produce products or services that are subject to price regulation by government authorities.

**SEC**

Securities and Exchange Commission.

**Shareable costs**

Costs that are billable to two or more companies (affiliated and non-affiliated) by mutual agreement using fixed or variable percentages.

**Transfer pricing**

The price or method used to transfer (or bill for) products or services delivered by one division of a company to another division, or by one affiliate to another affiliate. Transfer pricing also pertains to asset transfers and sales.

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## GLOSSARY OF KEY TERMS

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### USoA

The Uniform System of Accounts adopted by each regulatory commission (usually the Uniform System of Accounts prescribed by the FERC for public utilities and licensees subject to the provisions of the Federal Power Act).

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## RECORD RETENTION REQUIREMENTS

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### SUMMARY

Some of AEP's commissions have prescribed minimum record retention requirements for those records that are specifically related to transactions with certain affiliates.

### ARKANSAS

Arkansas Rule 4.04 requires an electric utility to maintain a record of all transactions with its competitive affiliates for at least three years following the date of each transaction.

Arkansas requirements can be found in Arkansas Public Service Commission Order 7 of Docket 06-112-R, dated May 25, 2007.

### LOUISIANA

As prescribed in the Louisiana Merger Stipulation Appendix A - Affiliate Transaction Conditions 13, SWEPCO or AEPSC on behalf of SWEPCO may not make any non-emergency procurement in excess of \$1 million per transaction from an unregulated affiliate other than from AEPSC except through a competitive bidding process or as otherwise authorized by this Commission. Transactions involving the Company and CSW Credit, Inc. (or its successor) for the financing of accounts receivables are exempt from this condition. Records of all such affiliate transactions must be maintained until the Company's next comprehensive retail review. In addition, at the time of the next comprehensive rate review, all such affiliate transactions that were not competitively bid shall be separately identified for the Commission by the Company. This identification shall include all transactions between the Company and AEPSC in which AEPSC acquired the goods or services from another unregulated affiliate.

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OHIO

The corporate separation rules adopted by the Public Utilities Commission of Ohio (PUCO) contain a minimum retention period of three years for all information relative to transactions between the electric utility and its affiliates [4901:1-37-08(G)].

As prescribed by the PUCO, all of AEP's Ohio-based electric utilities and their affiliates shall maintain all underlying affiliate transaction information for a minimum of five years.

OKLAHOMA

The Oklahoma Corporation Commission rules require utility to keep records in the form and for a period of time not less than that specified by the applicable rules of FERC or the RUS; or in the absence thereof, for two (2) years. [Chapter 165:35-1-4(a)].

TEXAS

Transactions with competitive affiliates. Unless otherwise allowed in this subsection, transactions between a utility and its competitive affiliates shall be at arm's length. A utility shall maintain a contemporaneous written record of all transactions with its competitive affiliates, except those involving corporate support services and those transactions governed by tariffs. Such records, which shall include the date of the transaction, name of affiliate involved, name of a utility employee knowledgeable about the transaction, and a description of the transaction, shall be maintained by the utility for three years. In addition to the requirements specified in paragraph (1) of this subsection, the



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following provisions apply to transactions between utilities and their competitive affiliates. [§25.272(e)(2)].

TEXAS (Cont'd)

Discounts, rebates, fee waivers, or alternative tariff terms and conditions. If a utility offers its competitive affiliate or grants a request from its competitive affiliate for a discount, rebate, fee waiver, or alternative tariff terms and conditions for any product or service, it must make the same benefit contemporaneously available, on a non-discriminatory basis, to all similarly situated non-affiliates. The utility shall post a conspicuous notice on its Internet site or public electronic bulletin board for at least 30 consecutive calendar days providing the following information: the name of the competitive affiliate involved in the transaction; the rate charged; the normal rate or tariff condition; the period for which the benefit applies; the quantities and the delivery points involved in the transaction (if any); any conditions or requirements applicable to the benefit; documentation of any cost differential underlying the benefit; and the procedures by which non-affiliates may obtain the same benefit. The utility shall maintain records of such information for a minimum of three years, and shall make such records available for third party review within 72 hours of a written request, or at a time mutually agreeable to the utility and the third party. A utility shall not create any arrangement with its competitive affiliate

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that is so unique that no competitor could be similarly situated to benefit from the discount, rebate, fee waiver, or alternative tariff terms and conditions. [§25.272(f)(B)].

A competitive affiliate is an affiliate that provides services or sells products in a competitive energy-related market in Texas, including telecommunications services; to the extent those services are energy-related.



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## LIST OF FERC ACCEPTED ALLOCATION FACTORS

## SUMMARY

The following table provides a complete list of approved Allocation Factors along with a description of the numerator and the denominator applicable to each calculation.

NO.	ALLOCATION FACTORS	NUMERATOR/DENOMINATOR	UPDATED Frequency	Month Updated
01	Number of Bank Accounts	$\frac{\text{Number of Bank Accounts by Company}}{\text{Total Number of Bank Accounts}}$	Inactive	
02	Number of Call Center Telephones	$\frac{\text{Number of Call Center Phone Calls Per Company}}{\text{Total Number of Call Center Telephones}}$	Inactive	
03	Number of Cell Phones/Pagers	$\frac{\text{Number of Cell Phones/Pagers Per Company}}{\text{Total Number of Cell Phones/Pagers}}$	Inactive	
04	Number of Checks Printed	$\frac{\text{Number of Checks Printed Per Company Per Month}}{\text{Total Number of Checks Printed Per Month}}$	Inactive	
05	Number of CIS Customer Mailings	$\frac{\text{Number of Customer Information System (CIS) Customer Mailings Per Company}}{\text{Total Number of CIS Customer Mailings}}$	Monthly	
06	Number of Commercial Customers	$\frac{\text{Number of Commercial Customers Per Company}}{\text{Total Number of Commercial Customers}}$	Semi-Annually	Jan & Jul
07	Number of Credit Cards	$\frac{\text{Number of Credit Cards Per Company}}{\text{Total Number of Credit Cards Number of Commercial}}$	Inactive	
08	Number of Electric Retail Customers	$\frac{\text{Number of Electric Retail Customers Per Company}}{\text{Total Number of Electric Retail Customers}}$	Semi-Annually	Jan & Jul
09	Number of Employees	$\frac{\text{Number of Full-Time and Part-Time Employees Per Company}}{\text{Total Number of Full-Time and Part-Time Employees}}$	Monthly	
10	Number of Generating Plant Employees	$\frac{\text{Number of Generating Plant Employees Per Company}}{\text{Total Number of Generating Plant Employees}}$	Inactive	
11	Number of General Ledger(GL) Transactions	$\frac{\text{Number of GL Transactions Per Company}}{\text{Total Number of GL Transactions}}$	Monthly	



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NO.	ALLOCATION FACTORS	NUMERATOR/DENOMINATOR	UPDATED Frequency	Month Updated
12	Number of Help Desk Calls	$\frac{\text{Number of Help Desk Calls Per Company}}{\text{Total Number of Help Desk Calls}}$	Inactive	
13	Number of Industrial Customers	$\frac{\text{Number of Industrial Customers Per Company}}{\text{Total Number of Industrial Customers}}$	Semi-Annually	Jan & Jul
14	Number of JCA Transactions	$\frac{\text{Number of Lines of Accounting Distribution on Job Cost Accounting (JCA) Sub-System Per Company}}{\text{Total Number of Lines of Accounting Distribution on JCA Sub-System}}$	Inactive	
15	Number of Non-UMWA Employees	$\frac{\text{Number of Non-UMWA or All Non-Union Employees Per Company}}{\text{Total Number of Non-UMWA or All Non-Union Employees}}$	Inactive	
16	Number of Phone Center Calls	$\frac{\text{Number of Phone Calls Per Phone Center Per Company}}{\text{Total Number of Phone Center Phone Calls}}$	Monthly	
17	Number of Purchase Orders Written	$\frac{\text{Number of Purchase Orders Written Per Company}}{\text{Total Number of Purchase Orders Written}}$	Monthly	
18	Number of Radios (Base/Mobile/Handheld)	$\frac{\text{Number of Radios (Base/Mobile/Handheld) Per Company}}{\text{Total Number of Radios (Base/Mobile/ Handheld)}}$	Inactive	
19	Number of Railcars	$\frac{\text{Number of Railcars Per Company}}{\text{Total Number of Railcars}}$	Inactive	
20	Number of Remittance Items	$\frac{\text{Number of Electric Bill Payments Processed Per Company Per Month (non-lockbox)}}{\text{Total Number of Electric Bill Payments Processed Per Month (non-lockbox)}}$	Monthly	
21	Number of Remote Terminal Units	$\frac{\text{Number of Remote Terminal Units Per Company}}{\text{Total Number of Remote Terminal Units}}$	Inactive	
22	Number of Rented Water Heaters	$\frac{\text{Number of Rented Water Heaters Per Company}}{\text{Total Number of Rented Water Heaters}}$	Inactive	
23	Number of Residential Customers	$\frac{\text{Number of Residential Customers Per Company}}{\text{Total Number of Residential Customers}}$	Inactive	



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NO.	ALLOCATION FACTORS	NUMERATOR/DENOMINATOR	UPDATED Frequency	Month Updated
24	Number of Routers	<u>Number of Routers Per Company</u> Total Number of Routers	Inactive	
25	Number of Servers	<u>Number of Servers Per Company</u> Total Number of Servers	Inactive	
26	Number of Stores Transactions	<u>Number of Stores Transactions Per Company</u> Total Number of Stores Transactions	Monthly	
27	Number of Telephones	<u>Number of Telephones Per Company (Includes all phone lines)</u> Total Number of Telephones (Includes all phone lines)	Semi-Annually	Jan & Jul
28	Number of Transmission Pole Miles	<u>Number of Transmission Pole Miles Per Company</u> Total Number of Transmission Pole Miles	Annually	Apr or May (FERC Form)
29	Number of Transtext Customers	<u>Number of Expected Transtext Customers Per Company</u> Total Number of Expected Transtext Customers	Inactive	
30	Number of Travel Transactions	<u>Number of Travel Transactions Per Company Per Month</u> Total Number of Travel Transactions Per Month	Inactive	
31	Number of Vehicles	<u>Number of Vehicles Per Company Includes Fleet and Pool Cars)</u> Total Number of Vehicles Per Company (Includes Fleet and Pool Cars)	Annually	Jan
32	Number of Vendor Invoice Payments	<u>Number of Vendor Invoice Payments Per Company Per Month</u> Total Number of Vendor Invoice Payments Per Month	Monthly	
33	Number of Workstations	<u>Number of Workstations (PCs) Per Company</u> Total Number of Workstations (PCs)	Monthly	
34	Active Owned or Leased Communication Channels	<u>Number of Active Owned/Leased Communication Channels Per Company</u> Total Number of Active Owned/Leased Communication Channels	Inactive	
35	Avg Peak Load For Past Three Years	<u>Average Peak Load for Past Three Years Per Company</u> Total of Average Peak Load for Past Three Years	Inactive	



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NO.	ALLOCATION FACTORS	NUMERATOR/DENOMINATOR	UPDATED Frequency	Month Updated
36	Coal Company Combination	The Sum of Each Coal Company's Gross Payroll, Original Cost of Fixed Assets, Original Cost of Leased Assets, and Gross Revenues for Last Twelve Months The Sum of the Same Factors for All Coal Companies	Inactive	
37	AEPSC Past 3 Months Total Bill Dollars	$\frac{\text{AEPSC Past Three Months Total Bill Dollars Per Company}}{\text{Total AEPSC Past Three Months Bill Dollars}}$	Monthly	
38	AEPSC Prior Month Total Bill Dollars	$\frac{\text{Total Bill Dollars AEPSC Prior Month Per Company}}{\text{AEPSC Total Prior Month Bill Dollars}}$	Inactive	
39	Direct	100% to One Company	Monthly	
40	Equal Share Ratio	$\frac{\text{One Company (1)}}{\text{Total Number of Companies}}$	Monthly	
41	Fossil Plant Combination	The Sum of (a) the Percentage Derived by Dividing the Total Megawatt Capability of All Fossil Generating Plants Per Company by the Total Megawatt Capability of All Fossil Generating Plants and (b) the Percentage Derived by Dividing the Total Scheduled Maintenance Outages of All Fossil Generating Plants Per Company for the Last Three Years by the total Scheduled Maintenance of All Fossil Generating Plants During the Same Three Years Two (2)	Inactive	
42	Functional Department's Past 3 Months Total Bill Dollars	$\frac{\text{Functional Department's Past 3 Months Total Bill Dollars Per Company}}{\text{Total Functional Department's Past 3 Months Total Bill Dollars}}$	Inactive	
43	KWH Sales	$\frac{\text{KWH Sales Per Company}}{\text{Total KWH Sales}}$	Inactive	



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NO.	ALLOCATION FACTORS	NUMERATOR/DENOMINATOR	UPDATED Frequency	Month Updated
44	Level of Construction - Distribution	Construction Expenditures for All Distribution Plant Accounts Except Land and Land Rights, Services, Meters and Leased Property on Customers Premises, and Exclusive of Construction Expenditures Accumulated on Direct Work Orders for Which Charges by AEPSC Are Being Made Separately, Per Company/During <u>the Last Twelve Months</u> Total of the Same for All Companies	Semi-Annually	Jan & Jul
45	Level of Construction - Production	Construction Expenditures for All Production Plant Accounts Except Land and Land Rights, Nuclear Accounts, and Exclusive of Construction Expenditures Accumulated on Direct Work Orders for Which Charges by AEPSC are Being Made Separately, Per <u>Company During the Last Twelve Months</u> Total of the Same for All Companies	Semi-Annually	Jan & Jul
46	Level of Construction - Transmission	Construction Expenditures for All Transmission Plant Accounts Except Land and Land Rights and Exclusive of Construction Expenditures Accumulated on Direct Work Orders for Which Charges by AEPSC are Being Made <u>Separately, Per Company During the Last Three Months</u> Total of the Same for All Companies	Quarterly	Jan - Apr - Jul - Oct
47	Level of Construction - Total	Construction Expenditures for All Plant Accounts Except Land and Land Rights, Line Transformers Services, Meters and Leased Property on Customers' premises; and the Following General Plant Accounts: Structures and Improvements, Shop Equipment, Laboratory Equipment and Communication Equipment; and Exclusive of Construction Expenditures Accumulated on Direct Work Orders for Which Charges by AEPSC are Being Made <u>Separately, Per Company During the Last Twelve Months</u> Total of the Same for All Companies	Inactive	
48	MW Generating Capability	<u>MW Generating Capability Per Company</u> Total MW Generating Capability	Annually	Apr or May (FERC Form)
49	MWH's Generated	<u>Number of MWH's Generated Per Company</u> Total Number of MWH's Generated	Semi-Annually	Jan & Jul





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NO.	ALLOCATION FACTORS	NUMERATOR/DENOMINATOR	UPDATED Frequency	Month Updated
50	Current Year Budgeted Salary Dollars	Current Year Budgeted AEPSC Payroll Dollars Billed Per Company Total Current Year Budgeted AEPSC Payroll Dollars Billed	Inactive	
51	Past 3 Mo. MMBTU's Burned (All Fuel Types)	Past Three Months MMBTU's Burned Per Company (All Fuel Types) Total Past Three Months MMBTU's Burned (All Fuel Types)	Quarterly	Jan - Apr - Jul - Oct
52	Past 3 Mo. MMBTU's Burned (Coal Only)	Past Three Months MMBTU's Burned Per Company (Coal Only) Total Past Three Months MMBTU's Burned (Coal Only)	Quarterly	Jan - Apr - Jul - Oct
53	Past 3 Mo. MMBTU's Burned (Gas Type Only)	Past Three Months MMBTU's Burned Per Company (Gas Type Only) Total Past Three Months MMBTU's Burned (Gas Type Only)	Quarterly	Jan - Apr - Jul - Oct
54	Past 3 Mo. MMBTU's Burned (Oil Type Only)	Past Three Months MMBTU's Burned Per Company (Oil Type Only) Total Past Three Months MMBTU's Burned (Oil Type Only)	Inactive	
55	Past 3 Mo. MMBTU's Burned (Solid Fuels Only)	Past Three Months MMBTU's Burned Per Company (Solid Fuels Only) Total Past Three Months MMBTU's Burned (Solid Fuels Only)	Quarterly	Jan - Apr - Jul - Oct
56	Peak Load/Avg # Cust/KWH Sales Combination	Average of Peak Load, # of Retail Customers, and KWH Sales to Retail Customers Per Company Total of Average of Peak Load, # of Retail Customers, and KWH Sales to Retail Customers	Inactive	
57	Tons of Fuel Acquired	Number of Tons of Fuel Acquired Per Company Total Number of Tons of Fuel Acquired	Semi-Annually	Jan & Jul
58	Total Assets	Total Assets Amount Per Company Total Assets Amount	Monthly	
59	Total Assets Less Nuclear Plant	Total Assets Amount Less Nuclear Assets Per Company Total Assets Amount Less Nuclear Assets	Inactive	



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## LIST OF FERC ACCEPTED ALLOCATION FACTORS

NO.	ALLOCATION FACTORS	NUMERATOR/DENOMINATOR	UPDATED Frequency	Month Updated
60	Total AEPSC Bill Dollars Less Interest and/or Income Taxes and/or Other Indirect Costs	$\frac{\text{Total AEPSC Bill Dollars Less Interest and/or Income Taxes and/or Other Indirect Costs Per Company}}{\text{Total AEPSC Bill Dollars Less Interest and/or Income Taxes and/or Other Indirect Costs}}$	Annually	
61	Total Fixed Assets	$\frac{\text{Total Fixed Assets Amount Per Company}}{\text{Total Fixed Assets Amount}}$	Monthly	
62	Total Gross Revenue	$\frac{\text{Total Gross Revenue Last Twelve Months Per Company}}{\text{Total Gross Revenue Last Twelve Months}}$	Inactive	
63	Total Gross Utility Plant (Including CWIP)	$\frac{\text{Total Gross Utility Plant Amount Per Company (Including CWIP)}}{\text{Total Gross Utility Plant Amount (Including CWIP)}}$	Monthly	
64	Total Peak Load	$\frac{\text{Total Peak Load Per Company}}{\text{Total Peak Load}}$	Monthly	
65	Hydro MW Generating Capability	$\frac{\text{Hydro MW Generating Capability per Company}}{\text{Total Hydro MW Generating Capability}}$	Annually	Apr or May (FERC Form)
66	Number of Forest Acres	$\frac{\text{Number of Forest Acres Per Company}}{\text{Total Number of Forest Acres}}$	Inactive	
67	Number of Banking Transactions	$\frac{\text{Number of Banking Transactions Per Company}}{\text{Total Number of Banking Transactions}}$	Quarterly	Jan - Apr - Jul - Oct
68	Number of Dams	$\frac{\text{Number of Dams Per Company}}{\text{Total Number of Dams}}$	Inactive	
69	Number of Licenses Obtained	$\frac{\text{Number of Licenses Obtained per Company}}{\text{Total Number of Licenses}}$	Inactive	
70	Number of Non-Electric OAR Invoices	$\frac{\text{Number of Non-Electric OAR Invoices Per Company}}{\text{Total Number of Non-Electric OAR Invoices}}$	Semi-Annually	Jan & Jul
71	Number of Transformer Transactions	$\frac{\text{Number of Transformer Transactions Per Company}}{\text{Total Number of Transformer Transactions}}$	Inactive	



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<i>NO.</i>	<i>ALLOCATION FACTORS</i>	<i>NUMERATOR/DENOMINATOR</i>	<i>UPDATED Frequency</i>	<i>Month Updated</i>
72	Tons of FGD Material	<u>Tons of FGD Material Per Company</u> Total Tons of FGD Material	Inactive	
73	Tons of Limestone Received	<u>Tons of Limestone Received Per Company</u> Total Tons of Limestone Received	Inactive	
74	Total Assets/Total Revenues/Total Payroll	<u>Total Assets + Total Revenues + Total Payroll Per Company</u> Total Assets + Total Revenues + Total Payroll	Inactive	
75	Total Leased Assets	<u>Total Leased Assets Per Company</u> Total Leased Assets	Inactive	
76	Number of Banking Transactions	<u>Number of Banking Transactions by Company</u> Total Number of Banking Transactions	Inactive	
77	Power Transactions to All Markets	<u>Power Transactions by Company</u> Total Number of Power Transactions	Inactive	
78	Power Transactions to ERCOT Market	<u>Power Transactions to ERCOT Market by Company</u> Total Number of Power Transactions to ERCOT Market	Inactive	
79	Trans (commdts) to All Markets	<u>Trans (commdts) to all Markets by Company</u> Total Number of Trans (commdts) to all Markets	Inactive	
80	Trans (commdts) to ERCOT Market	<u>Trans (commdts) to ERCOT Markets by Company</u> Total Number of Trans (commdts) to ERCOT Markets	Inactive	



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LIST OF PRIMARY ALLOCATION FACTORS  
BY FUNCTION

## SUMMARY

The following table identifies the primary Allocation Factors that are associated with the listed functions.

<i>GROUP/FUNCTION</i>	<i>PRIMARY ALLOCATION FACTORS</i>
Audit Services	Total Assets, 100% to One Company
Chief Administrative Officer Administration	Total Assets
Chief Executive Officer Administration	Total Assets, 100% to One Company
Chief Security Officer Administration	Total Assets, Number of Employees
Chief Financial Officer Administration	Total Assets, 100% to One Company
Commercial Operations	Total Peak Load, 100% to One Company
Corporate Accounting	Total Assets, 100% to One Company, Number of GL Transactions, Total Fixed Assets, Total Gross Utility Plant
Corporate Communications	Total Assets
Corporate Human Resources	Number of Employees, 100% to One Company, AEPSC Past 3 Month Total Bill
Corporate Planning and Budgeting	Total Assets, 100% to One Company, Number of Electric Retail Customers, MW Generating Capability
Customer & Distribution Services	100% to One Company, Number of Electric Retail Customers, Number of Phone Center Calls, Number of CIS Customer Mailings
Distribution, Customer Ops, and Regulatory Services Administration	Total Assets, 100% to One Company
Energy Supply Administration	100% to One Company
Environment and Safety	MW Generating Capability, 100% to One Company, Number of Employees, Total Assets
Federal Affairs	Total Assets

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LIST OF PRIMARY ALLOCATION FACTORS  
BY FUNCTION

<i>GROUP/FUNCTION</i>	<i>PRIMARY ALLOCATION FACTORS</i>
Fossil & Hydro Generation	100% to One Company, MW Generating Capability
Generation Administration	MW Generating Capability, 100% to One Company
Generation Business Services	MW Generating Capability, 100% to One Company, Level of Construction-Production
Generation Engineering and Technical Services - Engineering Services	100% to One Company, MW Generating Capability
Generation Engineering and Technical Services - Project and Construction	100% to One Company, Level of Construction-Production
Information Technology	100% to One Company, Number of Workstations, Number of Electric Retail Customers, Total Assets, AEPSC Bill Less Indirect and Interest, Level of Construction-Transmission
Investor Relations	Total Assets
Legal	100% to One Company, Total Assets, Total Fixed Assets, Number of Employees
Real Estate & Workplace Services	Total Assets, 100% to One Company, Number of Electric Retail Customers, Number of Employees, Level of Construction-Transmission
Regulated Commercial Operations	Total Peak Load, MWH's Generation, 100% to One Company
Regulatory Services	Total Assets, 100% to One Company, Number of Trans Pole Miles
Risk and Strategic Initiatives	100% to One Company, Total Assets, AEPSC Past 3 Months Total Bill, Total Fixed Assets
Security and Aviation	Number of Employees, AEPSC Past 3 Months Total Bill, Total Gross Utility Plant, 100% to One Company
Supply Chain & Fleet	Number of Purchase Orders, 100% to One

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LIST OF PRIMARY ALLOCATION FACTORS  
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<i>GROUP/FUNCTION</i>	<i>PRIMARY ALLOCATION FACTORS</i>
Operations	Company. Total Assets, Number of Stores Transactions, MW Generating Capability
Transmission Administration	100% to One Company, Number of Transmission Poles Miles
Transmission Asset Strategy and Policy	Number of Transmission Pole Miles, 100% to One Company, Level of Construction-Transmission
Transmission Field Services	100% to One Company, Number of Transmission Pole Miles
Transmission Grid Development & Portfolio Services	Level of Construction-Transmission, Number of Transmission Pole Miles, 100% to One Company, Total Assets
Transmission-Engineering and Project Services	100% to One Company, Level of Construction-Transmission
Treasury	Total Assets, AEPSC Past 3 Months Total Bill, 100% to One Company

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## LIST OF AFFILIATE CONTRACTS BY COMPANY

### SUMMARY

The following table is a listing of the affiliate contracts with each electric utility in the AEP System.

<i>COMPANY NAME</i>	<i>DATE</i>	<i>CONTRACT</i>
<b>AEP Texas</b> (formerly AEP Texas Central Company and AEP Texas North Company)	04/26/85	Oklahoma Unit No. 1 Construction ownership and Operating Agreement
	09/14/88	Oklahoma HVDC Project Construction, Ownership and Operating Agreement
	07/01/93	Rail Car Lease Agreement (West)
	01/01/97	CSW Operating Agreement
	07/29/97	Rail Car Maintenance Facility Agreement (West)
	12/22/97	Energy Conservation Measure Utility/Energy Service Company Agency Agreement
	03/26/99	Electric Service Contract between Frontera General Limited Partners and Central Power and Light.
	03/30/99	Interconnection Agreement Between CP&L and Frontera Generation Limited
	06/01/99	CSW System General Agreement
	10/29/99	Transmission Coordination Agreement (West) Regulated Companies
	06/15/00	American Electric Power Company, Inc. and its Consolidated Affiliated Tax Agreement regarding methods of allocated Consolidated Income Tax
	06/15/00	AEPSC Service Agreement with Central Power and Light
	06/15/00	AEPSC Service Agreement with West Texas Utilities Company
	06/16/00	Amended and Restated Purchase Agreement Between CSW Credit, Inc. and Affiliate (West) Companies
	06/26/01	Interconnection Agreement (ERCOT Generation) between AEPTN & PSO
10/30/01	Construction Agreement/Trent Wind Farm LP	
12/18/02	AEP System Utility Money Pool Agreement	

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## LIST OF AFFILIATE CONTRACTS BY COMPANY

<b>COMPANY NAME</b>	<b>DATE</b>	<b>CONTRACT</b>
<b>AEP Texas</b> (formerly AEP Texas Central Company and AEP Texas North Company) (Cont'd)	11/16/04	Interconnection Agreement Between AEP Texas North and PSO
	12/09/04	AEP System Amended and Restated Utility Money Pool Agreement
	01/01/05	AEP System Tax Agreement
	01/01/05	American Electric Power Company, Inc. and it's Consolidated Affiliated Tax Agreement regarding methods of allocated consolidated Income Tax
	05/25/07	Power Purchase and Sale Agreement between AEP Texas North and AEP Energy Partners (fna CSW Power Marketing Inc.)
	12/01/09	AEP System Transmission Center Agreement
	03/29/10	Amended and Restated Interconnection Agreement (AEP Texas North)
	03/29/10	Amended and Restated Interconnection Agreement (AEP Texas Central)
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
<b>Appalachian Power Company</b>	08/11/41	Land Purchase Contract between APCo and the Franklin Real Estate Company
	11/25/70	Purchase Agreement between APCO and Indiana Franklin Realty Inc.
	12/01/76	Indenture Between APCo and Cedar Coal
	03/01/78	Indenture Between APCo and Southern Appalachian Coal Company
	06/01/78	Racine Hydro Operating Agreement
	01/01/79	Central Machine Shop Agreement
	04/01/82	AEP Railcar Use Agreement
	04/01/82	Railcar Maintenance Agreement
	10/03/83	Agreement Between Appalachian Power and AEP Pro Service (Formerly AEP Energy Services
	04/01/84	Transmission Agreement
	05/01/86	Barge Transportation Agreement and Appendix A
	07/30/87	Mutual Assistance Agreement
12/31/96	Affiliated Transactions Agreement (East Companies)	





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## LIST OF AFFILIATE CONTRACTS BY COMPANY

<i>COMPANY NAME</i>	<i>DATE</i>	<i>CONTRACT</i>
<b>Appalachian Power Company</b> (Cont'd)	03/06/97	Agreement Between Appalachian Power and AEP Energy Services Inc.
	06/15/00	American Electric Power and its consolidated Affiliated Tax Agreements regarding methods of allocating consolidated income taxes
	06/16/00	Purchase Agreement Between CSW Credit and its affiliate client companies
	12/18/02	AEP System Utility Money Pool Agreement
	05/04/04	Arrangement for the use of the Amos Simulator
	08/25/04	Third Amended and Restated Purchase Agreement between AEP Credit and Appalachian Power
	08/25/04	Third Amended and Restated Agency Agreement Between AEP Credit and Appalachian Power
	12/09/04	AEP System Amended and Restated Utility Money Pool Agreement
	01/01/05	AEP Co, Inc. and its Consolidated Affiliate Tax agreement regarding methods of Allocating Consolidated Income Taxes.
	03/22/06	Amendment No. 1 to the Third Amended and Restated Purchase Agreement between AEP Credit and Appalachian Power
	03/22/06	Amendment No. 1 to the Third Amended and Restated Agency Agreement between AEP Credit and Appalachian Power
	07/01/06	Amendment No. 1 and Consent to AEP System Rail Car Use Agreement
	01/30/08	Amendment No. 2 to the Third Amended and Restated Purchase Agreement between AEP Credit and Appalachian Power
	01/30/08	Amendment No. 2 to the Third Amended and Restated Agency Agreement between AEP Credit and Appalachian Power
	11/13/08	Amended and Restated Interconnection Agreement Between Appalachian Power Company and Kingsport Power Company
	02/12/12	Executed Notice of Intent by Ohio Power Company to Terminate Sporn Plant Operating Agreement



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Appalachian Power Company (Cont'd)	01/22/13	Service Agreement between Appalachian Power and AEP Appalachian Transmission Company, Inc.
	04/24/13	Appalachian Power and AEP West Virginia Transmission Service Agreement "2013 Agreement"
	08/01/13	Railcar Maintenance Agreement
	09/12/13	Amendment No. 2 to AEP System Rail Car Use Agreement
	09/12/13	Amended and Restated Urea Handling Agreement
	09/12/13	Amendment No. 1 to Barge Transportation Agreement
	12/16/13	Amended and Restated Cook Coal Terminal Transfer Agreement
	12/31/13	Termination of Racine Hydro Project Operating
	01/01/14	Affiliated Transactions Agreement for Sharing Capitalized Spare Parts
	01/01/14	Affiliated Transactions Agreement for Sharing Materials and Supplies
	01/01/14	Sporn Plant Operating Agreement
	01/01/14	Simulator Lease Agreement
	01/01/14	Assignment of Central Machine Shop Agreement date January 1, 1979
	01/01/14	Power Coordination Agreement
	10/29/15	Homeserve Service Agreement between AEPSC and Appalachian Power
	04/21/16	APCo sale of Caterpillar Backhoe to SWEPCO
	11/21/16	Services and Property Use Agreement between Appalachian Power and Transource WV
	12/20/16	Joint License Agreement between Appalachian Power and AEP Appalachian Transmission Company, Inc.
	10/16/17	AEPSC and APCO Services Agreement
	11/29/17	APCO and AEP Ohio Transmission Company Transmission Asset Sharing Agreement
10/19/18	Service Agreement with Appalachian Power and AEP West Virginia Transmission Company	



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<b>Appalachian Power Company</b> (Cont'd)	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/09/19	Amended and Restated Urea Handling Agreement Amendment No.1
	05/09/19	Amended and Restated Rail Car Maintenance Agreement Amendment No.1
	05/09/19	Affiliated Transactions Agreement for Sharing Capitalized Spare Parts Amendment No.1
	05/09/19	Barge Transportation Agreement Amendment No.2
	05/09/19	Amended and Restated Cook Coal Terminal Transfer Agreement Amendment No.1
	05/09/19	Affiliated Transactions Agreement for Sharing Materials and Supplies Amendment No.1
	04/23/20	Addendum to Homeserve Service Agreement
	05/13/21	Affiliated Transactions Agreement for Sharing Transmission Assets
	05/13/21	Affiliated Transactions Agreement for Sharing Materials, Equipment, Supplies and Capitalized Spare Parts
	01/20/22	Addendum to Joint License Agreement between Appalachian Power and AEP Appalachian Transmission Company, Inc.
	02/10/22	Addendum to Services and Property Use Agreement between Appalachian Power and Transource WV
	12/13/22	AEPSC and APCO Services Agreement
<b>Indiana Michigan Power Company</b>	04/30/48	Purchase Contract between Indiana Franklin Realty, Inc.
	04/04/50	Purchase Contract between The Franklin Real Estate Company.
	01/01/79	Central Machine Shop Agreement/Appalachian Power
	04/01/82	AEP Railcar Use Agreement
	04/01/82	Railcar Maintenance Agreement
	04/08/83	Agreement Between Indiana Michigan Power and AEP ProServ
	04/01/84	Transmission Agreement
	05/01/86	Barge Transportation Agreement & Appendix A



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<b>Indiana Michigan Power Company</b> (Cont'd)	07/30/87	Mutual Assistance Agreement
	09/27/96	Agreement Between Indiana Michigan Power and AEP Energy Services, Inc. (Formerly AEP Energy Solutions)
	06/21/96	AEP Modification No. 1 AEP System Intermin Allowance Agreement
	12/31/96	Affiliated Transactions Agreement 1996
	06/15/00	AEPSC Service Agreement with Indiana Michigan Power Company
	06/16/00	Purchase Agreement Between CSW Credit and it's Affiliate Client Companies Indiana Michigan Power Company
	04/21/04	Agency Agreement between CSW Credit, Inc. and Indian Michigan Power Company
	05/04/04	Unit Power Agreement Amendment No 1 between I&M and AEP
	05/04/04	Unit 2 Operating Agreement between I&M and AEG
	08/25/04	Third Amended and Restated Purchase Agreement
	08/25/04	Third Amended and Restated Agency Agreement
	12/09/04	AEP System Amended and Restated Utility Money Pool Agreement
	01/01/05	AEP Co. Inc. and it's Consolidated Affiliated Tax Agreement regarding methods of Allocating Consolidated Income Taxes
	07/01/06	Amendment No 1 & Consent to AEP System Railcar Use Agreement
	05/16/07	Indiana Michigan Power Company & AEP Generating Company Operation and Maintenance Agreement
	02/15/11	Transmission Service Agreement between Indiana Michigan Power Company and AEP Indiana Michigan Transmission Company
	02/15/11	Joint License Agreement between Indiana Michigan Power Company and AEP Indiana Michigan Transmission Company
08/01/13	Rail Car Maintenance Agreement	

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<b>Indiana Michigan Power Company</b> (Cont'd)	09/12/13	Amendment No. 1 to Barge Transportation Agreement
	09/12/13	Amendment No. 2 to AEP System Rail Car Use
	12/16/13	Amended and Restated Urea Handling Agreement
	12/16/13	Amended and Restated Cook Coal Terminal Transfer Agreement
	01/01/14	Affiliated Transactions Agreement for Sharing Capitalized Spare Parts
	01/01/14	Affiliated Transactions Agreement for Sharing Materials and Supplies
	01/01/14	Urea Handling Agreement (AEP Generation Resources)
	01/01/14	Power Coordination Agreement
	05/22/14	System Transmission Integration Agreement Termination
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/09/19	Amended and Restated Urea Handling Agreement Amendment No.1
	05/09/19	Amended and Restated Rail Car Maintenance Agreement Amendment No.1
	05/09/19	Affiliated Transactions Agreement for Sharing Capitalized Spare Parts Amendment No.1
	05/09/19	Barge Transportation Agreement Amendment No.2
	05/09/19	Amended and Restated Cook Coal Terminal Transfer Agreement Amendment No.1
	05/09/19	Affiliated Transactions Agreement for Sharing Materials and Supplies Amendment No.1
	05/13/21	Affiliated Transactions Agreement for Sharing Transmission Assets
05/13/21	Affiliated Transactions Agreement for Sharing Materials, Equipment, Supplies and Capitalized Spare Parts	
<b>Kentucky Power Company</b>	06/07/63	Purchase Contract between KPCO and The Franklin Real Estate Company
	03/31/75	Purchase Contract between KPCO and Indiana Franklin Realty, Inc.



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Kentucky Power Company (Cont'd)	01/01/79	Central Machine Shop Agreement/Appalachian Power
	04/01/84	Transmission Agreement
	07/30/87	Mutual Assistance Agreement
	09/27/96	Agreement between Kentucky Power and AEP Energy Services, Inc.
	12/31/96	Affiliated Transactions Agreement (East Companies)
	11/18/97	Agreement between Kentucky Power and AEP Communications, LLC
	01/01/98	Master Site Agreements (East) With AEP Operating Companies
	06/15/00	AEP Co. Inc. and it's Consolidated Affiliated Tax Agreement regarding methods of Allocating Consolidated Income Taxes
	06/15/00	AEPSC Service Agreement with Kentucky Power
	06/16/00	Purchase Agreement between AEP Credit and it's Affiliate Client Companies
	12/18/02	AEP System Utility Money Pool Agreement
	05/04/04	Arrangement for the Use of the Amos Simulator
	08/25/04	Third Amended and Restated Purchase Agreement Between AEP Credit and Kentucky Power
	08/25/04	Third Amended and Restated Agency Agreement Between AEP Credit and Kentucky Power
	12/09/04	AEP System Amended and Restated Money Pool Agreement
	01/01/05	American Electric Power Company, Inc. and it's Consolidated Affiliated Tax Agreement regarding methods of Allocating Consolidated Income Taxes
	08/01/13	Railcar Maintenance Agreement
	09/12/13	Amendment No. 1 to Barge Transportation Agreement
	09/12/13	Amendment No. 2 to AEP System Rail Car Use
	12/16/13	Amended and Restated Urea Handling Agreement
12/16/13	Amended and Restated Cook Coal Terminal Transfer Agreement	

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<b>Kentucky Power Company</b> (Cont'd)	01/01/14	Affiliated Transactions Agreement for Sharing Capitalized Spare Parts
	01/01/14	Affiliated Transactions Agreement for Sharing Materials and Supplies
	01/01/14	Mitchell Coal Pile Run-Off Agreement
	01/01/14	Power Coordination Agreement
	01/31/15	Mitchell Plant Operating Agreement between Wheeling Power, Kentucky Power, and AEPSC
	02/27/15	Service Agreement between Kentucky Power Company and AEP Kentucky Transmission Company, Inc.
	02/27/15	Joint License Agreement between Kentucky Power Company and AEP Kentucky Transmission Company, Inc.
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/09/19	Amended and Restated Urea Handling Agreement Amendment No.1
	05/09/19	Amended and Restated Rail Car Maintenance Agreement Amendment No.1
	05/09/19	Affiliated Transactions Agreement for Sharing Capitalized Spare Parts Amendment No.1
	05/09/19	Barge Transportation Agreement Amendment No.2
	05/09/19	Amended and Restated Cook Coal Terminal Transfer Agreement Amendment No.1
	05/09/19	Affiliated Transactions Agreement for Sharing Materials and Supplies Amendment No.1
	05/13/21	Affiliated Transactions Agreement for Sharing Transmission Assets
	05/13/21	Affiliated Transactions Agreement for Sharing Materials, Equipment, Supplies and Capitalized Spare Parts
<b>Kingsport Power Company</b>	01/01/72	Purchase Contract Between KGPCO and Indiana Franklin Realty, Inc.
	07/30/87	Mutual Assistance Agreement
	09/27/96	Agreement Between Kingsport Power Company and AEP Energy Services

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<b>Kingsport Power Company</b> (Cont'd)	12/31/96	Affiliate Transactions Agreement (East Companies)
	01/01/98	Master Site Agreement (East) with AEP Operating Companies
	06/15/00	AEP Co, Inc and it's Consolidated Affiliate Tax Agreement regarding methods of Allocating Consolidated Income Tax
	06/15/00	AEPSC Service Agreement with Kingsport Power
	06/16/00	Purchase Agreement Between CSW Credit and Affiliate Client Companies
	12/18/02	AEP System Utility Money Pool Agreement
	08/25/04	Third Amended and Restated Purchase Agreement Between AEP Credit and Kingsport Power
	08/25/04	Third Amended and Restated Agency Agreement Between AEP Credit and Kingsport Power
	12/09/04	AEP System Amended and Restated Utility Money Pool Agreement
	01/01/05	American Electric Power Company, Inc. and it's Consolidated Affiliate Tax Agreement Regarding methods of Allocating Consolidated Income Taxes
	11/13/08	Amended and Restated Interconnection Agreement Between Appalachian Power Company and Kingsport Power Company
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/13/21	Affiliated Transactions Agreement for Sharing Transmission Assets
05/13/21	Affiliated Transactions Agreement for Sharing Materials, Equipment, Supplies and Capitalized Spare Parts	
<b>Ohio Power Company</b>	08/11/41	Land Purchase Contract/Franklin Real Estate Company
	11/25/70	Purchase Contract/Indiana Franklin Realty, Inc.
	04/01/84	Transmission Agreement
	07/30/87	Mutual Assistance Agreement





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Ohio Power Company (Cont'd)	06/21/96	AEP Modifications No. 1 AEP System Interim Allowance Agreement
	09/27/96	Agreement between Ohio Power Company and AEP Energy Services
	12/31/96	Affiliated Transactions Agreement (East Companies)
	01/01/98	Master Site Agreement (East) with AEP Operating Companies
	06/15/00	American Electric Power Company, Inc. and its Consolidated Affiliate Tax Agreement regarding Methods of Allocating Consolidated Income Taxes
	06/15/00	AEPSC Service Agreement with Ohio Power
	06/16/00	Purchase Agreement Between AEP Credit Inc. and Affiliate Client Companies
	12/18/02	AEP System Utility Money Pool Agreement
	08/25/04	Third Amended and Restated Purchase Agreement
	08/25/04	Third Amended and Restated Agency Agreement
	12/09/04	AEP System Amended and Restated Utility Money Pool Agreement
	01/01/05	AEP Co, Inc and It's Consolidated Affiliate Tax Agreement regarding methods of Allocating Consolidated Income Taxes
	12/01/09	Transmission Center Agreement
	01/01/11	Transmission Service Agreement between Ohio Power Company and AEP Ohio Transmission Company
	01/01/11	Joint License Agreement between Ohio Power Company and AEP Ohio Transmission Company
	02/12/12	Executed Notice of Intent by Ohio Power Company to Terminate Sporn Plant Operating Agreement
	03/27/13	Service Agreement between Ohio Power Company and AEP West Virginia Transmission Company
	12/31/14	Affiliated Transactions Agreement for Sharing Materials and Supplies
01/01/14	Telecommunications Service Agreement	



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<b>Ohio Power Company</b> (Cont'd)	01/01/14	Assignment of Central Machine Shop Agreement dated January 1, 1979
	01/01/14	Telecommunications Services Agreement
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/09/19	Affiliated Transactions Agreement for Sharing Materials and Supplies Amendment No.1
	05/13/21	Affiliated Transactions Agreement for Sharing Transmission Assets
	05/13/21	Affiliated Transactions Agreement for Sharing Materials, Equipment, Supplies and Capitalized Spare Parts
<b>Public Service Company of Oklahoma</b>	04/26/85	Oklunion Unit No. 1 Construction, Ownership and Operating Agreement
	09/14/88	Oklunion HVDC Project Construction, Ownership and Operating Agreement
	07/01/93	Rail Car Lease Agreement(West)
	08/03/95	East HVDC Interconnection Agreement/West Regulated Companies
	01/01/97	CSW Operating Agreement
	06/01/99	CSW System General Agreement
	10/29/99	Transmission Coordination Agreement(West)
	06/15/00	American Electric Power Company, Inc. and its Consolidated Affiliate Tax Agreements
	06/15/00	AEPSC Service Agreement with Public Service Company of Oklahoma
	06/16/00	Amended and Restated Agency Agreement Between CSW Credit and its Affiliates
	06/16/00	Amended and Restated Purchase Agreement Between CSW Credit and it's Affiliates
	12/21/01	Operating Agreement-PSO, SWEPCO, AEPSC
	07/25/03	AEP System Utility Money Pool Agreement
07/25/03	Second Amended and Restated Agency Agreement between AEP Credit and Public Service Company of Oklahoma	
07/25/03	Second Amended and Restated Purchase Agreement between AEP Credit and Public Service Company of Oklahoma	



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<b>Public Service Company of Oklahoma</b> (Cont'd)	08/25/04	Third Amended and Restated Purchase Agreement
	08/25/04	Third Amended and Restated Agency Agreement
	11/16/04	Interconnection Agreement (ERCOT Generation) between AEPTN & PSO.
	12/09/04	AEP System Amended and Restated Money Pool Agreement
	01/01/05	American Electric Power Company, and it's Consolidated Tax Affiliates
	02/10/05	Operating Agreement PSO, SWEPCO and AEPSC
	07/01/06	Amendment No 1 and consent to AEP System Rail Car Use Agreement
	12/01/09	AEP System Transmission Center Agreement
	01/01/10	Transmission Service Agreement between Public Service Company of Oklahoma and AEP Oklahoma Transmission Company
	01/01/10	Joint License Agreement between Public Service Company of Oklahoma and AEP Oklahoma Transmission Company
	08/01/13	Rail Car Maintenance Agreement
	09/12/13	Amendment No. 2 to AEP System Rail Car Use Agreement
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/09/19	Amended and Restated Rail Car Maintenance Agreement Amendment No.1
	04/14/21	Sundance Wind Facilities Operating Agreement
	05/13/21	Affiliated Transactions Agreement for Sharing Materials, Equipment, Supplies and Capitalized Spare Parts
	09/10/21	Maverick Wind Facilities Operating Agreement
03/18/22	Traverse Wind Facilities Operating Agreement	
<b>Southwestern Electric Power Company</b>	07/01/93	Rail Car Lease Agreement (West)
	08/03/95	East HVDC Interconnection Use and Maintenance Agreement
	01/01/97	CSW Operating Agreement
	06/01/99	CSW System General Agreement
	07/08/99	Memorandum of Understanding (West) Between C3 Communications, Public Service Company,

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Southwestern Electric Power Company (Cont'd)	10/29/99	Transmission Coordination Agreement (West)
	06/15/00	American Electric Power Company, Inc. and its Consolidated Affiliates Tax Agreements
	06/15/00	AEPSC Service Agreement with Southwest Power Electric
	06/16/00	Amended and Restated Purchase Agreement Between CSW and Affiliate (West) Companies
	05/31/01	Lignite Mining Agreement
	12/21/01	Operating Agreement PSO, SWEPCo, AEPSC
	08/06/02	Interconnection Agreement Between SWEPCo and Eastex Cogeneration LP
	12/18/02	AEP System Utility Money Pool Agreement
	07/25/03	Second Amended and Restated Agency Agreement Between AEP Credit and SWEPCo
	07/25/03	Second Amended and Restated Purchase Agreement Between AEP Credit and SWEPCo
	08/25/04	Third Amended and Restated Purchase Agreement Between AEP Credit and Southwestern Electric Power
	08/25/04	Third Amended and Restated Agency Agreement Between AEP Credit and Southwestern Electric Power
	12/09/04	AEP System Amended and Restated Utility Money Pool Agreement
	01/01/05	American Electric Power Company, Inc. and Its Consolidated Affiliated Tax Agreements
	02/10/05	Operating Agreement PSO, SWEPCO, AEPSC
	07/01/06	Amendment No 1 and Consent to AEP System Rail Car Use
	12/01/09	AEP System Transmission Center Agreement
	12/29/09	Amended and Restated Lignite Mining Agreement
	05/06/11	Transmission Service Agreement between Southwestern Electric Power Company and AEP Southwestern Transmission Company
	05/06/11	Joint License Agreement between Southwestern Electric Power Company and AEP Southwestern Transmission Company



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<b>Southwestern Electric Power Company</b> (Cont'd)	08/01/13	Rail Car Maintenance Agreement
	09/12/13	Amendment No. 2 to AEP System Rail Car Use
	12/31/13	Assignment, Assumption and Consent Agreement of Rail Car Assets
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/09/19	Amended and Restated Rail Car Maintenance Agreement Amendment No.1
	04/14/21	Sundance Wind Facilities Operating Agreement
	05/13/21	Affiliated Transactions Agreement for Sharing Materials, Equipment, Supplies and Capitalized Spare Parts
	09/10/21 03/18/22	Maverick Wind Facilities Operating Agreement Traverse Wind Facilities Operating Agreement
<b>Wheeling Power Company</b>	08/11/41	Land Purchase Contract/The Franklin Real Estate Company
	07/30/87	Mutual Assistance Agreement
	12/31/96	Affiliated Transactions Agreement (East Companies)
	01/09/97	Agreement between Wheeling Power Company and AEP Energy Services, Inc.
	03/01/98	Pole Attachment License Agreement/AEP Communications LLC
	06/15/00	AEP System Tax Agreement
	12/18/02	AEP System Utility Money Pool Agreement
	12/09/04	AEP System Amended and Restated Utility Money Pool Agreement
	01/01/05	American Electric Power Company, and it's Consolidated Tax Affiliates
	05/15/08	Agreement between Wheeling Power Company and AEPSC
	01/22/13	Service Agreement between Wheeling Power Company and AEP West Virginia Transmission Company, Inc.
	12/18/14	Agreement of Representation for EPA Allowances between AEPSC and Wheeling Power
	01/31/15	Mitchell Plant Operating Agreement between Wheeling Power, Kentucky Power and AEPSC



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<b>Wheeling Power Company</b> (Cont'd)	06/01/15	Power Coordination Agreement
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/13/21	Affiliated Transactions Agreement for Sharing Materials, Equipment, Supplies and Capitalized Spare Parts
<b>Electric Transmission Texas</b>	12/21/07	Electric Transmission Texas Service Agreement (AEPSC)
	03/29/10	Amended and Restated Interconnection Agreement (AEP Texas North)
	03/29/10	Amended and Restated Interconnection Agreement (AEP Texas Central)
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance.
<b>PATH West Virginia Transmission Company</b>	09/01/07	PATH West Virginia Transmission Company Service Agreement
<b>AEP Appalachian Transmission Company, Inc.</b>	01/22/13	Service Agreement between Appalachian Power Company and AEP Appalachian Transmission Company, Inc.
	12/20/16	Joint License Agreement between Appalachian Power Company and AEP Appalachian Transmission Company, Inc.
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/13/21	Affiliated Transactions Agreement for Sharing Transmission Assets
	01/20/22	Addendum to Joint License Agreement between Appalachian Power and AEP Appalachian Transmission Company, Inc.
<b>AEP Indiana Michigan Transmission Company</b>	02/15/11	Transmission Company Services Agreement between AEP Indiana Michigan Transmission Company and Indiana Michigan Power Company
	02/15/11	Joint License Agreement between AEP Indiana Michigan Transmission Company and Indiana Michigan Power Company



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<b>AEP Indiana Michigan Transmission Company (Cont'd)</b>	02/15/11	Service Agreement between AEP Indiana Michigan Transmission Company and American Electric Power Service Corporation
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/13/21	Affiliated Transactions Agreement for Sharing Transmission Assets
<b>AEP Kentucky Transmission Company, Inc.</b>	02/27/15	Service Agreement between Kentucky Power Company and AEP Kentucky Transmission Company, Inc.
	02/27/15	Joint License Agreement between Kentucky Power Company and AEP Kentucky Transmission Company, Inc.
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/13/21	Affiliated Transactions Agreement for Sharing Transmission Assets
<b>AEP Ohio Transmission Company</b>	01/01/11	Transmission Company Services Agreement between AEP Ohio Transmission Company and Ohio Power Company
	01/01/11	Transmission Company Services Agreement between AEP Ohio Transmission Company and Columbus Southern Power Company
	01/01/11	Joint License Agreement between AEP Ohio Transmission Company and Ohio Power Company
	01/01/11	Joint License Agreement between AEP Ohio Transmission Company and Columbus Southern Power Company
	01/01/11	Service Agreement between AEP Ohio Transmission Company and American Electric Power Service Corporation
	11/29/17	APCO and AEP Ohio Transmission Company Transmission Asset Sharing Agreement
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/13/21	Affiliated Transactions Agreement for Sharing Transmission Assets



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<b>AEP Oklahoma Transmission Company</b>	01/01/10	Transmission Company Services Agreement between AEP Oklahoma Transmission Company and Public Service Company of Oklahoma
	01/01/10	Joint License Agreement between AEP Oklahoma Transmission Company and Public Service Company of Oklahoma
	10/27/10	Service Agreement between AEP Oklahoma Transmission Company and American Electric Power Service Corporation
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/13/21	Affiliated Transactions Agreement for Sharing Materials, Equipment, Supplies and Capitalized Spare Parts
<b>AEP Southwestern Transmission Company</b>	05/06/11	Transmission Company Services Agreement between AEP Southwestern Transmission Company and Southwestern Electric Power
	05/06/11	Joint License Agreement between AEP Southwestern Transmission Company and Southwestern Electric Power Company
	05/06/11	Service Agreement between AEP Southwestern Transmission Company and AEPSC
<b>AEP West Virginia Transmission Company, Inc.</b>	01/22/13	Service Agreement between Wheeling Power and AEP West Virginia Transmission Company, Inc.
	03/27/13	Service Agreement between Ohio Power and AEP West Virginia Transmission Company
	04/24/13	Service Agreement with Appalachian Power and AEP West Virginia Transmission Company "2013 Agreement"
	01/22/13	Service Agreement between AEPSC and AEP West Virginia Transmission Company, Inc.
	10/19/18	Service Agreement with Appalachian Power and AEP West Virginia Transmission Company
	04/02/19	Amended and Restated Subscription Agreement with Grid Assurance LLC
	05/13/21	Affiliated Transactions Agreement for Sharing Transmission Assets



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<b>Transource Energy, LLC</b>	04/03/12	Service Agreement between Transource Energy, LLC and AEPSC
	07/01/16	Service Agreement between Transource West Virginia, LLC and Transource Energy
	09/26/16	Service Agreement between Transource Energy, LLC and Transource Maryland, LLC
	01/23/18	Service Agreement between Transource Pennsylvania, LLC and Transource Energy, LLC
<b>Transource Maryland, LLC</b>	09/26/16	Service Agreement between Transource Energy, LLC and Transource Maryland, LLC
<b>Transource Missouri, LLC</b>	12/27/13	Service Agreement between Transource Missouri, LLC and Transource Energy, LLC.
<b>Transource Pennsylvania, LLC</b>	01/23/18	Service Agreement between Transource Pennsylvania, LLC and Transource Energy, LLC
<b>Transource West Virginia, LLC</b>	07/01/16	Service Agreement between Transource WV and Transource Energy
	11/21/16	Services and Property Use Agreement between Appalachian Power and Transource WV
	02/10/22	Addendum to Services and Property Use Agreement between Appalachian Power and Transource WV

**Commonwealth of Kentucky**  
**Michael G. Adams, Secretary of State**

Michael G. Adams  
Secretary of State  
P. O. Box 718  
Frankfort, KY 40602-0718  
(502) 564-3490  
<http://www.sos.ky.gov>

**Certificate of Existence**

Authentication number: 293100

Visit <https://web.sos.ky.gov/ftsshow/certvalidate.aspx> to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

**KENTUCKY POWER COMPANY**

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is July 21, 1919 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 23<sup>rd</sup> day of June, 2023, in the 232<sup>nd</sup> year of the Commonwealth.



*Michael G. Adams*

Michael G. Adams  
Secretary of State  
Commonwealth of Kentucky  
293100/0028317

0028317.09  
Michael G. Adams  
Kentucky Secretary of State  
Received and Filed:  
11/12/2021 11:22 AM  
Fee Receipt: \$20.00  
vmiller  
ASN



**COMMONWEALTH OF KENTUCKY**  
**MICHAEL G. ADAMS, SECRETARY OF STATE**

**Division of Business Filings**  
Business Filings  
P.O. Box 718,  
Frankfort, KY 40602  
(502) 564-3480  
www.sos.ky.gov

**Certificate of Assumed Name**  
**(Domestic or Foreign Business Entity)**

**ASN**

Pursuant to the provisions of KRS 365, the undersigned applies to assume a name and, for that purpose, submits the following statement:

- The assumed name is: AEP Kentucky Power
- The name of the business entity (and in the case of general partnership, the partners) that is/are adopting the assumed name:

Kentucky Power Company

Name must be identical to the name on record with the Secretary of State.)

3. The "real name" is (you must check one):

- |   |  |
|---|--|
| <input type="checkbox"/> a Domestic General Partnership                   | <input type="checkbox"/> a Foreign General Partnership                   |
| <input type="checkbox"/> a Domestic Limited Liability Partnership         | <input type="checkbox"/> a Foreign Limited Liability Partnership         |
| <input type="checkbox"/> a Domestic Limited Partnership                   | <input type="checkbox"/> a Foreign Limited Partnership                   |
| <input type="checkbox"/> a Domestic Business Trust                        | <input type="checkbox"/> a Foreign Business Trust                        |
| <input checked="" type="checkbox"/> a Domestic Corporation                | <input type="checkbox"/> a Foreign Corporation                           |
| <input type="checkbox"/> a Domestic Limited Liability Company             | <input type="checkbox"/> a Foreign Limited Liability Company             |
| <input type="checkbox"/> a Domestic Statutory Trust                       | <input type="checkbox"/> a Foreign Statutory Trust                       |
| <input type="checkbox"/> a Domestic Limited Cooperative Association       | <input type="checkbox"/> a Foreign Limited Cooperative Association       |
| <input type="checkbox"/> a Domestic Unincorporated Non-profit Association | <input type="checkbox"/> a Foreign Unincorporated Non-profit Association |

- The business is organized and existing in the state or country of KENTUCKY
- The mailing address is:

<u>1 RIVERSIDE PLAZA</u>	<u>COLUMBUS</u>	<u>OH</u>	<u>43215</u>
Street Address or Post Office Box Numbers	City	State	Zip

I declare under penalty of perjury under the laws of Kentucky that the forgoing is true and correct.

	Robin S. Richey	Authorized Representative	November 9, 2021
Authorized Party Signature	Printed Name	Title	Date

**0028317.09** vmiller  
ASN  
 Michael G. Adams  
 Kentucky Secretary of State  
 Received and Filed:  
 2/18/2021 10:16 AM  
 Fee Receipt: \$20.00



**COMMONWEALTH OF KENTUCKY**  
**MICHAEL G. ADAMS, SECRETARY OF STATE**

Division of Business Filings Business Filings P.O. Box 718, Frankfort, KY 40602 (502) 564-3490 www.sos.ky.gov	<b>Certificate of Assumed Name</b> (Domestic or Foreign Business Entity)	<b>ASN</b>
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Pursuant to the provisions of KRS 365, the undersigned applies to assume a name and, for that purpose, submits the following statement:

1. The assumed name is: American Electric Power
2. The name of the business entity (and in the case of general partnership, the partners) that is/are adopting the assumed name:

Kentucky Power Company

Name must be identical to the name on record with the Secretary of State.)

3. The "real name" is (you must check one):

- |   |   |
|---|---|
| <input type="checkbox"/> a Domestic General Partnership<br><input type="checkbox"/> a Domestic Limited Liability Partnership<br><input type="checkbox"/> a Domestic Limited Partnership<br><input type="checkbox"/> a Domestic Business Trust<br><input checked="" type="checkbox"/> a Domestic Corporation<br><input type="checkbox"/> a Domestic Limited Liability Company<br><input type="checkbox"/> a Domestic Statutory Trust<br><input type="checkbox"/> a Domestic Limited Cooperative Association<br><input type="checkbox"/> a Domestic Unincorporated Non-profit Association | <input type="checkbox"/> a Foreign General Partnership<br><input type="checkbox"/> a Foreign Limited Liability Partnership<br><input type="checkbox"/> a Foreign Limited Partnership<br><input type="checkbox"/> a Foreign Business Trust<br><input type="checkbox"/> a Foreign Corporation<br><input type="checkbox"/> a Foreign Limited Liability Company<br><input type="checkbox"/> a Foreign Statutory Trust<br><input type="checkbox"/> a Foreign Limited Cooperative Association<br><input type="checkbox"/> a Foreign Unincorporated Non-profit Association |
|---|---|

4. The business is organized and existing in the state or country of Kentucky

5. The mailing address is:

1 RIVERSIDE PLAZA COLUMBUS, OH 43215

<b>Street Address or Post Office Box Numbers</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
--	-------------	--------------	------------

I declare under penalty of perjury under the laws of Kentucky that the forgoing is true and correct.

*Heather Paarlberg*

Heather Paarlberg

Secretary

2/17/2021

Authorized Party Signature

Printed Name

Title

Date

0028317.09

vmiller  
ASN

Michael G. Adams  
Kentucky Secretary of State  
Received and Filed:  
11/12/2021 11:22 AM  
Fee Receipt: \$20.00



**COMMONWEALTH OF KENTUCKY**  
**MICHAEL G. ADAMS, SECRETARY OF STATE**

Division of Business Filings  
Business Filings  
P.O. Box 718,  
Frankfort, KY 40602  
(502) 564-3480  
www.sos.ky.gov

**Certificate of Assumed Name**  
**(Domestic or Foreign Business Entity)**

**ASN**

Pursuant to the provisions of KRS 365, the undersigned applies to assume a name and, for that purpose, submits the following statement:

1. The assumed name is: Kentucky Power
2. The name of the business entity (and in the case of general partnership, the partners) that is/are adopting the assumed name:

Kentucky Power Company

Name must be identical to the name on record with the Secretary of State.)

3. The "real name" is (you must check one):

- |   |  |
|---|--|
| <input type="checkbox"/> a Domestic General Partnership                   | <input type="checkbox"/> a Foreign General Partnership                   |
| <input type="checkbox"/> a Domestic Limited Liability Partnership         | <input type="checkbox"/> a Foreign Limited Liability Partnership         |
| <input type="checkbox"/> a Domestic Limited Partnership                   | <input type="checkbox"/> a Foreign Limited Partnership                   |
| <input type="checkbox"/> a Domestic Business Trust                        | <input type="checkbox"/> a Foreign Business Trust                        |
| <input checked="" type="checkbox"/> a Domestic Corporation                | <input type="checkbox"/> a Foreign Corporation                           |
| <input type="checkbox"/> a Domestic Limited Liability Company             | <input type="checkbox"/> a Foreign Limited Liability Company             |
| <input type="checkbox"/> a Domestic Statutory Trust                       | <input type="checkbox"/> a Foreign Statutory Trust                       |
| <input type="checkbox"/> a Domestic Limited Cooperative Association       | <input type="checkbox"/> a Foreign Limited Cooperative Association       |
| <input type="checkbox"/> a Domestic Unincorporated Non-profit Association | <input type="checkbox"/> a Foreign Unincorporated Non-profit Association |

4. The business is organized and existing in the state or country of KENTUCKY
5. The mailing address is:

<u>1 RIVERSIDE PLAZA</u>	<u>COLUMBUS</u>	<u>OH</u>	<u>43215</u>
Street Address or Post Office Box Numbers	City	State	Zip

I declare under penalty of perjury under the laws of Kentucky that the forgoing is true and correct.

	<u>Robin S. Richey</u>	<u>Authorized Representative</u>	<u>November 9, 2021</u>
Authorized Party Signature	Printed Name	Title	Date

P.S.C. KY. NO. 13  
CANCELLING P.S.C. KY. NO. 12

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**Kentucky Power Company**  
1645 Winchester Avenue  
Ashland, KY 41101  
www.kentuckypower.com

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Rates, Terms, and Conditions for Furnishing  
Electric Service

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*Applicable to the Entire Territory Served by Kentucky Power Company In:  
Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence,  
Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and  
Rowan Counties.*

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**Filed with the Kentucky Public Service Commission**

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DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



## Terms and Conditions of Service

### 1. Application

Applications may be made in writing, on-line, or via telephone for customers who wish to have the Company provide electric service. Requests for service are to be made in the Customer's legal name by telephone or online at: www.kentuckypower.com. The Company has the right to reject any request for service based on 807 KAR 5:006 Section 15 and associated tariffs.

The Company may require verification of ownership of property, lease, applicant's identity, or other requested information.

A copy of the tariffs and standard terms and conditions under which service is to be rendered to the Customer will be furnished upon request and the Customer shall elect upon which tariff applicable to his service his application shall be based. A copy of the tariff is also available online at www.kentuckypower.com.

If the Company requires a written agreement from a Customer before service will be commenced, a copy of the agreement will be furnished to the Customer upon request.

When the Customer desires delivery of energy at more than one point, a separate agreement may be required for each separate point of delivery. Service delivered at each point of delivery will be billed separately under the applicable tariff.

### 2. Inspection

The Customer is responsible for the proper installation and maintenance of the customer's wiring and electrical equipment and the customer shall at all times be responsible for the character and condition thereof. The Company has no obligation to undertake inspection thereof and in no event shall be responsible therefore. However, the Company may disconnect or refuse to connect service if the customer's wiring is deemed unsafe by the Company.

Company may also require a new state electrical inspection should tampering, illegal use or theft of service be the basis for disconnection service.

Where a Customer's premises are located in a municipality or other governmental subdivision where inspection laws or ordinances are in effect, the Company may withhold furnishing service to new installations until the Company has received evidence that the inspection laws or ordinances have been complied with.

Where a Customer's premises are located outside of an area where inspection service is in effect, the Company may require the delivery by the Customer to the Company of an agreement duly signed by the owner and/or tenant of the premises authorizing the connection to the wiring system of the Customer and assuming responsibility therefore. No responsibility shall attach to the Company because of any waiver of this requirement.

### 3. Service Connections

Service connections will be provided in accordance with 807 KAR-5:041, Section 10.

The Customer should in all cases consult the Company before the Customer's premises are wired to determine the location of Company's point of service connection.

The Company will, when requested to furnish service, designate the location of its service connection. The Customer's wiring must, except for those cases listed below, be brought outside the building wall nearest the Company's service wires so as to be readily accessible thereto. When service is from an overhead system, the Customer's wiring must extend at least 18 inches beyond the building. Where Customers install service entrance facilities which have capacity and layout specified by the Company and/or install and use certain equipment specified by the Company, the Company may supply or offer to own certain facilities on the Customer's side of the point where the service wires attach to the building.

*Continued on Sheet 2-2*

DATE OF ISSUE: June 29, 2023  
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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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## Terms and Conditions of Service Continued

### Service Connections Continued

All inside wiring must be grounded in accordance with the requirements of the National Electrical Code or the requirements of any local inspection service authorized by a state or local authority.

When a Customer desires that energy be delivered at a point or in a manner other than that designated by the Company, the Customer shall pay the additional cost of same.

#### 4. Deposits

Prior to providing service or at any time thereafter, the Company may require a cash deposit or other guaranty acceptable to the Company to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Upon request from a residential customer the deposit will be returned after 18 months if the customer has established a satisfactory payment record; but commercial deposits will be retained by the Company during the entire time that the account remains active.

##### A. Interest

Interest will be paid on all sums held on deposit at the rate indicated in KRS 278.460. The interest will be applied by the Company as a credit to the Customer's bill or will be paid to the Customer on an annual basis. If the deposit is refunded or credited to the Customer's bill prior to the deposit anniversary date, interest will be paid or credited to the Customer's bill on a pro-rated basis.

The Company will not pay interest on deposits after discontinuance of service to the Customer. Retention of any deposit or guaranty by the Company prior to final settlement is not a payment or partial payment of any bill for service. The Company shall have a reasonable time in which to obtain a final reading and to ascertain that the obligations of the Customer have been fully performed before being required to return any deposits.

##### B. Criteria for Waiver of Deposit Requirement

The Company may waive any deposit requirement based upon the following criteria, which may be considered by the Company cumulatively:

- i. Satisfactory payment history with the Company, which may be established by paying all bills by due date, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments and having no energy diversion or theft of service;
- ii. Satisfactory payment history with another utility acceptable to the Company;
- iii. Another customer with satisfactory payment history is willing to sign as a guarantor for an amount equal to the required deposit; or
- iv. Providing evidence of other collateral acceptable to Company.

##### C. Method of Determination – Calculated Deposits

- a. Deposit amounts paid by residential customers shall not exceed a calculated amount based upon actual usage data of the Customer at the same or similar premises for the most recent 12-month period, if such information is available. If the actual usage data is not available, the deposit amount shall be based on the average bills of similar customers and premises in the customer class. The deposit shall not exceed 2/12 of the Customer's actual or estimated annual bill.
- b. Deposit amounts paid by commercial and industrial customers shall not exceed a calculated amount based upon actual usage data of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If the actual usage data is not available, the deposit amount shall be based on the typical bills of similar customers and premises in the customer class. The deposit shall not exceed 2/12 of the customer's actual or estimated annual bill.

*Continued on Sheet 2-3*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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## Terms and Conditions of Service Continued

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D. Additional or Supplemental Deposit Requirement

An additional or supplemental deposit may be required if the Customer does not maintain a satisfactory credit criteria or payment history. If a change in usage or classification of service has occurred, the customer may be required to pay an additional deposit up to 2/12 of the annual usage. The Customer will receive a message on the bill informing the Customer that if the account is not current by the specified date listed an additional or supplement deposit will be charged to the account the next time the account is billed.

- i. Satisfactory payment history is defined as paying all bills by due date, having no disconnections for nonpayment, having no defaulted credit arrangements, having no returned payments and having no meter diversion or theft of service.
- ii. A nonresidential customer does not maintain satisfactory credit criteria when its credit score at any national independent credit rating service falls to a level that is deemed to present a risk of nonpayment, including but not limited to: below a "BB+" level at Standard and Poor's or below "Ba1" at Moody's. If a nonresidential customer is not rated by a national independent credit rating service, its credit may be evaluated by using credit scoring services, public record financial information, or financial scoring and modeling services, and if it is deemed that the customer presents a risk of nonpayment, a deposit may be required.

E. Recalculation of Customer Deposit

When a deposit is held longer than 18 months, the Customer may request that the deposit be recalculated based on the Customer's actual usage. If the amount of deposit on the account differs from the recalculated amount by more than \$10.00 for a residential Customer or 10 percent for a non-residential Customer, the Company may collect any underpayment and shall refund any overpayment. No refund will be made if the Customer's bill is delinquent at the time of the recalculation.

5. Payments

Bills will be rendered by the Company to the Customer monthly or in accordance with the tariff selected applicable to the Customer's service.

A. Equal Payment Plan (Budget)

Nonresidential customers with accounts that are current and that maintain satisfactory credit criteria per paragraph 4(D) above and all residential customers have the option of paying a fixed amount each month under the Company's Equal Payment Plan. The monthly payment amount will be based on one-twelfth of the Customer's estimated annual usage. The payment amount is subject to periodic review and adjustment during the budget year to more accurately reflect actual usage. The normal plan period is 12 months, which may commence April through December.

In the last month of the plan (the "settle-up month") if the actual usage during the plan period exceeds the amount billed, the Customer will be billed for the balance due. If an overpayment exists, the amount of overpayment will either be refunded to the Customer or credited to the last bill of the period. If a Customer discontinues service with the Company under the Equal Payment Plan, any amounts not yet paid shall become payable immediately.

If a Customer fails to pay bills as rendered under the Equal Payment Plan, the Company reserves the right to revoke the plan, restore the Customer to regular billing, require immediate payment of any deficiency, and require a cash deposit or other guaranty to secure payment of bills.

Customers currently enrolled in the Equal Payment Plan whose settle-up month falls within the period December through February may elect to change their settle-up month to November or March if their Equal Payment Plan account is current.

If a customer who is currently enrolled in the Equal Payment Plan elects to take service under Tariff N.M.S. II, such customer will be removed from the Equal Payment Plan and restored to regular billing.

*Continued on Sheet 2-4*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

## Terms and Conditions of Service Continued

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### B. Average Monthly Payment Plan

The Average Monthly Payment Plan (AMP Plan) is available to all residential customers and nonresidential customers with accounts that are current and that maintain satisfactory credit criteria per paragraph 4(D) above.

The AMP Plan is designed to allow the Customer to pay an average amount each month based upon the actual billed amounts during the past twelve (12) months. The average payment amount is based upon the current month's total bill plus the eleven (11) preceding months. That result is divided by the total billing days associated with the billings to determine a per day average. The daily average amount is multiplied by thirty (30) to determine the current month's payment under the AMP Plan. At the next billing period, the oldest month's billing history is removed, the current month's billing is added and the total is again divided by the total billing days associated with the billings to determine a per day average. Again the daily average amount is multiplied by thirty (30) to find the new average payment amount. The average monthly payment amount is calculated each and every month in this manner.

If a customer who is currently enrolled in the AMP Plan elects to take service under Tariff N.M.S. II, such customer will be removed from the AMP Plan and restored to regular billing.

The difference between the actual billings and the AMP Plan billings will be carried in a deferred balance. Both the debit and credit differences will accumulate in the deferred balance for the duration of the AMP Plan year, which is twelve (12) consecutive billing months. At the end of the AMP Plan year (anniversary month), the current month's billing plus the eleven (11) preceding month's billing is summed and divided by the total billing days associated with the billings to determine a per day average. That result is multiplied by thirty (30) to calculate the AMP Plan's monthly payment amount. In addition, the net accumulated deferred balance is divided by 12. This result is added or subtracted to the calculated average payment amount starting with the next billing of the new AMP plan year and will be used in the average payment amount calculation for the remaining AMP plan year. Settlement occurs only when participation in the AMP Plan is terminated. This happens if any account is final billed, if the customer requests termination, or at the Company's discretion when the customer fails to make two or more consecutive monthly payments on an account by the due date. The deferred balance (debit or credit) is then applied to the billing now due.

In such instances where sufficient billing history is not available, an AMP Plan may be established by using the actual billing history available throughout the first AMP Plan year.

### C. All Payments

All bills are due and payable within twenty-one (21) days after their mailing date. Failure to receive a bill will not entitle a Customer to any discount or to the remission of any charges for non-payment within the time specified. The word "month" as used herein and in the tariffs is hereby defined to be the elapsed time between 2 successive meter readings approximately 30 days apart.

In the event of the stoppage of or the failure of any meter to register the full amount of energy consumed, the Customer will be billed for the period based on an estimated consumption of energy in a similar period of like use.

#### *Delayed Payment Charge*

The tariffs of the Company are met if the account of the Customer is paid within the time limit specified in the tariff applicable to the Customer's service. On all non-residential accounts not so paid, an additional charge of 5% of the unpaid balance will be applied. Any one delayed payment charge billed against the Customer for non-payment of bill or any one forfeited discount applied against the Customer for non-payment of bill may be remitted, provided the Customer's previous accounts are paid in full and provided no delayed payment charge or forfeited discount has been remitted under this clause during the preceding six months.

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*Continued on Sheet 2-5*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

## Terms and Conditions of Service Continued

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### 6. Payment Arrangements

In accordance with 807 KAR 5:006 Section 14(2), Kentucky Power shall negotiate and accept reasonable payment arrangements at the request of a residential customer who has received a termination notice for failure to pay. Payment arrangements will include the following reasonable provisions:

- a. Partial Payment Plans are available up to the day prior to the termination date printed on a customer's termination notice.
- b. Partial Payment Plans are available only for current balances and balances up to 30 days in arrears.
- c. Any balance more than 30 days in arrears must be paid in full at least one business day prior to the date the Partial Payment Plan is established.
- d. Customers with delinquent or otherwise unsatisfied Partial Payment Plans may not be eligible for a Partial Payment Plan.
- e. Unpaid deposit amounts are not eligible for inclusion in a Partial Payment Plan.
- f. Company reserves the right to refuse unverifiable third-party pledges toward a customer's obligations under a Partial Payment Plan.
- g. Customer shall be advised, in writing or by telephone, the date and the amount of payment(s) due. Service may be terminated without additional notice if the Customer fails to meet the obligations of the agreed plan.
- h. It is the responsibility of the customer presenting the Medical Certificate to contact the Company to negotiate a payment arrangement based upon the customer's ability to pay. The payment arrangement shall require that the account become current no later than October 15.
- i. Customers presenting Certification from the Cabinet for Health and Family Services must do so during the initial 10 day termination notice period. As a condition of the 30-day extension, the customer shall exhibit good faith by entering into a payment arrangement.

### 7. Underground Service

When a real estate developer desires an underground distribution system within the property which he is developing or when a Customer desires an underground service, the real estate developer or the Customer as the case may be, shall pay the Company the difference between the anticipated cost of the underground facilities so requested and the cost of the overhead facilities which would ordinarily be installed in accordance with 807 KAR 5:041, Section 21, and the Company's underground service plan as filed with the Public Service Commission. Upon receipt of payment, the Company will install the underground facilities and will own, operate and maintain the same.

Please see Tariff Sheet No. 14-1 for the underground differential cost schedule.

### 8. Company's Liability

The Company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy, but does not guarantee uninterrupted service. The Company shall not be liable for damages in case such supply should be interrupted or fail by reason of an event of Force Majeure. Force Majeure consists of an event or circumstance which prevents Company from providing service, which event or circumstance was not anticipated, which is not in the reasonable control of, or the result of negligence of, the Company, and which, by the exercise of due diligence, Company is unable to overcome or avoid or cause to be avoided. Force Majeure events includes acts of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, breakdowns or injury to the machinery, transmission lines, distribution lines or other facilities of the Company, or extraordinary repairs.

Unless otherwise provided in a contract between the Company and Customer, the point at which service is delivered by Company to Customer, to be known as "delivery point," shall be the point at which the Customer's facilities are connected to the Company's facilities. The metering device is the property of the Company. The meter base, connection, grounds and all associated internal parts inside the meter base are customer owned and are the responsibility of the customer to install and maintain. The Company shall not be liable for any loss, injury, or damage resulting from the Customer's use of their equipment or occasioned by the energy furnished by the Company beyond the delivery point.

*Continued on Sheet 2-6*

DATE OF ISSUE: June 29, 2023  
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TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

## Terms and Conditions of Service Continued

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### Company's Liability Continued

Any new installation, upgrade or other modification of an existing meter installation shall be made using only Company-supplied or Company-approved meter bases. A list of Company-approved meter bases and specifications can be found on the Company's website at: [www.kentuckypower.com](http://www.kentuckypower.com).

The Customer shall provide and maintain suitable protective devices on their equipment to prevent any loss, injury or damage that might result from single phasing conditions or any other fluctuation or irregularity in the supply of energy. The Company shall not be liable for any loss, injury or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of energy which could have been prevented by the use of such protective devices. The Company shall not be liable for any damages, whether direct, incidental or consequential, including, without limitation, loss of profits, loss of revenue, or loss of production capacity occasioned by interruptions, fluctuations, or irregularity in the supply of energy.

The Company is not responsible for loss or damage caused by the disconnection or reconnection of its facilities. The Company is not responsible for loss or damages caused by the theft or destruction of Company facilities by a third party.

The Company will provide and maintain the necessary line or service connections, transformers (when same are required by conditions of contract between the parties thereto), meters and other apparatus, which may be required for the proper measurement of and protection to its service. All such apparatus shall be and remain the property of the Company.

### 9. Customer's Liability

In the event of loss or injury to the property of the Company through misuse by, or the negligence of, the Customer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Company by the Customer.

Customers will be responsible for tampering with, interfering with, or breaking the seals of meters, or other equipment of the Company installed on the Customer's premises. The Customer hereby agrees that no one except the employees of the Company shall be allowed to make internal or external adjustments to any meter or any other piece of apparatus, which shall be the property of the Company.

The Company shall have the right at all reasonable hours to enter the premises of the Customer for the purpose of installing, reading, removing, testing, replacing or otherwise disposing of its apparatus and property, and the right of entire removal of the Company's property in the event of the termination of the contract for any cause. The Company may assess charges based on electric usage and damages to all Company equipment.

### 10. Extension of Service

The electric facilities of the Company shall be extended or expanded to supply electric service to all residential Customers and small commercial Customers which require single phase line where the installed transformer capacity does not exceed 25 KVA in accordance with 807 KAR 5:041, Section 11.

The electric facilities of the Company shall be extended or expanded to supply electric service to Customers other than those named in the above paragraph when the estimated revenue is sufficient to justify the estimated cost of making such extensions or expansions as set forth below.

*Continued on Sheet 2-7*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

## Terms and Conditions of Service Continued

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### Extension of Service Continued

For services to be delivered to Commercial, Industrial, Mining and multiple housing project Customers up to and including estimated demands of 500 KW requiring new facilities, the Company will: (a) where the estimated revenue for one year exceeds the estimated installed cost of new local facilities required, provide such new facilities at no cost to the Customer; (b) where the estimated revenue for one year is less than the installed cost of new local facilities required, the Customer will be required to pay a contribution in aid of construction equal to the difference between the installed cost of the new facilities required to service the load and the estimated revenue for one year; (c) if the Company has reason to question the financial stability of the Customer and/or the life of the operation is uncertain or temporary in nature, such as construction projects, oil and gas well drilling, sawmills and mining operations, the Customer shall pay a contribution in aid of construction, consisting of the estimated labor cost to install and remove the facilities required plus the cost of unsalvageable material, before the facilities are installed.

For service to be delivered to Customers with demand levels higher than those specified above, the annual cost to serve the Customer's requirements shall be compared with the estimated revenue for one year to determine if a contribution in aid of construction, and/or a special minimum and/or other arrangement may be necessary. The annual cost to serve shall be the sum of the following components:

- i. The annual fixed costs of the generation, transmission and distribution facilities related to the Customer's requirements. These fixed costs will be calculated at 21.95% of the value to be based on the year-end embedded investment depreciated in all similar facilities of the Company.
- ii. The annual energy cost based on the latest available production costs related to the Customer's estimated annual energy use requirements.
- iii. The annual fixed costs of the new local facilities necessary to provide the service requested calculated at 21.95% of the installed cost of such facilities.

If the estimated revenue for one year is greater than the cost to serve as describe herein, the Company may provide any new local facilities required at no cost to the Customer. If the estimated revenue for one year is less than the cost to serve as described herein, the Company will require the Customer to pay a contribution in aid of construction equal to the difference between the annual cost to serve as calculated and the estimated revenue for one year divided by 21.95%, but in no case to exceed the installed cost of the new facilities required. If, however, the annual cost to serve excluding the cost of new facilities paid for by the Customer exceeds the estimated revenue for one year, the Company, will, in addition to a contribution in aid of construction, require a special minimum or other arrangement to compensate the Company for such deficiency in venue.

Except where service is rendered in accordance with 807 KAR 5:041, Section 11, as described herein, the Company may require the Customer to execute an Advance and Refund Agreement where the Company reasonably questions the longevity of the service or the estimated energy use and demand requirements provided by the Customer. Under the Advance and Refund Agreement, the Customer shall pay the company the estimated total installed cost of the required new facilities which advance could be refunded over a five year period under certain circumstances. Over the five year period the Customer' electric bill would be credited each month up to the amount of 1/60th of the total amount advanced.

### 11. Extension of Service to Mobile Home

The electrical facilities of the Company will be extended or expanded to supply electric service to mobile homes in accordance with 807 KAR 5:041, Section 12.

### 12. Location and Maintenance of Company Equipment

The Company shall have the right to construct its poles, lines and circuits on the property, and to place its transformers and other apparatus on the property or within the building of the Customer, at a point or points convenient for such purposes, as required to serve such Customer, and the Customer shall provide suitable space for the installation of necessary measuring instruments so that the latter may be protected from injury by the elements or through the negligence or deliberate acts of the Customer or of any employee of the same.

*Continued on Sheet 2-8*

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ISSUED BY: /s/ Brian K. West  
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By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

## Terms and Conditions of Service Continued

### 13. Billing Form

Pursuant to 807 KAR 5:006, Section 7, copies of the billing forms used by the Company are shown on Sheet Nos. 2-14 thru 2-23.

### 14. Rate Schedule Selection

The Company will explain to the Customer, at the beginning of service or upon request, the Company's rates available to the Customer. Company will assist Customer in the selection of the rate schedule best adapted to Customer's service requirements, provided, however, that Company does not assume responsibility for the selection or that Customer will at all times be served under the most favorable rate schedule.

Customer may change their initial rate schedule selection to another applicable rate schedule at any time by either written notice to Company and/or by executing a new contract for the rate schedule selected, provided that the application of such subsequent selection shall continue for 12 months before any other selection may be made. In no case will the Company refund any monetary difference between the rate schedule under which service was billed in prior periods and the newly selected rate schedules.

### 15. Monitoring Usage

At least once quarterly the Company will monitor the usage of each customer according to the following procedure:

- a. The Customer's monthly usage will be compared with the usage of the corresponding period of the previous year.
- b. If the monthly usage for the two periods is substantially the same or if any difference is known to be attributed to unique circumstances, such as unusual weather conditions, common to all customers, no further review will be made.
- c. If the monthly usage is not substantially the same and cannot be attributed to a readily identified common cause, the Company will compare the Customer's monthly usage records for the 12-month period with the monthly usage for the same months of the preceding year.
- d. If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, the company will contact the Customer to determine whether there have been changes that explain the increased or decreased usage.
- e. Where the deviation is not otherwise explained, the Company will test the Customer's meter to determine whether it shows an average error greater than 2 percent fast or slow.
- f. The Company will notify the Customer of the investigation, its findings, and any refunds or back billing in accordance with 807 KAR 5:006, Section 11(4) and (5).

In addition to the quarterly monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading, billing processes, or customer inquiry.

### 16. Use of Energy by Customer

The tariffs for electric energy given herein are classified by the character of use of such energy and are not available for service except as provided herein.

Upon the expiration of an electric service contract, if required by the terms of the tariff, the Customer may elect to renew the contract upon the same or another tariff published by the Company available to the Customer and applicable to the Customer's requirements, except that in no case shall the Company be required to maintain transmission, switching or transformation equipment different from or in addition to that generally furnished to other Customers receiving electrical supply under the terms of the tariff elected by the Customer.

The service connections, transformers, meters and appliances supplied by the Company for each Customer have a definite capacity and no additions to the equipment, or load connected thereto, will be allowed except by consent of the Company.

*Continued on Sheet 2-9*

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## Terms and Conditions of Service Continued

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### Use of Energy by Customer Continued

The Customer shall install only motors, apparatus or appliances which are suitable for operation with the character of the service supplied by the Company, and which shall not be detrimental to same, and the electric energy must not be used in such a manner as to cause unprovided-for voltage fluctuations or disturbances in the Company's transmission or distribution system. The Company shall be the sole judge as to the suitability of apparatus or appliances, and also as to whether the operation of such apparatus or appliances is or will be detrimental to its general service.

No attachment of any kind whatsoever may be made to the Company's lines, poles, cross arms, structures or other facilities without the express written consent of the Company.

All apparatus used by the Customer shall be of such type as to secure the highest practicable commercial efficiency, power factor and the proper balancing of phases. Motors which are frequently started or motors arranged for automatic control must be of a type to give maximum starting torque with minimum current flow, and must be of a type, and equipped with controlling devices, approved by the Company. The Customer agrees to notify the Company of any increase or decrease in his connected load

The Company will not supply service to Customers who have other sources of electrical energy supply except under tariffs that specifically provide for same.

The Customer shall not be permitted to operate generating equipment in parallel with the Company's service except with express written consent of the Company.

Resale of energy will be permitted only with express written consent by the Company.

### 17. Residential Service

Except as otherwise provided in these tariffs, individual residences shall be served individually with single-phase secondary service under the applicable residential service tariff. Customer may not take service for 2 or more separate residences through a single point of delivery under any tariff. Exclusions may be allowed pursuant to 807 KAR 5:046 (Prohibition of master metering).

The residential service tariff shall cease to apply to that portion of a residence which becomes regularly used for business, professional, institutional or gainful purposes, which requires three phase service or primary service or which requires service to motors in excess of 10 HP each. Under these circumstances, Customer shall have the choice of: (1) separating the wiring so that the residential portion of the premises is served through a separate meter under the residential service tariff, and the other uses as enumerated above are served through a separate meter or meters under the applicable general service tariff; or (2) taking the entire service under the applicable general service tariff.

Detached building or buildings, actually appurtenant to the residence, such as a garage, stable or barn, may be served by an extension of the Customer's residence wiring through the residence meter and under the applicable residential service tariff.

### 18. Denial or Discontinuance of Service

The Company reserves the right to refuse or discontinue service to any customer if the customer is indebted to the Company for any service theretofore rendered at any location. Service will not be supplied or continued to any premises if at the time of application for service the Applicant is merely acting as an agent or person or former customer who is indebted to the Company for service previously supplied at the same, or other premises, until payment of such indebtedness shall have been made.

*Continued on Sheet 2-10*

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**Terms and Conditions of Service Continued**

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**Denial or Discontinuance of Service Continued**

Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company’s collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect.

**19. Special Charges**

a. Reconnection and Disconnect Charges

In cases where the Company has discontinued service as herein provided for, the Company reserves the right to assess a reconnection charge pursuant to 807 KAR 5:006, Section 9 (3)(b), payable in advance, in accordance with the following schedule. However, those Customers qualifying for Winter Hardship Reconnection under 807 KAR 5:006 Section 16 shall be exempt from the reconnect charges.

Reconnect for nonpayment during regular hours	\$4.70
Reconnect at the end of the day (no “Call Out” required)	\$30.00
Reconnect for nonpayment when a “Call Out” is required prior to 8:00PM (A “Call Out” is when an employee must be called in to work on overtime basis to make the reconnect trip. Reconnection for nonpayment will not be made when a “Call Out” after 8:00 p.m. is required)	\$95.00
Reconnect for nonpayment when double time is required (Sunday and Holiday)	\$124.00
Termination or field trip	\$4.70

The reconnection charge for all Customers where service has been disconnected for fraudulent use of electricity will be the actual cost of the reconnection.

b. Meter Read Check

Pursuant to 807 KAR 5:006, Section 9(3)(d) in cases where a customer requests a meter be reread, and the second reading shows the original reading was correct, the Customer will be charged a fee of \$21.00 to cover the handling cost.

c. Returned Check Charge

In cases where a customer pays by check, which is later returned as unpaid by the bank for any reason, the Customer will be charged a fee of \$14.65 to cover the handling costs.

d. Meter Test Charge

Where test of a meter is made upon written request by the Customer pursuant to 807 KAR 5:006, Section 19, the Customer will be charged \$48.00 if such test shows that the meter was not more than two percent (2%) fast.

*Continued on Sheet 2-11*

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## Terms and Conditions of Service Continued

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### Special Charges Continued

e. Work Performed on Company's Facilities at Customer's Request

Whenever, at the request and for the benefit of the Customer, work is performed on the Company's facilities, including the relocation, or replacement of the Company's facilities, the Customer shall pay to the Company in advance of the Company undertaking the work the estimated total cost of such work. This cost shall be itemized by major categories and shall include the Company's overheads and shall be credited with the net value of any salvageable material. The actual cost for the work performed shall be calculated at the completion of the work and the appropriate charge or refund will be made to the Customer.

Reasonable notice of not less than three working days shall be given to the Company for all requested work except for the covering of the Company's lines. Notice of any request for the Company to cover its lines shall be given at least two days in advance. The Company will endeavor to comply with all timely requests, but work may be delayed because of demands on the Company's personnel and equipment.

If the cost, as calculated above, is \$500 or less for covering the Company's distribution facilities no charge will be imposed. All costs in excess of \$500 for covering the Company's distribution facilities shall be paid by the Customer, in advance of the Company undertaking the work. The actual cost for the work performed shall be calculated at the completion of the work and the appropriate charge or refund will be made to the customer.

20. Refunds to Residential Customers

The Company may make a refund to residential customers by one of the following means: a credit to the Customer's bill, a prepaid card, or a check or electronic funds transfer (EFT).

The Company acting through its customer service representative shall fully address and resolve any customer complaints or disputes related to: (a) the accuracy of the names and last known addresses of the customer to receive prepaid cards; (b) the effective delivery and receipt of the prepaid cards; and (c) the amount of any refunds.

21. Alerts and Subscriptions

Kentucky Power offers an optional Mobile Alert Service for customers through which participating customers can elect to receive notifications from the Company via e-mail or text message. The Company provides billing and payment alerts and alerts relating to outages. These alerts are supplemental to standard communications from the Company and to the extent any discrepancies exist between the information contained in the mobile alerts and the information contained in standard communications from the Company, the information in the standard communications from the Company shall prevail.

Customers interested in receiving mobile alerts from Kentucky Power may sign up for the service through the Company's website at [www.kentuckypower.com](http://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](mailto: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.

E-mail 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 electronic communication to the Company should be sent to [Communications@kentuckypower-mail.com](mailto:Communications@kentuckypower-mail.com).

There is no charge from the Company for the Mobile Alert Service; however, message and data rates may apply. Customers are advised to verify message and data rates with their cellular and internet service providers.

Information regarding the types of alerts and the Mobile Alert Service in general are provided below.

*Continued on Sheet 2-12*

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## Terms and Conditions of Service Continued

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### Alerts and Subscriptions Continued

#### Billing and Payment Alerts

Billing and payment alerts provided through Kentucky Power's Mobile Alert Service are in addition to regular billing statements, payment notifications, disconnect notices, or other standard communications sent by Kentucky Power or its third party partners as required by law, regulation, or tariff filed by Kentucky Power or its subsidiaries. These alerts are not a replacement for any regular billing statement, payment notifications, disconnect notices, or other standard communications. In the event of a discrepancy between the information provided in a billing or payment alert provided through the Mobile Alert Service and the information provided in the Company's standard communication, the information in the standard communication shall prevail.

Kentucky Power shall not have any liability for any delay or failure to deliver a billing or payment alert or for any mistakes or errors in any billing or payment alert provided through the Mobile Alerts Service.

#### Outage Alerts

Kentucky Power provides alerts relating to system outages through its Mobile Alert Service. Outage alerts will be sent when the Company has evidence of an outage at a subscribed address. Due to variations in equipment from one area to another, it is possible that the accuracy of outage alerts will vary from one area to another. Recipients shall consider any outage related information as guidance and not as an absolute guarantee. Kentucky Power will send outage related notifications based upon available information and does not guarantee that the notifications will be without error.

Planned outages and short-duration outages will normally not generate an outage-related notification. During large-scale outage events, the frequency and timeliness of outage updates may be impacted.

Kentucky Power shall not have any liability for any delay or failure to deliver an outage-related notification.

#### General

Kentucky Power does not warrant or guarantee that alerts will be sent or received, and Kentucky Power shall not be responsible for any lost or misdirected messages.

Customers electing to participate in Kentucky Power's Mobile Alert Service authorize the Company to contact them via their elected communication method with transactional messages pertaining to the service. Participation in the Mobile Alert Service shall be considered as affirmative consent to receive the related messages should these messages ever be classified as commercial in nature.

Kentucky Power shall not have any liability under any theory of recovery, whether in contract or tort, for any loss or damages due to delay or failure to deliver an alert through the Mobile Alert Service. Without limiting the previous sentence, Kentucky Power disclaims any liability, expressed or implied, for indirect or consequential damages arising from a customer's subscription to Kentucky Power's Mobile Alert Service.

Customer agrees not to publish, copy, communicate to the public, edit, retransmit, or amend any data received as part of Kentucky Power's Mobile Alert Service. The data communicated via the Mobile Alert Service is provided for the participating customer's personal non-commercial use only and may not be used for any other purpose.

Personal information and data ("Personal Data") provided by customers when using Kentucky Power's Mobile Alert Service will only be used by Kentucky Power and its suppliers and contractors for Mobile Alert Service-related purposes. Data other than Personal Data may be aggregated and used by the Company for the purpose of undertaking market research or in facilitating reviews, developments and improvements to Kentucky Power's Mobile Alert Service.

*Continued on Sheet 2-13*

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## Terms and Conditions of Service Continued

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### Alerts and Subscriptions Continued

Customers participating in the Mobile Alert Service may discontinue a portion of or all alerts at any time by modifying their alert subscription or by unsubscribing entirely. Customers wishing to modify or unsubscribe from the Mobile Alert Service may do so at the Company's website: [www.kentuckypower.com](http://www.kentuckypower.com) or by contacting Kentucky Power's Customer Operations Centers at 1-800-572-1113. Kentucky Power will process a request to unsubscribe from the Mobile Alert Service within ten days of receiving the request. Kentucky Power is authorized to send a communication to a customer requesting to unsubscribe from the Mobile Alert Service to confirm the request.

The terms and conditions the Company's Mobile Alert Service shall be governed by applicable state law.

Customers electing to participate in the Company's Mobile Alert Service agree to the terms and conditions of the service and further agree that the terms and conditions may be updated from time to time. The Company will provide customers participating in the Mobile Alert Service with updated terms and conditions as they become effective. Customers participating in the Mobile Alert Service must take affirmative action to withdraw from the service if the customer does not agree with any new or updated term or condition of service. Failure to withdraw after an updated term and condition is provided by the Company means that the customer accepts the new or updated terms and conditions.

#### Additional Terms and Conditions for E-mail Alerts

If a customer sends an email to Kentucky Power with questions or comments, Kentucky Power may use the customer's e-mail address and other personal information included in the correspondence in order to respond. If a customer provides the Company with an e-mail address in order to receive alerts, Kentucky Power may use that e-mail address to send the customer other types of information.

A customer may unsubscribe from receiving e-mail alerts by clicking the "Unsubscribe" link near the bottom of an e-mail alert.

#### Additional Terms and Conditions for Text Message Alerts

Customers may elect to receive text alerts through Kentucky Power's Mobile Alert Service. For text alerts, message and data rates may apply consistent with the customer's mobile phone service agreement. Kentucky Power assumes no responsibility for any service charges received from customer's mobile phone service providers for text alerts received through the Mobile Alert Service. Kentucky Power is not responsible for and will not be liable for any breach of the terms of an agreement between a customer electing to receive text alerts through the Mobile Alert System and that customer's mobile phone service provider or for any mistake that may arise in the billing process.

To receive text alerts from the Company through the Mobile Alert Service, the customer must be the owner or legitimate user of the mobile phone registered or have the express consent of the owner or legitimate user. Customers electing to receive text alerts from the Company through the Mobile Alert Service are responsible for providing and maintaining a mobile phone and ensuring connection to a mobile network capable of receiving the text alerts.

Customers electing to receive text alerts through the Mobile Alert Service acknowledge that the text alerts may, at any time, be adversely affected by problems with the mobile phone network including, without limitation, interference to the network coverage. Kentucky Power shall not be responsible or liable for any loss, damage, or expense incurred directly or indirectly by customers electing to receive text alerts through the Mobile Alert Service as a result of any difficulties experienced by any cellular phone service provider.

In the event a customer electing to receive text alerts through the Mobile Alert Service changes mobile phone service providers or telephone number, that customer is required to subscribe again to receive text alerts. If no alerts are sent or received for eighteen months, a customer's opt-in to that offering will expire. A customer must opt-in again to the program in order to receive alerts.

Kentucky Power may discontinue text alerts at any time. Customers electing to receive text alerts through the Mobile Alert Service will receive text alerts from 23711. Customers may unsubscribe from text alerts by texting STOP to 23711 and may obtain assistance via text by texting HELP to 23711.

*Continued on Sheet 2-14*

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In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-14  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-14

**Terms and Conditions of Service Continued**



**Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

Amount due on or before **\$XXX.XX**  
 MM DD, YYYY

Bill mailing date is MM DD, YYYY  
 Account #XXX-XXX-XXX-X

SERVICE ADDRESS: KENTUCKY RESIDENTIAL, ADDRESS 123, ABC, KY XXXX-XXXX

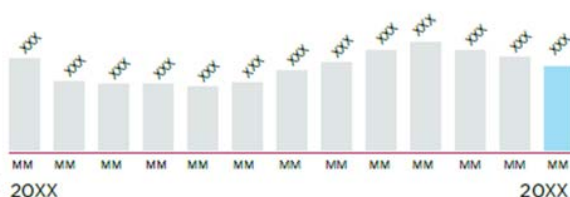


KENTUCKY RESIDENTIAL  
 ADDRESS 123  
 ABC, KY XXXX-XXXX

**Notes from KPCO:**

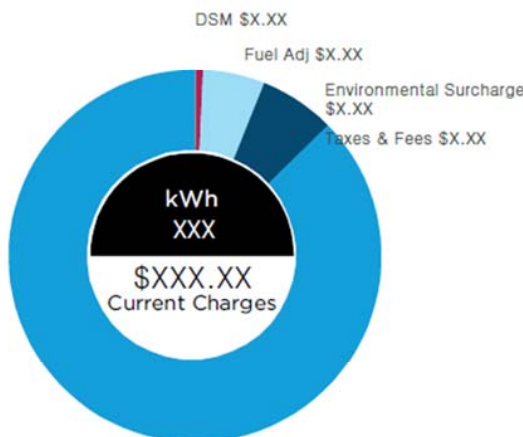
**Make this bill the last one sent in the mail!** Go paperless and get email alerts when your bill is ready. Sign up at [kentuckypower.com/paperless!](http://kentuckypower.com/paperless!)

**Usage History (kWh):**



**Current bill summary:**

Billing from MM/DD/YY - MM/DD/YY (XX days)



**Methods of Payment**

- [kentuckypower.com](http://kentuckypower.com)
- PO Box 371420  
Pittsburgh, PA 15250-7420
- 1-800-611-0964 (fee may apply)

Electric Service \$XX.XX

Please tear on dotted line.

Turn over for important information! ➔

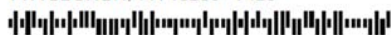
Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

KENTUCKY RESIDENTIAL, ADDRESS 123, ABC, KY XXXX-XXXX



**Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

Make check payable and send to:  
 KENTUCKY POWER COMPANY  
 PO BOX 371420  
 PITTSBURGH, PA 15250-7420



Account #XXX-XXX-XXX-X  
 KENTUCKY RESIDENTIAL

Amount due on or before **\$XXX.XX**  
 MM DD, YYYY

Payment Amount \$

Pay \$XX,XXX.XX after MM/DD/YYYY

The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of

\$ \_\_\_\_\_

*Continued on Sheet 2-15*

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**Terms and Conditions of Service Continued**



**Service Address:**

KENTUCKY RESIDENTIAL  
 ADDRESS 123  
 ABC, KY XXXXX – XXXX

**Account #**XXX-XXX-XXX-X-X

**Line Item Charges:**

Previous Charges	
Total Amount Due At Last Billing	\$ XXX.XX
Payment 02/07/22 - Thank You	-XXX.XX
<b>Previous Balance Due</b>	<b>\$ X.XX</b>
Current KPCO Charges	
<b>Tariff XXX - Residential Service XX/XX/XX</b>	
Rate Billing	\$ XXX.XX
Federal Tax Change @ X.XXXXX- Per kWh	-XX.XX
Fuel Adj @ X.XXXXX Per kWh	XX.XX
DSM Adj @ X.XXXXX Per kWh	XX.XX
Residential Energy Assistance @ \$X.XX	XX.XX
Distribution Reliability Rider @ \$X.XX	X.XX
Purchased Power Adj. \$X.XXXXX/kWh	XX.XX
Renewable Power Option Rider	XX.XX
Securitization Financing Rider X.XXXXX%	XX.XX
Decommissioning Rider X.XXXXX%	XX.XX
Environmental Adj. X.XXXXX%	XX.XX
School Tax	XX.XX
City's Franchise Fee	XX.XX
State Sales Tax	XX.XX
<b>Current Balance Due</b>	<b>\$ XXX.XX</b>
Homeserve Warranty Service	\$ XX.XX

**Meter Read Details:**

Meter #XXXXXXXX					
Previous	Type	Current	Type	Metered	Usage
XXXXX	Actual	XXXXX	Actual	XXX	XXX kWh
Service Period XX/XX – XX/XX				Multiplier 1	
Next scheduled read date should be between MM DD and MM DD.					

**Notes from KPCO:**

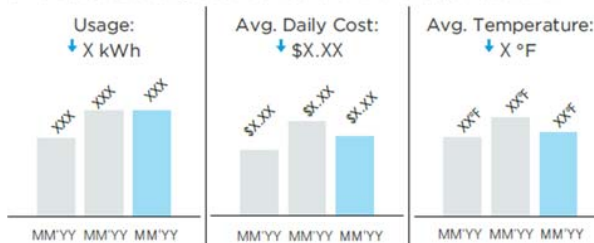
Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Homeserve USA is optional. Homeserve USA is not the same as KPCO and is not regulated by the KY Public Service Commission. A customer does not have to buy the Warranty Service in order to continue to receive quality regulated services from KPCO.

[www.kyelectricalprotectionplan.com](http://www.kyelectricalprotectionplan.com)

**Usage Details:**

↑↓ Values reflect changes between current month and previous month.



Total usage for the past 12 months: X,XXX kWh

Average (Avg.) monthly usage: XXX kWh

*Continued on Sheet 2-16*

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-16  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-16


Terms and Conditions of Service Continued

T

  
**Non-Payment/Return Mail:**  
PO BOX 24401  
CANTON, OH 44701-4401

Amount due on or before **\$XXX.XX**  
MM DD, YYYY  
Bill mailing date is MM DD, YYYY  
Account #XXX-XXX-XXX-X-X

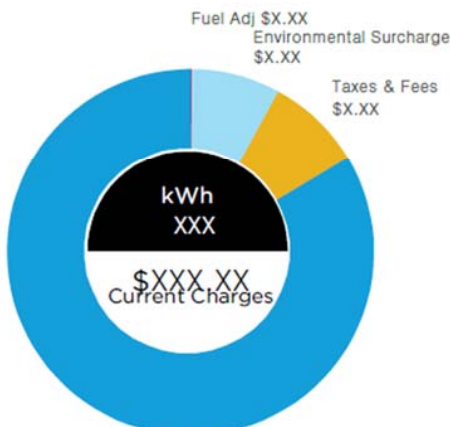
SERVICE ADDRESS: KENTUCKY GENERAL SERVICE, ADDRESS 123, ABC, KY XXXX-XXXX

  
KENTUCKY GENERAL SERVICE  
ADDRESS 123  
ABC, KY XXXX-XXXX

Notes from KPCO:

Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready. Sign up at [kentuckypower.com/paperless!](http://kentuckypower.com/paperless!)

Usage History (kWh):



Electric Service \$XXX.XX

Methods of Payment

-  [kentuckypower.com](http://kentuckypower.com)
-  PO Box 371420  
Pittsburgh, PA 15250-7420
-  1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-888-710-4237  
Outages: [kentuckypower.com/outages](http://kentuckypower.com/outages)  
or 1-800-572-1113

Please tear on dotted line.

Turn over for important information! ➔

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

KENTUCKY GENERAL SERVICE, ADDRESS 123, ABC, KY XXXX-XXXX



**Non-Payment/Return Mail:**  
PO BOX 24401  
CANTON, OH 44701-4401

Account #XXX-XXX-XXX-X-X  
KENTUCKY GENERAL SERVICE

Amount due on or before **\$XXX.XX**  
MM DD, YYYY

Payment Amount \$

Pay \$XX,XXX.XX after MM/DD/YYYY

Make check payable and send to:  
KENTUCKY POWER COMPANY  
PO BOX 371420 PITTSBURGH,  
PA 15250-7420



The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of \$\_\_\_\_\_

Continued on Sheet 2-17

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-17  
 CANCELLING P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 2-17

**Terms and Conditions of Service Continued**

T



**Service Address:**

KENTUCKY GENERAL SERVICE  
 ADDRESS 123  
 ABC, KY XXXXX – XXXX  
 Account #XXX-XXX-XXX-X-X

**Line Item Charges:**

Previous Charges		
Total Amount Due At Last Billing	\$	XX.XX
Payment XX/XX/XX - Thank You		-XX.XX
<b>Previous Balance Due</b>	<b>\$</b>	<b>X.XX</b>
Current KPCO Charges		
<b>Tariff XXX - General Service XX/XX/XX</b>		
Rate Billing	\$	XX.XX
Federal Tax Change @ XXXXXX- Per kWh		-XX.XX
Fuel Adj @ XXXXXX Per kWh		XX.XX
DSM Adj @ XXXXXX Per kWh		XX.XX
Kentucky Economic Development Surcharge @ \$XXX		XX.XX
Distribution Reliability Rider @ \$X.XX		X.XX
Purchased Power Adj. \$XXXXXXXX/kWh		XX.XX
Renewable Power Option Rider		XX.XX
Securitization Financing Rider XXXXXX%		XX.XX
Decommissioning Rider XXXXXX%		XX.XX
Environmental Adj. XXXXXX%		XX.XX
School Tax		XX.XX
City's Franchise Fee		XX.XX
State Sales Tax		XX.XX
<b>Current Balance Due</b>	<b>\$</b>	<b>XX.XX</b>

**Meter Read Details:**

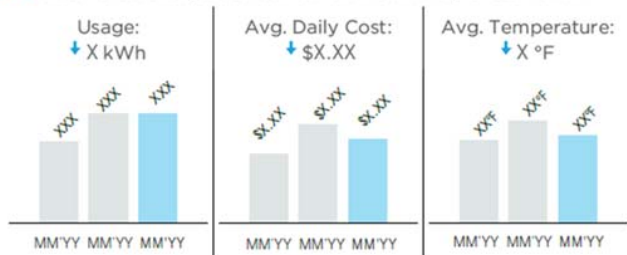
Meter #XXXXXXXXXX					
Previous	Type	Current	Type	Metered	Usage
XXX	Actual	XXX	Actual	XXX	XXX kWh
Service Period XX/XX - XX/XX				Multiplier 1	
Next scheduled read date should be between MM DD and MM DD.					

**Notes from KPCO:**

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

**Usage Details:**

↑↓Values reflect changes between current month and previous month.



Total usage for the past 12 months: XXX kWh  
 Average (Avg.) monthly usage: XXX kWh

D  
N  
N

Continued on Sheet 2-18

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-18  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-18

**Terms and Conditions of Service Continued**

T



**Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

Amount due on or before  
 MM DD, YYYY **\$XXX.XX**

Bill mailing date is MM DD, YYYY  
 Account #XXX-XXX-XXX-X-X

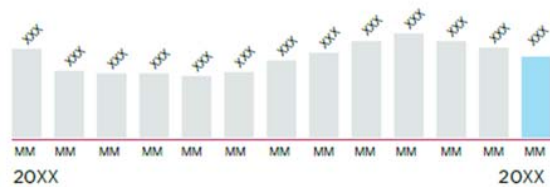
SERVICE ADDRESS: KENTUCKY LARGE GENERAL SERVICE, ADDRESS 123, ABC, KY XXXXX-XXXX

  
 KENTUCKY LARGE GENERAL SERVICE  
 ADDRESS 123  
 ABC, KY XXXXX-XXXX

**Notes from KPSCO:**

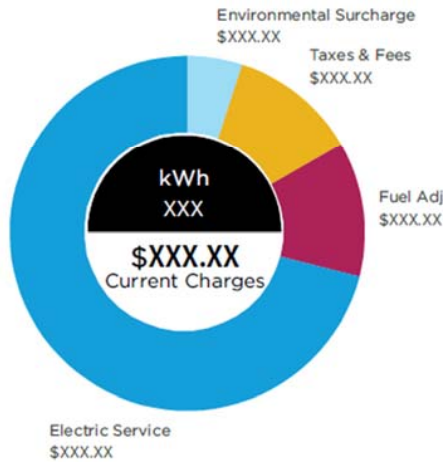
**Make this bill the last one sent in the mail!** Go paperless and get email alerts when your bill is ready. Sign up at [kentuckypower.com/paperless!](http://kentuckypower.com/paperless!)

**Usage History (kWh):**



**Current bill summary:**

Billing from MM/DD/YY - MM/DD/YY (XX days)



**Methods of Payment**

-  [kentuckypower.com](http://kentuckypower.com)
-  PO Box 371420  
Pittsburgh, PA 15250-7420
-  1-800-611-0964 (fee may apply)

**Need to get in touch?**

Customer Operations Center: 1-888-710-4237  
 Outages: [kentuckypower.com/outages](http://kentuckypower.com/outages)  
 or 1-800-572-1113

Please tear on dotted line.

Turn over for important information! 

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

KENTUCKY LARGE GENERAL SERVICE, ADDRESS 123, ABC, KY XXXXX-XXXX

 **Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

Make check payable and send to:  
 KENTUCKY POWER COMPANY  
 PO BOX 371420 PITTSBURGH,  
 PA 15250-7420



Account #XXX-XXX-XXX-X-X  
 KENTUCKY LARGE GENERAL SERVICE  
 Amount due on or before  
 MM DD, YYYY **\$XXX.XX**

Payment Amount \$

Pay \$XXX.XX after MM/DD/YYYY

The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of \$ \_\_\_\_\_

*Continued on Sheet 2-19*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-19  
 CANCELLING P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 2-19

**Terms and Conditions of Service Continued**

T



**Service Address:**

KENTUCKY LARGE GENERAL SERVICE  
 ADDRESS 123  
 ABC, KY XXXXX – XXXX  
 Account #XXX-XXX-XXX-X-X

Billed Usage MM/YY				
Usage	Power Factor	Power Factor Constant	Meter Location Comp.	Billed Usage
XXX	-	-	-	XXXX kWh
XXX	-	-	-	XXX kW
XXX	-	-	-	XXX.XXX KVA

**Line Item Charges:**

Previous Charges	
Total Amount Due At Last Billing	\$ XXX.XX
Payment XX/XX/XX - Thank You	-XXX.XX
<b>Previous Balance Due</b>	<b>\$ XX.XX</b>
Current Charges	

**Meter Read Details:**

Meter #XXXXXXXXXX					
Previous	Type	Current	Type	Metered	Usage
X	X	X.XXX	Actual	X	X kVAR
X	X	X.XXX	Actual	X.XXX	XXX.XX kW
XXXXX	Actual	XXXXX	Actual	XXX	XXX.XXX kWh
Service Period MM/DD - MM/DD				Multiplier XXX	
Next scheduled read date should be between MM DD and MM DD .					

<b>Tariff XXX - Large General Service XX/XX/XX</b>	
Rate Billing	\$ XXX.XX
Economic Development Rider - IBDD	-XXX.XX
Economic Development Rider - SBDD	-XXX.XX
Federal Tax Change @ X.XXXXX- Per kWh	-XXX.XX
Fuel Adj @ X.XXXXX Per kWh	XXX.XX
DSM Adj @ X.XXXXX Per kWh	XXX.XX
Kentucky Economic Development Surcharge @ \$X.XX	X.XX
Distribution Reliability Rider @ \$X.XX	X.XX
Purchased Power Adj. \$X.XXXXX/kWh	XXX.XX
Renewable Power Option Rider	XXX.XX
Securitization Financing Rider X.XXXXX%	XX.XX
Decommissioning Rider X.XXXXX%	XXX.XX
Environmental Adj. X.XXXXX%	XXX.XX
School Tax	XXX.XX
City's Franchise Fee	XXX.XX
State Sales Tax	XXX.XX
<b>Current Balance Due</b>	<b>\$ XXX.XX</b>

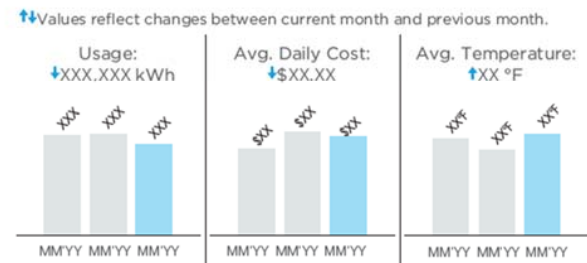
Net Usage : XXX,XXX kWh Billable Usage: XXX,XXX kWh

**Notes from Kentucky Power:**

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/acclunt/bills/rates>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Due date does not apply to previous balance due.

**Usage Details:**



Total usage for the past 12 months: XXX kWh  
 Average (Avg.) monthly usage: XXX kWh

Continued on Sheet 2-20

D  
 N  
 N

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-20  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-20

**Terms and Conditions of Service Continued**



**Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

Amount due on or before  
 MM DD, YYYY **\$XX,XXX.XX**

Bill mailing date is MM DD, YYYY  
 Account #XXX-XXX-XXX-X-X

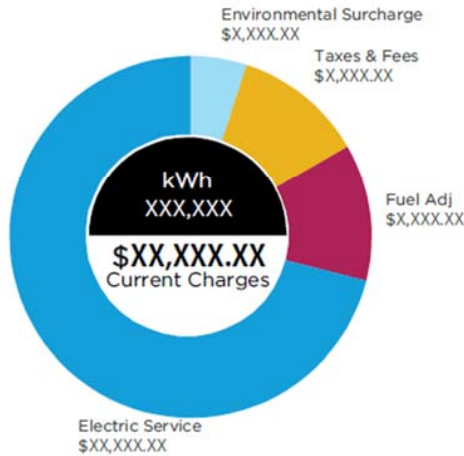
SERVICE ADDRESS: KENTUCKY INDUSTRIAL-PRIMARY & SECONDARY, ADDRESS 123, ABC, KY XXXXX-XXXX

  
 KENTUCKY INDUSTRIAL- PRIMARY & SECONDARY  
 ADDRESS 123  
 ABC, KY XXXXX-XXXX

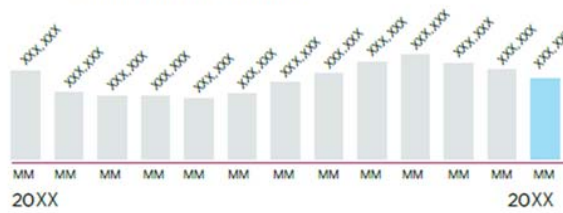
**Notes from KPSCO:**

**Make this bill the last one sent in the mail!** Go paperless and get email alerts when your bill is ready. Sign up at [kentuckypower.com/paperless!](http://kentuckypower.com/paperless!)

**Current bill summary:**  
 Billing from MM/DD/YY - MM/DD/YY (XX days)



**Usage History (kWh):**



**Methods of Payment**

-  [kentuckypower.com](http://kentuckypower.com)
-  PO Box 371420  
Pittsburgh, PA 15250-7420
-  1-800-611-0964 (fee may apply)

**Need to get in touch?**

Customer Operations Center: 1-888-710-4237  
 Outages: [kentuckypower.com/outages](http://kentuckypower.com/outages)  
 or 1-800-572-1113

Please tear on dotted line.

Turn over for important information! ➔

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.  
 KENTUCKY INDUSTRIAL-PRIMARY & SECONDARY, ADDRESS 123, ABC, KY XXXXX-XXXX

 **Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

Account #XXX-XXX-XXX-X-X  
 KENTUCKY INDUSTRIAL - PRIMARY & SECONDARY  
 Amount due on or before  
 MM DD, YYYY **\$XX,XXX.XX**

Payment Amount \$

Pay \$XX,XXX.XX after MM/DD/YYYY

Make check payable and send to:  
 KENTUCKY POWER COMPANY  
 PO BOX 371420 PITTSBURGH,  
 PA 15250-7420



The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of \$ \_\_\_\_\_

*Continued on Sheet 2-21*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Terms and Conditions of Service Continued**

T



**Service Address:**

KENTUCKY INDUSTRIAL-PRIMARY & SECONDARY  
 ADDRESS 123  
 ABC, KY XXXXX-XXXX  
**Account #XXX-XXX-XXX-X-X**

Billed Usage MM/YY				
Usage	Power Factor	Power Factor Constant	Meter Location Comp.	Billed Usage
XXX.XXX	-	-	-	XXX.XXX kWh
XXX.XXX	-	-	-	XXX.XXX kW On-Pk
XXX.XXX	-	-	-	XXX.XXX kW Off-Pk
Contract Capacity = X,XXX.X			High Prev Demand = X,XXX.X On-Pk	
			High Prev Demand = X,XXX.X Off-Pk	

**Line Item Charges:**

Previous Charges	
Total Amount Due At Last Billing	\$ XX,XXX.XX
Payment XX/XX/XX - Thank You	-XX,XXX.XX
<b>Previous Balance Due</b>	<b>\$ XX.XX</b>
Current Charges	
<b>Tariff XXX - Industrial General Service XX/XX/XX</b>	
Rate Billing	\$ XX,XXX.XX
Economic Development Rider - IBDD	-X,XXX.XX
Economic Development Rider - SBDD	-X,XXX.XX
Federal Tax Change @ X,XXXXX- Per kWh	-X,XXX.XX
Fuel Adj @ X,XXXXX Per kWh	X,XXX.XX

Kentucky Economic Development Surcharge @ \$X.XX	X.XX
Distribution Reliability Rider @ \$X.XX	X.XX
Purchased Power Adj. \$X,XXXXX/kWh	XX.XX
Purchased Power Adj. \$X,XXXXX/kW	X,XXX.XX
Renewable Power Option Rider	X,XXX.XX
Securitization Financing Rider X,XXXXX%	XX.XX
Decommissioning Rider X,XXXXX%	XX.XX
Environmental Adj. X,XXXXX%	X,XXX.XX
School Tax	X,XXX.XX
City's Franchise Fee	X,XXX.XX
State Sales Tax	X,XXX.XX
<b>Total Balance Due</b>	<b>\$ XX,XXX.XX</b>

**Meter Read Details:**

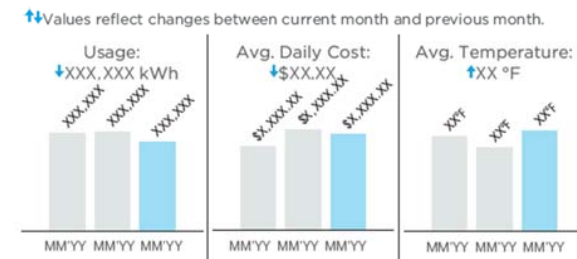
Meter #XXXXXXXXXX					
Previous	Type	Current	Type	Metered	Usage
X	X	X,XXX	Actual	X	X kVAR
X	X	X,XXX	Actual	X,XXX	XXX.XX kW On-Pk
XXXXX	Actual	XXXXX	Actual	XXX	XXX,XXX kWh
X	X	X,XXX	Actual	X,XX	XXX.X kW Off-Pk
X	X	X,XXX	Actual	X,XXX	XXX,XX kVAR
Service Period MM/DD - MM/DD				Multiplier XXX	
Next scheduled read date should be between MM DD and MM DD.					
Net Usage : XXX,XXX kWh			Billable Usage: XXX,XXX kWh		

**Notes from Kentucky Power:**

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/acclnt/bills/rates>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Due date does not apply to previous balance due.

**Usage Details:**



Total usage for the past 12 months: X,XXX,XXX kWh  
 Average (Avg.) monthly usage: XXX,XXX kWh

Continued on Sheet 2-22

D  
 N  
 N

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-22  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-22

**Terms and Conditions of Service Continued**

N



**Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

Amount due on or before  
 MM DD, YYYY **\$XX,XXX.XX**

Bill mailing date is MM DD, YYYY  
 Account #XXX-XXX-XXX-X-X

SERVICE ADDRESS: KENTUCKY INDUSTRIAL-SUBTRANSMISSION & TRANSMISSION, ADDRESS 123, ABC, KY XXXXX-XXXX



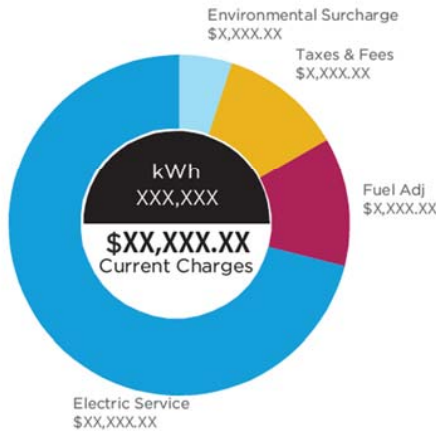
KENTUCKY INDUSTRIAL –  
 SUBTRANSMISSION & TRANSMISSION  
 ADDRESS 123  
 ABC, KY XXXXX – XXXX

**Notes from KPSCO:**

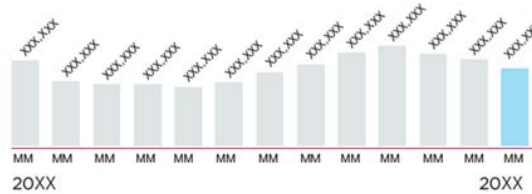
**Make this bill the last one sent in the mail!** Go paperless and get email alerts when your bill is ready. Sign up at [kentuckypower.com/paperless!](http://kentuckypower.com/paperless!)

**Current bill summary:**

Billing from MM/DD/YY - MM/DD/YY (XX days)



**Usage History (kWh):**



**Methods of Payment**

-  [kentuckypower.com](http://kentuckypower.com)
-  PO Box 371420  
Pittsburgh, PA 15250-7420
-  1-800-611-0964 (fee may apply)

**Need to get in touch?**

Customer Operations Center: 1-888-710-4237  
 Outages: [kentuckypower.com/outages](http://kentuckypower.com/outages)  
 or 1-800-572-1113

Please tear on dotted line.

Turn over for important information! ➤

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

KENTUCKY INDUSTRIAL – SUBTRANSMISSION & TRANSMISSION, ADDRESS 123, ABC, KY XXXXX – XXXX



**Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

KENTUCKY INDUSTRIAL – SUBTRANSMISSION & TRANSMISSION  
 Account #XXX-XXX-XXX-X-X

Amount due on or before  
 MM DD, YYYY **\$XX,XXX.XX**

Payment Amount \$

Pay \$XX,XXX.XX after MM/DD/YYYY

Make check payable and send to:  
 KENTUCKY POWER COMPANY  
 PO BOX 371420 PITTSBURGH,  
 PA 15250 – 7420



The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of

\$ \_\_\_\_\_

Continued on Sheet 2-23

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-23  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-23

**Terms and Conditions of Service Continued**

N



**Service Address:**

KENTUCKY INDUSTRIAL—  
 SUBTRANSMISSION AND TRANSMISSION  
 ADDRESS 123  
 ABC, KY XXXXX – XXXX

**Account #**XXX-XXX-XXX-X-X

Billed Usage MM/YY				
Usage	Power Factor	Power Factor Constant	Meter Location Comp.	Billed Usage
XXX.XXX	-	-	-	XXX.XXX kWh
XXX.XXX	-	-	-	XXX.XXX kW On-Pk
XXX.XXX	-	-	-	XXX.XXX kW Off-Pk
Contract Capacity = X,XXX.X			High Prev Demand = X,XXX.X On-Pk	
			High Prev Demand = X,XXX.X Off-Pk	

Previous Charges	
Total Amount Due At Last Billing	\$ XX,XXX.XX
Payment XX/XX/XX - Thank You	-XX,XXX.XX
<b>Previous Balance Due</b>	<b>\$ XX.XX</b>

**Meter Read Details:**

Meter #XXXXXXXXXX					
Previous	Type	Current	Type	Metered	Usage
X	X	X.XXX	Actual	X	X kVAR
X	X	X.XXX	Actual	X.XXX	XXX.XX kW On-Pk
XXXX	Actual	XXXX	Actual	XXX	XXX.XXX kWh
X	X	X.XXX	Actual	X.XX	XXX.X kW Off-Pk
X	X	X.XXX	Actual	X.XXX	XXX.XX kVAR
Service Period MM/DD - MM/DD				Multiplier XXX	
Next scheduled read date should be between MM DD and MM DD.					

Current Charges	
<b>Tariff XXX - Industrial General Service XX/XX/XX</b>	
Rate Billing	\$ XX,XXX.XX
Economic Development Rider - IBDD	-X,XXX.XX
Economic Development Rider - SBDD	-X,XXX.XX
Federal Tax Change @ X.XXXXX- Per kWh	-X,XXX.XX
Fuel Adj @ X.XXXXX Per kWh	X,XXX.XX

Net Usage : XXX,XXX kWh Billable Usage: XXX,XXX kWh

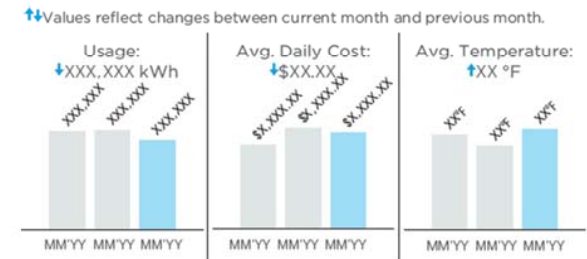
Kentucky Economic Development Surcharge @ \$X.XX	XXX
Purchased Power Adj. \$X.XXXXX/kWh	XXX.XX
Purchased Power Adj. \$X.XXXXX/kWh	X,XXX.XX
Renewable Power Option Rider	X,XXX.XX
Securitization Financing Rider X.XXXXX%	XXX.XX
Decommissioning Rider X.XXXXX%	XX.XX
Environmental Adj. X.XXXXX%	X,XXX.XX
School Tax	X,XXX.XX
City's Franchise Fee	X,XXX.XX
State Sales Tax	X,XXX.XX
<b>Total Balance Due</b>	<b>\$ XX,XXX.XX</b>

**Notes from Kentucky Power:**

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/acclint/bills/rates>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Due date does not apply to previous balance due.

**Usage Details:**



Total usage for the past 12 months: X,XXX,XXX kWh

Average (Avg.) monthly usage: XXX,XXX kWh

D

N

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

## Capacity and Energy Control Program

### Introduction

Kentucky Power Company's Capacity and Energy Control Program outlines the procedures the Company will follow in the event of an emergency that threatens the continued reliable operation of bulk power supply system. Notwithstanding any provisions of this Capacity and Energy Control Program, the Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of Company's electric system or interconnected electric network or to restore service following an outage. Such actions will be taken giving priority to maintaining service to Company's retail and full requirements customers relative to other sales whenever feasible and as allowed by law. The Company's Capacity and Energy Control Program consists of three sets of procedures:

- I. Procedures During Abnormal System Frequency
- II. Capacity Deficiency Program
- III. Energy Emergency Control Program

Specific details regarding the Company's Capacity and Energy Control Program are included in the Company's Emergency Operating Plan ("EOP"). A copy of the Company's current EOP is on file with the Kentucky Public Service Commission in Administrative Case No. 345. Where this tariff diverts from the Company's EOP, the EOP Plan shall govern.

### **I. AEP/PJM Procedures During Abnormal System Frequency (EOP Section IV)**

#### a. Purpose

Precautionary procedures are required to meet emergency conditions such as system separation and operation at subnormal frequency. In addition, the coordination of these emergency procedures with neighboring companies is essential. The AEP/PJM program described below provides procedures for reducing the consumption of electric energy on the Company's system in the event of a period of abnormal system frequency.

#### b. AEP/PJM Procedures

From 59.8 – 60.2 Hz, to the extent practicable, the Company will utilize all operating and emergency reserves. The manner of utilization of these reserves depends on the behavior of the System during the emergency.

For rapid frequency decline, the Company will utilize capacity that is on-line and automatically responsive to frequency (spinning reserve) and such measures as interconnection assistance and automatic load reductions to arrest the decline in frequency.

If the frequency decline is gradual, the Generation/Production Optimization Group, particularly in the deficient area, will invoke non-automatic procedures involving operating and emergency reserves. These efforts will continue until the frequency decline is arrested or until automatic load-shedding devices operate at subnormal frequencies. A deficient Balancing Authority shall only use the assistance provided by the Interconnection's frequency bias for the time needed to implement corrective actions. The Balancing Authority shall not unilaterally adjust generation in an attempt to return Interconnection frequency to normal beyond that supplied through frequency bias action and Interchange Schedule changes. Such unilateral adjustment may overload transmission facilities. At 59.75 Hz, the Company will suspend Automatic Generation Control (AGC) and notify Interruptible Customers to drop load.

If at any time the decline in area frequency is arrested below 59.5 Hz, the Company will evaluate whether the area should manually shed an additional 5% of its initial load. If, after five minutes, shedding 5% of load has not returned the area frequency to 59.5 Hz or above, the area shall manually shed an additional 5% of its remaining load and continue to repeat in five-minute intervals until 59.5 Hz is reached. These steps must be completed within the time constraints imposed upon the operation of generating units that are discussed in the EOP subsection titled, "Isolation of Coal-fired Generating Units."

Automatic Load Shedding Program details are located in Section IV of the Company's EOP.

*Continued on Sheet 3-2*

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## Capacity and Energy Control Program Continued

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### II. Capacity Deficiency Program (EOP Section III)

#### a. Purpose

The purpose of the Capacity Deficiency Program is to provide a plan for full utilization of emergency capacity resources and for orderly reduction in the aggregate customer demand on the American Electric Power (AEP) East/PJM Eastern System in the event of a capacity deficiency. A capacity deficiency is a shortage of generation versus load and can be caused by generating unit outages and/or extreme internal load requirements.

#### b. AEP East/PJM Procedures

There are three general levels of emergency actions for capacity deficiencies:

- Alerts - issued in advance of the operating day for elevated awareness and to give time for advanced preparations.
- Warnings - issued real time, typically preceding, and with an estimated time/window for a potential future action.
- Actions - issued real time and requires PJM and/or Member response. PJM actions are consistent with NERC and RFC EOP standards.

The Company may also issue an Advisory, one or more days in advance of the operating day during which a capacity deficiency may occur, that are general in nature and are for elevated awareness only. No preparations or actions are required in response to an Advisory.

#### Alerts

##### Voluntary Customer Load Curtailment Alert

The purpose of the Voluntary Customer Load Curtailment Alert is to alert members of the probable future need to implement a voluntary customer load curtailment. It is implemented whenever the estimated operating reserve capacity indicates a probable future need for voluntary customer load curtailment.

#### Real Time Emergency Procedures (Warnings and Actions)

##### Warnings

Warnings are issued in real time during present operations to inform members of actual capacity shortages or contingencies that may jeopardize the reliable operation of the PJM RTO. Generally, a warning precedes an associated action. The intent of warnings is to keep all affected system personnel aware of the forecast and/or actual status of the PJM RTO.

##### Actions

The PJM RTO is normally loaded according to bid prices; however, during periods of reserve deficiencies, other measures must be taken to maintain system reliability. These measures involve:

- loading generation that is restricted for reasons other than cost
- recalling non-capacity backed off-system sales
- purchasing emergency energy from participants / surrounding pools
- load relief measures

The Company's EOP includes a nine-step warning and action procedure during capacity deficiency conditions.

*Continued on Sheet 3-3*

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## Capacity and Energy Control Program Continued

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### c. Priority Levels

For the purpose of these capacity deficiency procedures, the following Priority Levels for loads have been established:

- I. Essential Health and Safety Uses – to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use:
  - a. Hospitals, which shall be limited to institutions providing medical care to patients.
  - b. Life Support Equipment, which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
  - c. Police Stations and Government Detention Institutions, which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.
  - d. Fire Stations, which shall be limited to facilities housing mobile fire-fighting apparatus.
  - e. Communication Services, which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.
  - f. Water and Sewage Services, which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
  - g. Transportation and Defense-related Services, which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential services such as street, highway and signal-lighting.

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. Where the emergency is system-wide in nature, consideration will be given to the use of rotating outages as operationally practicable. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment.

Company maintains lists of customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. Company, lacking knowledge of changes that may occur at any time in Customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be Customer's responsibility to notify Company if Customer has critical needs.

- II. Critical Commercial and Industrial Uses – Except as described in Section C.III below, these uses shall include commercial or industrial operations requiring regimented shutdowns to prevent conditions hazardous to the general population, and to energy utilities and their support facilities critical to the production, transportation, and distribution of service to the general population. Company shall maintain a list of such customers for the purpose of curtailments and service restoration.
- III. Residential Use – Residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.

*Continued on Sheet 3-4*

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## Capacity and Energy Control Program Continued

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### Priority Levels Continued

- IV. Non-critical commercial and industrial uses.
- V. Nonessential Uses – The following and similar types of uses of electric energy shall be considered nonessential for all customers:
  - a. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
  - b. General interior lighting levels greater than minimum functional levels.
  - c. Show-window and display lighting.
  - d. Parking lot lighting above minimum functional levels.
  - e. Energy use to lower the temperature below 78 degrees during operation of cooling equipment and above 65 degrees during operation of heating equipment.
  - f. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
  - g. Energy use greater than that which is the minimum required for lighting, heating, or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

Non-jurisdictional customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

#### d. Curtailment Procedures

In the event Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps may be taken, individually or in combination, in the order necessary as time permits:

1. Customers having their own internal generation capacity will be curtailed, and customers on interruptible contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit Company's rights under the Contract Service – Interruptible Power Tariff or the Alternate Feed Service Rider.
2. Power output will be maximized at Company's generating units.
3. Company use of energy at its generating stations will be reduced to a minimum.
4. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.
5. The Kentucky Public Service Commission will be advised of the situation.
6. An appeal will be made to customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.
7. Customers will be advised through the use of the news media and personal contact that load interruption is imminent.
8. Implement procedures for interruption of selected distribution circuits.

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## Capacity and Energy Control Program Continued

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e. Service Restoration Procedures

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through V as defined under Priority Levels described above. However, because of the varieties of unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, Company will attempt to provide estimates of repair times on its website to aid customers in assessing the need for alternative power sources and temporary relocations.

### III. Energy Emergency Control Program (EOP Section V)

a. Introduction

The purpose of this plan is to provide for the reduction of the consumption of electric energy on the American Electric Power Company System in the event of a severe coal fuel shortage, such as might result from a general strike, or severe weather.

b. Procedures

In the event of a potential severe coal shortage, such as one resulting from a general coal strike, the following steps will be implemented. These steps will be carried out to the extent permitted by contractual commitments or by order of the regulatory authorities having jurisdiction. For further information, see EOP Section V.

With regard to mandatory curtailments, the Company proposes to monitor compliance after the fact. A customer exceeding his electric allotment would be warned to curtail his usage or face, upon continuing noncompliance and upon one day's actual written notice, disconnection of electric service for the duration of the energy emergency.

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 4-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 4-1

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## **Standard Nominal Voltages**

The voltage available to any individual customer shall depend upon the voltage of the Company's lines serving the area in which customer is provided service.

Electric service provided under the Company's rate schedules will be 60 hertz alternating current delivered from various load centers at nominal voltages and phases as available in a given location as follows:

### **Secondary Distribution Voltages**

#### **Residential Service**

Single phase 120/240 volts three wire or 120/208 volts three wire on network system.

#### **General Service - All Except Residential**

Single-phase 120/240 volts three wire or 120/208 volts three wire on network system. Three-phase 120/208 volts four wire on network system, 120/240 volts four wire, 240 volts three wire, 480 volts three wire and 277/480 volts four wire, Single-phase 480 volts two wire, and Single-phase 240/480 volts three wire.

### **Primary Distribution Voltages**

The Company's primary distribution voltage levels at load centers are 2,400; 4,160Y; 7,200; 12,470Y; 19,900 and 34,500Y.

### **Subtransmission Line Voltages**

The Company's sub transmission voltage levels are 34,500; 46,000; and 69,000.

### **Transmission Line Voltages**

The Company's transmission voltage levels are 138,000; 161,000; 345,000; and 765,000.

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

**Availability of Service**

Available for full domestic electric service through 1 (one) meter to individual residential customers including rural residential customers engaged principally in agricultural pursuits.

**Rate** (Tariff Codes 015, 017, 022)

Service Charge	\$20.00	per month	I
Energy Charge	12.947¢	per kWh	I

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Residential Energy Assistance	Sheet No. 26	T
Demand-Side Management Adjustment Clause	Sheet No. 28	I
System Sales Clause	Sheet No. 29	
Fuel Adjustment Clause	Sheet No. 30	
Purchase Power Adjustment	Sheet No. 31	
Environmental Surcharge	Sheet No. 32	D
Decommissioning Rider	Sheet No. 33	N
Distribution Reliability Rider	Sheet No. 34	N
Securitization Financing Rider	Sheet No. 35	N
Federal Tax Change	Sheet No. 36	
City's Franchise Fee	Sheet No. 37	
School Tax	Sheet No. 38	D

**Volunteer Departments** (Tariff Code 024)

Volunteer Fire Departments may qualify pursuant to KRS 278.172 for this tariff but will be required to provide a completed Form 990 and update it annually.

**Optional Seasonal Provision** (Tariff Code XXX)

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

Service Charge	\$20.00	per month	N
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.

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

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**Storage Water Heating Provision**

This provision is withdrawn except for the present installations of current customers receiving service hereunder at premises served prior to April 1, 1997.

If the customer installs a Company approved storage water heating system which consumes electrical energy only during off-peak hours as specified by the Company and stores hot water for use during on-peak hours, the following shall apply:

*Tariff Code*

012	For Minimum Capacity of 80 gallons, the last 300 kWh of use in any month shall be billed at	8.603¢	per kWh	I
013	For Minimum Capacity of 100 gallons, the last 400 kWh of use in any month shall be billed at	8.603¢	per kWh	
014	For Minimum Capacity of 120 gallons or greater, the last 500 kWh of use in any month shall be billed at	8.603¢	per kWh	

These provisions, however, shall in no event apply to the first 200 KWH used in any month, which shall be billed in accordance with the "Monthly Rate" as set forth above.

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

The Company reserves the right to inspect at all reasonable times the storage water heating system and devices which qualify the residence for service under the storage water heater provision, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds that in its sole judgment the availability conditions of this provision are being violated, it may discontinue billing the Customer under this provision and commence billing under the standard monthly rate.

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

**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 8.603¢ per kWh.

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This provision, however, shall in no event apply to the first 200 kWh used in any month, which shall be billed in accordance with the "Monthly Rate" as set forth above.

For the purpose of this provision, 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.

The Company reserves the right to inspect at all reasonable times the load management water-heating system(s) and devices which qualify the residence for service under the Load Management Water-Heating Provision. If the Company finds that, in its sole judgment, the availability conditions of this provision are being violated; it may discontinue billing the Customer under this provision and commence billing under the standard monthly rate.

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

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-3  
CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 5-3

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

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**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This service is available to rural domestic customers engaged principally in agricultural pursuits where service is taken through one meter for residential purposes as well as for the usual farm uses outside the home, but it is not extended to operations of a commercial nature or operations such as processing, preparing or distributing products not raised or produced on the farm, unless such operation is incidental to the usual residential and farm uses.

The Company shall have the option of reading meters monthly or bimonthly and rendering bills accordingly. When bills are rendered bimonthly, the minimum charge and the quantity of KWH in each block of the rates shall be multiplied by two.

Pursuant to 807 KAR 5:041, Section 11, paragraph (1), of Public Service Commission Regulations, the Company will make an extension of 1,000 feet or less to its existing distribution line without charge for a prospective permanent residential customer served under this R.S.Tariff. Pursuant to 807 KAR 5:041 Section 12 extensions of up to 150 feet for a mobile home are provided without charge.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement.

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

**Availability of Service**

Available to customers eligible for Tariff R.S. (Residential Service) who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours.

Households eligible to be served under this tariff shall be metered through a multiple-register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods.

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

Service Charge	\$23.00	per month
Energy Charge		
All kWh used during on-peak billing period	18.646¢	per kWh
All kWh used during off-peak billing period	8.603¢	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 period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

**Conservation and Load Management Credit**

For the combination of an approved electric thermal storage space heating system and water heater, both of which are designed to consume electrical energy only between the hours of 9:00P.M. and 7:00A.M. for all days of the week, each residence will be credited 0.745¢ per kWh for all energy used during the off-peak billing period, for a total of 60 monthly billing periods following the installation and use of these devices in such residence.

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

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

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**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 \$4.30 per month.

**Separate Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service. Existing customers may initially choose to take service under this tariff without satisfying any requirements to remain on their current tariff for at least 12 months.

The Company reserves the right to inspect at all reasonable times the energy storage and load management devices which qualify the residence for service and for conservation and load management credits under this tariff, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds, that in its sole judgment, the availability conditions of this tariff are being violated; it may discontinue billing the Customer under this tariff and commence billing under the appropriate Residential Service Tariff.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

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

**Availability of Service**

Available for residential electric service through a multiple-register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods to individual residential customers, including residential customers engaged principally in agricultural pursuits. Availability is limited to the first 1,000 customers applying for service under this tariff.

**Rate** (Tariff Code 036)

Service Charge	\$23.00	per month
Energy Charge		
All kWh used during on-peak billing period	18.646¢	per kWh
All kWh used during off-peak billing period	8.603¢	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 period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

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

**Availability of Service**

Available on a voluntary, experimental basis to individual residential customers for residential electric service through a multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

**Rate** (Tariff Code 027)

Service Charge	\$23.00	per month	I
Energy Charge			
All kWh used during Summer on-peak billing period	18.921¢	per kWh	I
All kWh used during Winter on-peak billing period	13.642¢	per kWh	R
All kWh used during off-peak billing period	12.277¢	per kWh	I

For the purpose of this tariff, the on-peak and off-peak billing periods shall be defined as follows:

Months Approximate Percent (%) of Annual Hours	On-Peak 16%	Off-Peak 84%
Winter Period: November 1 to March 31	7:00 AM to 11:00 AM 6:00 PM to 10:00 PM	11:00 AM to 6:00 PM 10:00 PM to 7:00 AM
Summer Period: May 15 to September 15	Noon to 6:00 PM	6:00 PM to Noon
All Other Calendar Periods	None	Midnight to Midnight

Note: All kWh consumed during Saturday and Sunday are billed at the off-peak level.

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Residential Energy Assistance	Sheet No. 26	T   D N N
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	

Continued on Sheet 5-8

DATE OF ISSUE: June 29, 2023  
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 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-8  
CANCELLING P.S.C. KY. NO. SHEET NO. X-X

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

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**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

*Continued on Sheet 5-9*

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In Case No.: 2023-00159 Dated XXXX XX, XXXX

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

**Availability of Service**

Available for residential electric service through one single-phase multiple-register demand meter. Availability is limited to the first 1,000 customers applying for service under this tariff.

**Monthly Rate** (Tariff Code 018)

Service Charge	\$23.00	per customer	I
Energy Charge			
All kWh used during on-peak billing period	11.843¢	per kWh	R
All kWh used during off-peak billing period	8.603¢	per kWh	I
Demand Charge	\$6.77	for each kW of monthly billing demand	I

For the purpose of this tariff, the on-peak billing period is defined as follows:

Months of October – May:               7:00 AM to 11:00 AM for all weekdays  
 Months of June – September       4:00 PM to 9:00 PM for all weekdays

The off-peak billing period is defined as all weekday hours not defined above as on-peak and all hours of Saturday and Sunday

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Residential Energy Assistance	Sheet No. 26	T
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	D
Decommissioning Rider	Sheet No. 33	
Distribution Reliability Rider	Sheet No. 34	N
Securitization Financing Rider	Sheet No. 35	N
Federal Tax Change	Sheet No. 36	
City's Franchise Fee	Sheet No. 37	
School Tax	Sheet No. 38	

**Monthly Billing Demand**

Customer's demand will be taken monthly to be the highest registration of a 60 minute integrating demand meter or indicator during the on- peak period.

**Special Terms and Conditions**

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the tariff under which the customer takes service, including all payment provisions. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

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In Case No.: 2023-00159 Dated XXXX XX, XXXX

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

**Availability of Service**

Available for general service customers. Customers may continue to qualify for service under this tariff until their average maximum demand exceeds 100 kW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

**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	8.82	12.292	10.813	28.00
217, 220	Primary	8.03	10.790	9.533	120.00
236	Subtransmission	6.38	9.763	8.629	460.00

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The Demand Charge shall apply to all monthly billing demand in excess of 10 kW.

**Minimum Charge**

This tariff is subject to a minimum charge equal to the sum of the service charge plus the demand charge multiplied by the monthly billing demand in excess of 10 kW.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

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**Metered Voltage**

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

*Continued on Sheet 6-2*

DATE OF ISSUE: June 29, 2023  
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**Tariff G.S. Continued  
 (General Service)**

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**Monthly Billing Demand**

Energy supplied hereunder will be delivered through not more than one single phase and/or polyphase meter. Customer's demand will be taken monthly to be the highest registration of a 15-minute integrating demand meter or indicator, or the highest registration of a thermal type demand meter. The monthly billing demand shall be the greater of: (1) Customer's metered kW demand, (2) 60% of the Customer's contract capacity in excess of 100 kW, or (3) 60% of the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

The Company reserves the right to install a demand meter on any customer receiving service under this tariff. A demand meter will be installed by the Company for customers with monthly kWh usage of 4,450 kWh or greater.

**Recreational Lighting Service Provision**

Available for service to customers with demands of 5 KW or greater and who own and maintain outdoor lighting facilities and associated equipment utilized at baseball diamonds, football stadiums, parks and other similar recreational areas. This service is available only during the hours between sunset and sunrise. Daytime use of energy under this rate is strictly forbidden except for the sole purpose of testing and maintaining the lighting system. All Terms and Conditions of Service applicable to Tariff G.S. customers will also apply to recreational lighting customers except for the Availability of Service.

**Rate** (Tariff Code 214)

Service Charge	\$28.00	per month
Energy Charge	13.336¢	per kWh

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**Load Management Time of Day Provision**

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements. This provision is also available for electric vehicle charging if separately metered.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

**Rate** (Tariff Codes 223 and 225)

Service Charge	\$28.00	per month
Energy Charge		
All kWh used during on-peak billing period	18.567¢	per kWh
All kWh used during off-peak billing period	8.558¢	per kWh

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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.

*Continued on Sheet 6-3*

DATE OF ISSUE: June 29, 2023  
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**Tariff G.S. Continued  
 (General Service)**

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**Optional Unmetered Service Provision**

Available to customers who qualify for Tariff G.S., have a demand of less than 10 KW, and use the Company's service for commercial purposes consisting of small fixed electric loads such as traffic signals and signboards which can be served by a standard service drop from the Company's existing secondary distribution system. This service will be furnished at the option of the Company.

Each separate service delivery point shall be considered a contract location and shall be separately billed under the service contract. In the event one Customer has several accounts for like service, the Company may meter one account to determine the appropriate kilowatt-hour usage applicable for each of the accounts.

The Customer shall furnish switching equipment satisfactory to the Company. The Customer shall notify the Company in advance of every change in connected load, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of an increase in load, the Company reserves the right to refuse to serve the contract location thereafter under this provision, and shall be entitled to bill the customer retroactively on the basis of the increased load for the full period such load was connected or the earliest date allowed by Kentucky statute whichever is applicable.

Calculated energy use per month shall be equal to the contract capacity specified at the contract location times the number of days in the billing period times the specified hours of operation. Such calculated energy shall then be billed at the following rates:

**Rate** (Tariff Codes 204 (Metered) and 213 (Unmetered))

Customer Charge	\$15.00	per month
Energy Charge		
First 4,450 kWh per month	12.292¢	per kWh
All Over 4,450 kWh per month	10.813¢	per kWh

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**Term of Contract**

Contracts under this tariff may be required of customers. Contracts under this tariff will be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for periods of longer than 1 (one) year.

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum demand in KW which the Company might be required to furnish, but no less than 10 KW. The Company shall not be obligated to supply demands in excess of that contracted for. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point of both their power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

*Continued on Sheet 6-4*

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

**Availability of Service**

Available on a voluntary, basis for general service to customers being served at secondary distribution voltage with one single-phase, multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

Customers not meeting the requirements for availability under this tariff will be permitted to continue service under this tariff only for continuous service at the premises occupied on or prior to June 30, 2015.

**Rate** (Tariff Code 227)

Service Charge	\$28.00	per month	I
Energy Charge			
All kWh used during Summer on-peak billing period	19.545¢	per kWh	R
All kWh used during Winter on-peak billing period	13.784¢	per kWh	R
All kWh used during off-peak billing period	12.349¢	per kWh	I

For the purpose of this tariff, the on-peak and off-peak billing periods shall be defined as follows:

Months Approximate Percent (%) of Annual Hours	On-Peak 16%	Off-Peak 84%
Winter Period: November 1 to March 31	7:00 AM to 11:00 AM 6:00 PM to 10:00 PM	11:00 AM to 6:00 PM 10:00 PM to 7:00 AM
Summer Period: May 15 to September 15	Noon to 6:00 PM	6:00 PM to Noon
All Other Calendar Periods	None	Midnight to Midnight

Note: All kWh consumed during weekends are billed at the off-peak level.

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Kentucky Economic Development Surcharge	Sheet No. 27	T   D   N   N   T
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	

*Continued on Sheet 6-5*

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 6-5  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-5

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

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**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power productions facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

*Continued on Sheet 6-6*

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DATE OF ISSUE: June 29, 2023  
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TITLE: Vice President, Regulatory & Finance  
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In Case No.: 2023-00159 Dated XXXX XX, XXXX

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

**Availability of Service**

Available for general service to customers with average maximum demands greater than 10 KW but not more than 100 KW being served by a multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

**Rate** (Tariff Code 229)

Service Charge	\$28.00	per month	I
Energy Charge			
All kWh used during on-peak billing period	18.567¢	per kWh	I
All kWh used during off-peak billing period	8.558¢	per kWh	I

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 Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Kentucky Economic Development Surcharge	Sheet No. 27	T
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	D
Decommissioning Rider	Sheet No. 33	
Distribution Reliability Rider	Sheet No. 34	N
Securitization Financing Rider	Sheet No. 35	N
Federal Tax Change Tariff	Sheet No. 36	
City's Franchise Fee	Sheet No. 37	
School Tax	Sheet No. 38	

**Metered Voltage**

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

*Continued on Sheet 6-7*

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 6-7  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-7

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

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**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service. Existing customers may initially choose to take service under this tariff without satisfying any requirements to remain on their current tariff for at least 12 months.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

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TITLE: Vice President, Regulatory & Finance  
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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 7-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-1

**Tariff L.G.S.  
 (Large General Service)**

**Availability of Service**

Available for general service to customers with average maximum demands greater than 100 KW but not more than 1,000 KW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

**Rate**

Tariff Code	Service Voltage			
	Secondary	Primary	Subtransmission	Transmission
	240, 242, 260	244, 246, 264	248, 268	250, 270
Service Charge per Month	\$97.00	\$145.00	\$750.00	\$750.00
Demand Charge per kW	\$10.39	\$8.95	\$5.39	\$5.25
Excess Reactive Charge per KVA	\$3.46	\$3.46	\$3.46	\$3.46
Energy Charge per kWh	8.796¢	7.867¢	5.975¢	5.874¢

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**Minimum Charge**

Bills computed under the above rate are subject to a monthly minimum charge comprised of the sum of the service charge and the minimum demand charge. The minimum demand charge is the product of the demand charge per KW and the monthly billing demand.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

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**Metered Voltage**

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

*Continued on Sheet 7-2*

DATE OF ISSUE: June 29, 2023  
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**Tariff L.G.S. Continued  
 (Large General Service)**

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**Monthly Billing Demand**

Billing demand in KW shall be taken each month as the highest 15-minute integrated peak in kilowatts as registered during the month by a 15-minute integrating demand meter or indicator, or at the Company’s option as the highest registration of a thermal type demand meter or indicator. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer’s contract capacity or (b) the customer’s highest previously established monthly billing demand during the past 11 months.

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**Determination of Excess Kilovolt-Ampere (KVA) Demand**

The maximum KVA demand shall be determined by the use of a multiplier equal to the reciprocal of the average power factor recorded during the billing month, leading or lagging, applied to the metered demand. The excess KVA demand, if any, shall be the amount by which the maximum KVA demand established during the billing period exceeds 115% of the kilowatts of metered demand.

**Load Management Time of Day Provision**

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements. This provision is also available for electric vehicle charging if separately metered.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

**Rate (Tariff Code 251)**

Service Charge	\$97.00	per month
Energy Charge		
All kWh used during on-peak billing period	14.934¢	per kWh
All kWh used during off-peak billing period	8.695¢	per kWh

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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.

**Term of Contract**

Contracts under this tariff will be made for customers requiring an average maximum monthly demand between 500 KW and 1,000 KW and be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts or periods greater than 1 (one) year. For customers with demands less than 500 KW, a contract may, at the Company’s option, be required.

Where new Company facilities are required, the Company reserves the right to require initial contracts for periods greater than one year for all customers served under this tariff.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

**Contract Capacity**

The Customer shall set forth the amount of capacity contracted for (the “contract capacity”) in an amount up to 1,000 KW. Contracts will be made in multiples of 25 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

*Continued on Sheet 7-3*

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 TITLE: Vice President, Regulatory & Finance  
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**Tariff L.G.S. Continued  
(Large General Service)**

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**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW, which the Company might be required to furnish, but not less than 100 KW nor more than 1,000 KW. The Company shall not be obligated to supply demands in excess of the contract capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billings periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

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*Continued on Sheet 7-4*

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DATE OF ISSUE: June 29, 2023  
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TITLE: Vice President, Regulatory & Finance  
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In Case No.: 2023-00159 Dated XXXX XX, XXXX

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

**Availability of Service**

Available for general service customers with average maximum demands of 100 KW or greater. Customers may continue to qualify for service under this tariff until their 12-month average demand exceeds 1,000 KW. Availability is limited to the first 500 customers applying for service under this tariff.

**Rate**

Tariff Code	Service Voltage				
	Secondary	Primary	Subtransmission	Transmission	
	256	257	258	259	
Service Charge per Month	\$97.00	\$145.00	\$750.00	\$750.00	III
Demand Charge per kW	\$9.13	\$7.76	\$4.40	\$4.33	RRII
Excess Reactive Charge per KVA	\$3.46	\$3.46	\$3.46	\$3.46	
On-Peak Energy Charge per kWh	11.793¢	11.238¢	11.075¢	10.938¢	III
Off-Peak Energy Charge per kWh	6.194¢	6.021¢	5.970¢	5.927¢	III

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 Charge**

Bills computed under the above rate are subject to a monthly minimum charge comprised of the sum of the service charge and the minimum demand charge. The minimum demand charge is the product of the demand charge per KW and the monthly billing demand.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Kentucky Economic Development Surcharge	Sheet No. 27	T
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	D
Decommissioning Rider	Sheet No. 33	
Distribution Reliability Rider	Sheet No. 34	N
Securitization Financing Rider	Sheet No. 35	N
Federal Tax Change Tariff	Sheet No. 36	
City's Franchise Fee	Sheet No. 37	
School Tax	Sheet No. 38	D

**Metered Voltage**

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

*Continued on Sheet 7-5*

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

T

**Monthly Billing Demand**

Billing demand in KW shall be taken each month as the highest 15-minute integrated peak in kilowatts as registered during the month by a 15-minute integrating demand meter or indicator, or at the Company's option as the highest registration of a thermal type demand meter or indicator. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer's contract capacity or (b) the customer's highest previously established monthly billing demand during the past 11 months.

**Determination of Excess Kilovolt-Ampere (KVA) Demand**

The maximum KVA demand shall be determined by the use of a multiplier equal to the reciprocal of the average power factor recorded during the billing month, leading or lagging, applied to the metered demand. The excess KVA demand, if any, shall be the amount by which the maximum KVA demand established during the billing period exceeds 115% of the kilowatts of metered demand.

**Term of Contract**

Contracts under this tariff will be made for customers requiring a average maximum monthly demand between 500 KW and 1,000 KW and be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts or periods greater than 1 (one) year. For customers with demands less than 500 KW, a contract may, at the Company's option, be required.

Where new Company facilities are required, the Company reserves the right to require initial contracts for periods greater than one year for all customers served under this tariff.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

**Contract Capacity**

The Customer shall set forth the amount of capacity contracted for (the "contract capacity") in an amount up to 1,000 KW. Contracts will be made in multiples of 25 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW, which the Company might be required to furnish, but not less than 100 KW nor more than 1,000 KW. The Company shall not be obligated to supply demands in excess of the contract capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billings periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 8-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 8-1

**Tariff I.G.S.  
 (Industrial General Service)**

**Availability of Service**

Available for commercial and industrial customers with contract demands of at least 1,000 KW. Customers shall contract for a definite amount of electrical capacity in kilowatts, which shall be sufficient to meet average maximum requirements.

**Rate**

	Service Voltage			
	Secondary	Primary	Subtransmission	Transmission
<i>Tariff Code</i>	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	\$27.32	\$25.31	\$17.89	\$17.52
Of monthly off-peak billing demand	\$1.84	\$1.78	\$1.75	\$1.73
Energy Charge per kWh	3.214¢	3.063¢	3.018¢	2.981¢

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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 AM to 9:00 PM for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM 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:

Secondary	Primary	Subtransmission	Transmission
\$26.01 / kW	\$24.05 / kW	\$16.64 / kW	\$16.29 / kW

RRRR

The minimum billing demand shall be the greater of 60% of the contract capacity set forth on the contract for electric service or 60% of the highest billing demand, on-peak or off-peak, recorded during the previous eleven months.

**Minimum Charge**

This tariff is subject to a minimum charge equal to the Service Charge plus the Minimum Demand Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

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*Continued on Sheet 8-2*

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**Tariff I.G.S. Continued  
(Industrial General Service)**

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**Metered Voltage**

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KVA values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**Monthly Billing Demand**

The monthly on-peak and off-peak billing demands in KW shall be taken each month as the highest single 15-minute integrated peak in KW as registered by a demand meter during the on-peak and off-peak billing periods, respectively.

The reactive demand in KVARs shall be taken each month as the highest single 15-minute integrated peak in KVARs as registered during the month by a demand meter or indicator.

**Term of Contract**

Contracts under this tariff will be made for an initial period of not less than two years and shall remain in effect thereafter until either party shall give at least 12 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than two years.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

**Contract Capacity**

The Customer shall set forth the amount of capacity contracted for ("the contract capacity") in an amount equal to or greater than 1,000 KW in multiples of 100 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for resale service to mining and industrial Customers who furnish service to Customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point for both the power and camp requirements.

This tariff is also available to Customers having other sources of energy supply, but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum amount of demand in KW which the Company might be required to furnish, but not less than 1,000 KW. The Company shall not be obligated to supply demands in excess of that contracted capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

A Customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the Customer's system irrespective of contrary provisions in Terms and Conditions of Service.

Customer with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 9-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 9-1

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

**Availability of Service**

Available only to incorporated cities and towns and authorized water districts and to utility companies operating under the jurisdiction of Public Service Commission of Kentucky for the supply of electric energy to waterworks systems and sewage disposal systems served under this tariff on September 1, 1982, and only for continuous service at the premises occupied by the Customer on this date. If service hereunder is discontinued, it shall not again be available.

Customer shall contract with the Company for a reservation in capacity in kilovolt-amperes sufficient to meet with the maximum load, which the Company may be required to furnish.

**Rate (Tariff Code 540)**

Service Charge	\$28.00	per month	I
Energy Charge			
All kWh used per month	10.506¢	per kWh	I

**Minimum Charge**

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

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Kentucky Economic Development Surcharge	Sheet No. 27	T
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	D
Decommissioning Rider	Sheet No. 33	
Distribution Reliability Rider	Sheet No. 34	N
Securitization Financing Rider	Sheet No. 35	N
Federal Tax Change Tariff	Sheet No. 36	
City's Franchise Fee	Sheet No. 37	
School Tax	Sheet No. 38	

**Term of Contract**

Contracts under this tariff will be made for not less than (1) one year with self-renewal provisions for successive periods of (1) one year each until either party shall give at least 60 days' written notice to the other of the intention to discontinue at the end of any yearly period. The Company will have the right to require contracts for periods of longer than (1) one year. D  
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**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is not available to customers having other sources of energy supply.

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

**Availability of Service**

Available for outdoor lighting to individual customers in locations where municipal street lighting is not applicable provided the lighting location designated by the Customer is reasonably accessible to the Company's service vehicles without causing damage to the Customer's or other's property. New installations of High Pressure Sodium, Mercury Vapor and Metal Halide lamps shall cease on January 14, 2021.

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**Base Fuel Rate**

Customers receiving service under this tariff will receive bills calculated using per lamp and base fuel charge. The base fuel charge will be calculated each month as shown below by multiplying the approved base fuel amount set forth in the Company's Fuel Adjustment Clause tariff by the relevant monthly kWh value set forth in the monthly kWh table included below in the Adjustment Clauses section of this tariff.

**Rate**

A. Overhead Lighting Service

	Tariff Code	Watts	Rate	
<b>High Pressure Sodium</b>	094	100 (9,500 Lumens)	\$10.53	per lamp + 0.02612 x kWh in Sheet No. 10-4
	113	150 (16,000 Lumens)	\$12.01	per lamp + 0.02612 x kWh in Sheet No. 10-4
	097	200 (22,000 Lumens)	\$14.55	per lamp + 0.02612 x kWh in Sheet No. 10-4
	103	250 (28,000 Lumens)	\$20.74	per lamp + 0.02612 x kWh in Sheet No. 10-4
	098	400 (50,000 Lumens)	\$22.99	per lamp + 0.02612 x kWh in Sheet No. 10-4

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	Tariff Code	Watts	Rate	
<b>Mercury Vapor</b>	093	175 (7,000 Lumens)	\$13.43	per lamp + 0.02612 x kWh in Sheet No. 10-4
	095	400 (20,000 Lumens)	\$23.11	per lamp + 0.02612 x kWh in Sheet No. 10-4

	Tariff Code	Lumens	Rate	
<b>LED</b>	150	6,000-10,000	\$7.70	per lamp + 0.02612 x kWh in Sheet No. 10-4

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Company will provide lamp, photo-electric relay control equipment, luminaries and upsweep arm not over six feet in length, and will mount same on an existing pole carrying secondary circuits.

B. Post-Top Lighting Service

	Tariff Code	Watts	Rate	
<b>High Pressure Sodium</b>	111	100 (9,500 Lumens)	\$19.09	per lamp + 0.02612 x kWh in Sheet No. 10-4
	122	150 (16,000 Lumens)	\$30.03	per lamp + 0.02612 x kWh in Sheet No. 10-4
	120	250 (19,000 Lumens)	\$34.96	per lamp + 0.02612 x kWh in Sheet No. 10-4
	126	400 (40,000 Lumens)	\$45.88	per lamp + 0.02612 x kWh in Sheet No. 10-4

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	Tariff Code	Watts	Rate	
<b>Mercury Vapor</b>	099	175 (7,000 Lumens)	\$15.40	per lamp + 0.02612 x kWh in Sheet No. 10-4

*Continued on Sheet 10-2*

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 10-2  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 10-2

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

**Post-Top Lighting Service Continued**

	Tariff Code	Lumens	Rate	
<b>LED</b>	160	6,000-10,000	\$22.15	per lamp + 0.02612 x kWh in Sheet No. 10-4

Company will provide lamp photo-electric relay control equipment, luminaries, post, and installation including underground wiring for a distance of thirty feet from the Company's existing secondary circuits. Incremental costs of installation beyond thirty feet shall be the responsibility of the customer.

**C. Flood Lighting Service**

	Tariff Code	Watts	Rate	
<b>High Pressure Sodium</b>	107	200 (22,000 Lumens)	\$16.72	per lamp + 0.02612 x kWh in Sheet No. 10-4
	109	400 (50,000 Lumens)	\$24.41	per lamp + 0.02612 x kWh in Sheet No. 10-4

	Tariff Code	Watts	Rate	
<b>Metal Halide</b>	110	250 (20,500 Lumens)	\$20.29	per lamp + 0.02612 x kWh in Sheet No. 10-4
	116	400 (36,000 Lumens)	\$25.55	per lamp + 0.02612 x kWh in Sheet No. 10-4
	131	1,000 (110,000 Lumens)	\$46.51	per lamp + 0.02612 x kWh in Sheet No. 10-4
	130	250 Mongoose (20,500 Lumens)	\$26.46	per lamp + 0.02612 x kWh in Sheet No. 10-4
	136	400 Mongoose (36,000 Lumens)	\$32.29	per lamp + 0.02612 x kWh in Sheet No. 10-4

	Tariff Code	Lumens	Rate	
<b>LED</b>	165	17,500-22,500	\$28.77	per lamp + 0.02612 x kWh in Sheet No. 10-4
	166	42,500-47,500	\$35.34	per lamp + 0.02612 x kWh in Sheet No. 10-4

Company will provide lamp, photoelectric relay control equipment, luminaries, mounting bracket, and mount same on an existing pole carrying secondary circuits.

**D. LED Lamp Conversion Charge**

Existing outdoor lighting customers that wish to convert from non-LED lamps to new LED fixtures 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	\$4.20	per month
Overhead wire span not over 150 feet	\$2.33	per month
Underground wire lateral not over 50 feet	\$7.87	per month

(Price includes pole riser and connections)

*Continued on Sheet 10-3*

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

T

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

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.

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**Rate**

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

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Monthly maintenance charge is \$0.80 per lamp per month

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

Base fuel charge is 0.02612 \$/kWh

I

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

\*Customers may pay a portion of the installed cost upfront to reduce the monthly lamp charge component of the rate.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

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For adjustments calculated on a per kWh basis the following kWh values will be used in the calculation:

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*Continued on Sheet 10-4*

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

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	Metal Halide			Mercury Vapor		High Pressure Sodium				
	250 Watts	400 Watts	1,000 Watts	175 Watts	400 Watts	100 Watts	150 Watts	200 Watts	250 Watts	400 Watts
Jan	127	199	477	91	199	51	74	106	130	210
Feb	106	167	400	76	167	43	62	89	109	176
Mar	106	167	400	76	167	43	62	89	109	176
Apr	90	142	340	65	142	36	53	76	93	150
May	81	127	304	58	127	32	47	68	83	134
Jun	72	114	272	52	114	29	42	61	74	120
Jul	77	121	291	55	121	31	45	65	79	128
Aug	88	138	331	63	138	35	51	74	90	146
Sep	96	152	363	69	152	39	57	81	99	160
Oct	113	178	427	81	178	45	66	95	116	188
Nov	119	188	449	86	188	48	70	100	122	198
Dec	129	203	486	92	203	52	75	108	132	214
<b>Total</b>	1,204	1,896	4,540	864	1,896	484	704	1,012	1,236	2,000

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	Light Emitting Diode (LED)			
	150 Tariff Code 6,000-10,000 Lumens	160 Tariff Code 6,000-10,000 Lumens	165 Tariff Code 17,500-22,500 Lumens	166 Tariff Code 42,500-47,500 Lumens
Jan	28	33	75	154
Feb	24	28	63	129
Mar	24	28	63	129
Apr	20	24	53	109
May	18	21	48	96
Jun	16	19	43	87
Jul	17	20	46	93
Aug	19	23	52	105
Sep	22	26	58	118
Oct	25	30	67	136
Nov	27	32	71	145
Dec	29	33	77	156
<b>Total</b>	269	317	716	1,457

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Continued on Sheet 10-5

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

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**Hours of Lighting**

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise every night and all night, burning approximately 4,000 hours per annum.

**Ownership of Facilities**

All facilities necessary for service including fixtures, controls, poles, transformers, secondaries, lamps and other appurtenances shall be owned and maintained by the Company. All service and necessary maintenance will be performed only during the regular scheduled working hours of the Company.

The Company shall be allowed 3 working days after notification by the customer to replace all burned-out lamps.

**Term of Initial Service**

Term of initial service shall be required for a period of one year. If early termination is requested or service is terminated during the initial 12 month period, the customer will be billed for the remainder of the 12 month period on the final bill.

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

The Company shall have the option of rendering monthly or bimonthly bills.

Customer's account balance must be current prior to installation of new or additional lights.

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

**Availability of Service**

Available for lighting service for all the lighting of public streets, public highways and other public outdoor areas in municipalities, counties, and other governmental subdivisions where such service can be supplied from the existing general distribution systems provided the lighting location designated by the Customer is reasonably accessible to the Company's service vehicles without causing damage to the Customer's or other's property. New installations of High Pressure Sodium lamps shall cease on January 14, 2021.

NT

**Base Fuel Rate**

Customers receiving service under this tariff will receive bills calculated using per lamp and base fuel charge. The base fuel charge will be calculated each month as shown below by multiplying the approved base fuel amount set forth in the Company's Fuel Adjustment Clause tariff by the relevant monthly kWh value set forth in the monthly kWh table included below in the Adjustment Clauses section of this tariff.

**Rate (Tariff Code 528)**

A. Overhead Service on Existing Distribution Poles

	<b>Watts</b>	<b>Rate</b>	
<b>High Pressure Sodium</b>	100 (9,500 Lumens)	\$8.49	per lamp + 0.02612 x kWh in Sheet No. 11-3
	150 (16,000 Lumens)	\$9.32	per lamp + 0.02612 x kWh in Sheet No. 11-3
	200 (22,000 Lumens)	\$11.04	per lamp + 0.02612 x kWh in Sheet No. 11-3
	400 (50,000 Lumens)	\$14.50	per lamp + 0.02612 x kWh in Sheet No. 11-3

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	<b>Lumens</b>	<b>Rate</b>	
<b>LED</b>	8,000-11,000	\$9.71	per lamp + 0.02612 x kWh in Sheet No. 11-3
	10,000-14,000	\$12.48	per lamp + 0.02612 x kWh in Sheet No. 11-3
	24,000-30,000	\$14.87	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Post Top 6,000-10,000	\$10.09	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Post Top 8,000-12,000	\$22.38	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Flood 17,500-22,500	\$16.38	per lamp + 0.02612 x kWh in Sheet No. 11-3

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B. Service on New Wood Distribution Poles

	<b>Watts</b>	<b>Rate</b>	
<b>High Pressure Sodium</b>	100 (9,500 Lumens)	\$13.27	per lamp + 0.02612 x kWh in Sheet No. 11-3
	150 (16,000 Lumens)	\$14.22	per lamp + 0.02612 x kWh in Sheet No. 11-3
	200 (22,000 Lumens)	\$15.94	per lamp + 0.02612 x kWh in Sheet No. 11-3
	400 (50,000 Lumens)	\$20.46	per lamp + 0.02612 x kWh in Sheet No. 11-3

	<b>Lumens</b>	<b>Rate</b>	
<b>LED</b>	8,000-11,000	\$16.01	per lamp + 0.02612 x kWh in Sheet No. 11-3
	10,000-14,000	\$18.79	per lamp + 0.02612 x kWh in Sheet No. 11-3
	24,000-30,000	\$21.19	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Post Top 6,000-10,000	\$16.39	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Post Top 8,000-12,000	\$28.69	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Flood 17,500-22,500	\$22.69	per lamp + 0.02612 x kWh in Sheet No. 11-3

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*Continued on Sheet 11-2*

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

C. Service on New Metal or Concrete Poles\*

	<b>Watts</b>	<b>Rate</b>	
<b>High Pressure Sodium</b>	100 (9,500 Lumens)	\$27.65	per lamp + 0.02612 x kWh in Sheet No. 11-3
	150 (16,000 Lumens)	\$28.66	per lamp + 0.02612 x kWh in Sheet No. 11-3
	200 (22,000 Lumens)	\$30.38	per lamp + 0.02612 x kWh in Sheet No. 11-3
	400 (50,000 Lumens)	\$33.84	per lamp + 0.02612 x kWh in Sheet No. 11-3

	<b>Lumens</b>	<b>Rate</b>	
<b>LED</b>	8,000-11,000	\$27.99	per lamp + 0.02612 x kWh in Sheet No. 11-3
	10,000-14,000	\$29.86	per lamp + 0.02612 x kWh in Sheet No. 11-3
	24,000-30,000	\$31.34	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Post Top 6,000-10,000	\$28.82	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Post Top 8,000-12,000	\$40.97	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Flood 17,500-22,500	\$32.80	per lamp + 0.02612 x kWh in Sheet No. 11-3

\* Effective June 29, 2010 and thereafter these lamps are not available for new installations

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.

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

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

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.

**Rate**

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 1.04% 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 .05261 \$/kWh

Base fuel charge is 0.02612 \$/kWh

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

\*Customers may pay a portion of the installed cost upfront to reduce the monthly lamp charge component of the rate.

Continued on Sheet 11-3

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 11-3  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

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

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

For adjustments calculated on a per kWh basis the following kWh values will be used in the calculation:

	High Pressure Sodium				Light Emitting Diode (LED)					
	100 Watts	150 Watts	200 Watts	400 Watts	8,000- 11,000 Lumens	10,000- 14,000 Lumens	24,000- 30,000 Lumens	Post Top 6,000- 10,000 Lumens	Post Top 8,000- 12,000 Lumens	Flood 17,500- 22,500 Lumens
Jan	51	74	106	210	35	49	98	33	48	75
Feb	43	62	89	176	30	40	83	28	41	63
Mar	43	62	89	176	30	40	83	28	41	63
Apr	36	53	76	150	25	34	70	24	34	53
May	32	47	68	134	22	30	62	21	31	48
Jun	29	42	61	120	20	27	56	19	27	43
Jul	31	45	65	128	21	29	60	20	29	46
Aug	35	51	74	146	23	33	68	23	32	52
Sep	39	57	81	160	27	37	75	26	37	58
Oct	45	66	95	188	31	43	87	30	43	67
Nov	48	70	100	198	33	46	93	32	45	71
Dec	52	75	108	214	36	50	100	33	50	77
<b>Total</b>	484	704	1,012	2,000	333	458	935	317	458	716

**Special Facilities**

When a customer requests street lighting service which requires special poles or fixtures, underground street lighting, or a line extension of more than one span of approximately 150 feet, the customer will be required to pay, in advance, an aid-to-construction in the amount of the installed cost of such special facilities.

*Continued on Sheet 11-4*

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 11-4  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

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

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**Hours of Lighting**

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise every night and all night, burning approximately 4,000 hours per annum.

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**Term of Contract**

Contracts under this tariff will ordinarily be made for an initial term of one year with self-renewal provisions for successive periods of one year each until either party shall give at least 60 days' notice to the other of the intention to discontinue at the end of the initial term or any yearly period. The Company may have the right to require contracts for periods of longer than one year if new or additional facilities are required.

**Special Terms and Conditions**

A customer's account balances must be current prior to installation of new or additional lights.

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## **Tariff P.A. (Pole Attachments)**

### **1. Availability of Service**

Available to broadband internet providers, cable television system operators, governmental units and telecommunications carriers that provide service within the operating area of Kentucky Power Company (Company). This Tariff is not available to: (1) the Attachments of utilities, including local exchange carriers (LECs), that have joint use agreements with Company; or (2) macro cell facilities. Nothing in this Tariff expands the right to attach to Company's facilities beyond the rights otherwise conveyed by law.

### **2. Definitions**

Unless stated otherwise, the terms used in this Tariff shall have the same meaning as the terms expressly defined in Section 1 of 807 KAR 5:015.

"Approved Contractor" means a contractor approved by Company for a particular purpose.

"Attachment" means a Wireline Facility or Wireless Facility and all associated equipment, including without limitation, any overlashed cable or fiber, guying, small splice panels and vertical overhead to underground risers but shall not include power supplies, equipment cabinets, meter bases or other equipment that impedes accessibility or otherwise conflicts with Company's standards. For billing purposes, the term "Attachment" also includes: (1) a Service Drop affixed to a pole that is located more than one (1) vertical foot away from the point at which the messenger strand is attached to the pole; and (2) a Service Drop located on a dedicated service, drop or lift pole.

"Communications Space" means the area on a pole below the Communications Worker Safety Zone and above the point on the pole necessary to meet NESC clearance, department of transportation or other governmental requirements, and Company's construction standards.

"Facility" means any Company Distribution Pole, right-of-way, conduit or duct normally used by Company to support or protect its electric conductors. The term "Facility" does not include any Transmission Pole.

"Distribution Pole" means a utility pole supporting electric supply facilities, all of which operate at less than 69kV, but does not include a pole used primarily to support outdoor lighting.

"NESC" means the National Electrical Safety Code.

"Larger Order" means an application, or multiple applications submitted within thirty (30) days of one another, seeking to make Attachments to more than three hundred (300) poles.

"Operator" means a broadband internet provider, cable television system operator, governmental unit or telecommunications carrier.

"Overlashing" means the practice whereby an entity, whether Operator or a third party, physically connects or attaches, through lashing or otherwise, new fiber optic or coaxial cable, or any other type of cable, to an existing Wireline Attachment on a Distribution Pole.

"Service Drop" means a Wireline Facility, attached to a pole with a J-hook or other similar hardware, that connects the trunk line to an end user's premises, and extends directly from the trunk line to a drop/lift pole or into an end user's premises.

"Transmission Pole" means any utility pole or tower supporting electric supply facilities designed to operate at 69kV or greater.

"Wireline Facility" means fiber optic or coaxial cable, or any other type of cable, as well as any messenger wire or support strand.

*Continued on Sheet 12-2*

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**Tariff P.A. Continued  
 (Pole Attachments)**

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“Wireless Facility” means, without limitation, antennas, risers, transmitters, receivers, and all other associated equipment used in connection with Operator’s provision of wireless communications services and the transmission and reception of radiofrequency signals, but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or that conflicts with Company’s standards. The term “Wireless Facility” does not include any strand-mounted antennas or macro cell facilities.

**3. Rate**

Charge for Wireline Facility on a two-user pole	\$10.82	per attachment per year
Charge for Wireline Facility on a three-user pole	\$6.71	per attachment per year

The above rate was calculated in accordance with the following formula:

$$\text{Weighted Average Bare Pole Cost} \times \text{Usage Factor} \times \text{Carrying Charge} = \text{Rate Per Pole}$$

A two-user pole is a pole being used, by actual occupation or reservation, by the Operator and the Company. A three-user pole is a pole being used by actual occupation or reservation, by the Operator, the Company, and a third party.

Charge for Attachments within ducts or conduits	\$2.70	per linear foot per year
Charge for attachment of Wireless Facility to top of Distribution Pole	\$150	per attachment per year
Charge for attachment of Wireless Facility within Communications Space of Distribution Pole	\$75	per attachment per year

The above rates are subject to revision from time to time as approved by the Commission.

**4. Company Facilities Subject to Attachment**

Pursuant to 807 KAR 5:015 and the terms and conditions of this Tariff, Attachments to Company Facilities that do not interfere with Company’s electric service requirements shall be permitted. Company may deny access to any Company Facility on a non-discriminatory basis where there is insufficient capacity or for reasons of safety, reliability, and generally applicable engineering purposes.

All Company Facilities covered by this Tariff remain the property of Company regardless of any payment by Operator toward their cost. No use, however extended, of Company Facilities or payment of any fee or charge required hereunder shall create or vest in Operator any claim or right, possession, title, interest or ownership in such Facilities. Nothing in this Tariff shall be construed to obligate Company to construct, reconstruct, retain, extend, repair, place, replace or maintain any Facility which, in Company’s sole discretion, is not needed for Company’s own purposes. Company and its successors and assigns shall have the right to operate, relocate and maintain Company Facilities in such a manner as will best enable Company, in its sole discretion, to fulfill its service requirements.

**5. Company’s Pole Attachment Policy Handbook**

Operator is expected to follow the processes and guidelines set forth in Company’s Pole Attachment Policy handbook, as well as any amendments thereto, but only to the extent that such processes and guidelines do not conflict with 807 KAR 5:015 or this Tariff.

*Continued on Sheet 12-3*

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**Tariff P.A. Continued  
(Pole Attachments)**

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**6. Applications**

When Operator proposes to furnish service within Company's operating area and desires to make Attachments to Company Facilities, Operator shall make written application to install such Attachments, in the format required by Company, that specifies the location of each Facility in question, the character of its proposed Attachments, and any other information necessary to calculate the transverse and vertical load placed upon the pole as a result of the proposed Attachment and any other attachments or equipment attached to the Facility. If Operator's application qualifies as a Larger Order, Operator shall provide Company at least sixty (60) days' advance written notice before submission to Company. Company will notify Operator, within ten (10) days of receipt of an application, if the application is incomplete. If the application is incomplete, Operator shall provide the additional information required by Company prior to Company's review of the application on its merits.

If Operator is only seeking to make Wireline Attachments to Distribution Poles, Company shall complete a make-ready survey within forty-five (45) days (or within sixty (60) days in the case of a Larger Order) of receipt of a complete application. Company may, in its sole discretion, require prepayment for a make-ready survey. The current per pole estimate for a make-ready survey is \$275. If the actual cost of performing the make-ready survey exceeds the amount of Operator's prepayment, then Operator shall reimburse Company for any difference upon receipt of an invoice for such amount. If the actual cost of performing the make-ready survey is less than the amount of Operator's prepayment, then Company shall issue Operator a refund for the difference. Company shall use commercially reasonable efforts to provide at least five (5) days advance notice of a field inspection to Operator and any other affected third party. If Operator submits a make-ready survey with an application, Company may elect to utilize the survey by: (1) notifying the affected third parties of its intent to use the make-ready survey performed by Operator; and (2) providing the affected third parties with a copy of the make-ready survey within the deadline set forth above for completing a make-ready survey.

Within forty-five (45) days (or within sixty (60) days in the case of Larger Orders) after receipt of a complete application, Company shall notify Operator whether and to what extent any special conditions will be required to permit the use by Operator of each such pole. Within fourteen (14) days of providing such notice, Company shall provide Operator with a statement of the costs for any necessary Company make-ready work, including the cost of rearranging Company's electric supply facilities or pole changeouts. Operator shall indicate its approval of the make-ready cost statement by submitting payment to Company within fourteen (14) days of receipt of the make-ready cost statement. If payment is not received by Company within fourteen (14) days, then Company's make-ready cost statement shall be deemed withdrawn. Within seven (7) days of receipt of Operator's payment, Company shall notify, in a manner consistent with applicable law, all third parties whose attachments might be affected by the make-ready, and thereafter provide Operator with the contact information for, and copies of the notices sent to, such third parties. Thereafter, Operator shall be responsible for coordinating the rearrangement or transfer of any third-party attachment and shall pay the costs related thereto.

Operator shall reimburse Company for any expenses incurred in reviewing Operator's written applications for attachment. Operator shall have a non-exclusive right to use such Facilities of Company as may be used or reserved for use by Operator and any other Facilities of Company when brought hereunder in accordance with the procedure hereinafter provided. Company shall have the right to grant to others, by contract or otherwise, rights or privileges to use any Facilities of Company and Company shall have the right to continue and extend any such rights or privileges heretofore granted.

*Continued on Sheet 12-4*

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**Tariff P.A. Continued  
(Pole Attachments)**

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**7. Standards for Installation**

All Attachments and associated equipment of Operator shall be installed in a manner satisfactory to Company and so as not to interfere with the present or any future use which Company may desire to make of the Facilities covered by this Tariff. All such Attachments and equipment shall be installed and at all times maintained by Operator so as to comply with the standards set forth in Company's Pole Attachment Policy handbook, the National Electrical Safety Code and any other applicable regulations or codes promulgated by state, local or other governmental authority having jurisdiction thereover. In the event of a conflict, the more stringent standard shall apply. Operator shall take necessary precautions by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of Operator's attachments.

Operator shall complete the installation of its Attachments within thirty (30) days of Company's approval of the application for such Attachments, or if make-ready is required to accommodate the Attachments, the completion date of such make-ready. Operator shall, within seven (7) days after completing the installation of its Attachments, provide Company with written notice of such completion, and Company shall have the right to perform a post-inspection on such Attachments, at Operator's sole expense, within ninety (90) days of receipt of Operator's notice of completion. If Company's inspection reveals that Operator's installation resulted in any property damage or code violations, Company may either: (1) complete any necessary remedial work and bill Operator for the costs related to fixing the damage or correcting the code violations; or (2) require Operator to fix the damage or code violations at its own expense within fourteen (14) days' notice from Company.

**8. Tagging Requirement**

Operator shall identify each of its Attachments with a tag, approved in advance by Company, that includes Operator's name, 24-hour contact telephone number, and such other information as Company may require. Operator shall tag an Attachment at the time of construction. Any untagged Attachment existing as December 28, 2022 shall be tagged by Operator by no later than December 31, 2024.

**9. Overlashing**

Operator shall provide Company with at least thirty (30) days' advance written notice before Overlashing, or allowing a third party to overlash, Operator's existing Wireline Facilities. Operator is responsible for all Overlashing performed on its Wireline Facilities, including any Overlashing by a third party, and shall ensure that all Overlashing complies with Company's standards, the applicable provisions of the NESC, and any other applicable law or code. If Overlashing of Operator's Wireline Facilities results in any damage to the pole, Company equipment or existing Attachments, or if any Overlashing causes a safety or engineering standard violation, Operator shall be responsible, at its expense, for any necessary repairs or corrections.

Operator shall notify Company within fifteen (15) days of completion of an overlash on a particular pole. Within ninety (90) days of receiving such notice, Company will perform an inspection at Operator's expense to determine whether the overlash caused any damage to Company property or resulted in any code violations. Company shall notify Operator of any damage to Company property or code violations within fourteen (14) days after completion of the inspection. At Company's discretion, Company may either: (1) complete any necessary remedial work and bill Operator for the costs related to fixing the damage or correcting the code violations; or (2) require Operator to fix the damage or code violations at its own expense within fourteen (14) days' notice from Company.

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**Tariff P.A. Continued  
(Pole Attachments)**

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**10. Pole Installation or Replacement; Rearrangements; Guying**

In any case Operator proposes to install Attachments on a pole to be erected by Company in a new location, and to provide adequate space or strength to accommodate such Attachments such pole must, in Company's judgment, be taller and/or stronger than would be necessary to accommodate the facilities of Company and of other persons who have previously indicated that they desire to make attachments on such pole or with whom Company has an agreement providing for joint or shared ownership of poles, the cost of such extra height and/or strength shall be paid to Company by Operator. Such cost shall be the difference between the cost in place of the new pole and the current cost in place of a pole considered by Company to be adequate for the facilities of Company and the attachments of such other persons.

Where in Company's judgment a new pole must be erected to replace an existing pole solely to adequately provide for Operator's proposed Attachments, Operator agrees to pay Company for the entire cost of the new pole necessary to accommodate the existing facilities on the pole and Operator's proposed Attachments, plus the cost of removal of the in-place pole, minus the salvage value, if any, of the removed pole. Operator shall also pay to Company and to any other owner of existing attachments on the pole the cost of transferring each of their respective facilities or attachments to the newly-installed pole.

If Operator's desired Attachments can be accommodated on existing poles of Company by rearranging facilities of Company thereon or of any other person, or if because of Operator's proposed Attachments it is necessary for Company to rearrange its facilities on any pole not owned by it, then in any such case, Operator shall reimburse Company and any such other person for the respective expense incurred in making such rearrangement.

If because of the requirements of its business, Company intends to replace an existing pole on which Operator has any Attachment, or Company intends to change the arrangements of its facilities on any such pole in such manner as to necessitate a rearrangement of Operator's Attachment, or if as a result of any inspection of Operator's Attachments Company determines that any such Attachments are not in accordance with Company's standards, applicable codes or the provisions of this Tariff or are otherwise hazards Company shall give Operator not less than sixty (60) days' notice of such proposed replacement or change, or any such violation or hazard; provided, however, that the sixty (60) day notice requirement shall not apply to: (1) make-ready notices pursuant to Section 4 of 807 KAR 5:015; (2) routine maintenance by Company; or (3) a replacement or change made by Company in response to an emergency. In such event, Operator shall at its expense relocate, rearrange or modify its Attachments at the time specified by Company. If Operator fails to do so, or if any such emergency makes notice impractical, Company shall perform such relocation or rearrangement and Operator shall reimburse Company for the reasonable cost thereof.

Any additional guying or anchors required by reason of the Attachments of Operator shall be provided at the expense of Operator and shall meet the requirements of all applicable codes or regulations and Company's generally applicable guying standards.

**11. Self-Help Remedy**

If Company is unable to meet the timelines in 807 KAR 5:015 for completing a survey or completing make-ready work above the Communications Space, and if Company lacks good and sufficient cause to deviate from such timelines, Operator may perform such work at its own expense using an Approved Contractor. Operator shall refer to Company's Pole Attachment Policy on Company's website for a list of Approved Contractors for specified purposes. Self-help is not available for pole replacements or for surveys or make-ready related to ducts. Operator shall provide written notice to Company at least one (1) week prior to performing surveys or make-ready above the Communications Space. Operator shall notify Company immediately if a survey or make-ready causes any property damage or an outage that is reasonably likely to interrupt Company's services.

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*Continued on Sheet 12-6*

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**Tariff P.A. Continued  
(Pole Attachments)**

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**12. One-Touch Make-Ready**

For Attachments to Distribution Poles that require only “simple make-ready,” as that term is defined in 807 KAR 5:015, Operator may elect to proceed with the one-touch make-ready (OTMR) process established in this Section 12, as opposed to the standard process set forth in Section 6 of this Tariff. To elect OTMR, Operator must clearly indicate in its application that it is electing the OTMR process. Operator shall not combine requests for “simple make-ready” and “complex make-ready,” as those terms are defined in 807 KAR 5:015, within an OTMR application. Operator’s OTMR application shall identify the “simple make-ready” that it intends to perform.

Company shall, within ten (10) days of receipt, determine whether Operator’s OTMR application is complete. Upon receipt of a complete OTMR application, Company shall review such application on the merits within the timelines established by 807 KAR 5:015. If Company denies an OTMR application on the merits, Company will provide Operator with an explanation of its denial, along with information and documentation supporting Company’s decision.

Operator shall be responsible for all surveys required as part of the OTMR process. Any survey performed under the OTMR process shall be conducted by an Approved Contractor. Operator shall provide Company, as well as any third parties with attachments on Distribution Poles subject to an OTMR application, at least five (5) days’ advance written notice of any field inspection, and such notice shall: provide the date, time and location of the field inspection; and state the name of the Approved Contractor that will be performing the field inspection. Operator shall allow Company and affected third parties to be present for any field inspection it performs under the OTMR process.

If Operator’s OTMR application is approved, Operator may, after providing fifteen (15) days’ advance written notice to Company and affected third parties, proceed with the make-ready. Operator’s notice shall: provide the date, time and location of the make-ready; describe the make-ready involved; and identify the contractor that will be performing the make-ready. Operator shall allow Company and affected third parties to be present during the make-ready. Operator shall complete all make-ready within thirty (30) days of the date on which Company approved Operator’s OTMR application (or within seventy-five (75) days in the case of a Larger Order), or Operator’s OTMR application will be deemed closed.

If Company or Operator determine at any time that make-ready does not qualify as “simple make-ready,” Operator shall halt all make-ready on the impacted Distribution Poles. The make-ready on the impacted Distribution Poles shall thereafter be subject to the requirements of Section 6 of this Tariff. Operator shall notify Company and affected third parties within fifteen (15) days of completion of the make-ready identified in the OTMR application.

**13. Pole Inspection**

Company may make periodic inspections, as conditions may warrant, for the purpose of determining compliance with the provisions of this Tariff. Company reserves the right to inspect each new or proposed installation of Operator on Company’s Facilities. In addition, Company’s right to make any inspections and any inspection made pursuant to such right shall not relieve Operator of any responsibility, obligation or liability assumed under this Tariff.

**14. Transfer of Attachments to New Poles**

Operator shall transfer its Attachments within sixty (60) days of receiving notice from Company (Transfer Period). If Operator fails to transfer its Attachments within the Transfer Period, Company may transfer the Attachments at Operator’s sole risk and expense. Company may transfer Operator’s Attachments prior to the expiration of the Transfer Period if an expedited transfer is necessary for safety or reliability purposes.

*Continued on Sheet 12-7*

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**Tariff P.A. Continued  
(Pole Attachments)**

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**15. Attachment Inventory**

Owner may conduct a complete field inventory for the purpose of verifying the number and location of Operator's Attachments on Company Facilities. Company shall provide Operator with at least thirty (30) days' prior notice of a field inventory, and Operator shall advise Company whether Operator desires to participate in the field inventory not less than fifteen (15) days prior to the scheduled date of such inventory. Operator shall reimburse Company for the costs Company incurs in performing the field inventory, regardless of whether Operator elects to participate in the inventory; provided, however, Company may not charge Operator for more than one (1) field inventory within a five (5) year period. If Company inspects the Attachments of more than one Operator during a field inventory, then each Operator whose Attachments were inspected by Company during the field inventory shall share pro rata in the costs of such inventory. Upon request, Company shall furnish a summary report for the field inventory within a reasonable time after its completion.

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If a field inventory reveals that the number of Operator's Attachments exceeds the number of Attachments shown in Company's existing records, the excess number of Attachments shall be presumed to be unauthorized attachments and handled in accordance with Section 16.

**16. Unauthorized Attachments**

If Operator makes an Attachment that requires approval by, or advance notice to, Company under this Tariff, and if Operator fails to comply with such approval or notice requirements, then Operator's Attachment shall be deemed an unauthorized attachment. Unless Operator can demonstrate to Company's reasonable satisfaction that an unauthorized attachment was made more recently, unauthorized attachments are presumed to have existed on Company Facilities for two (2) years. Operator shall be liable for all charges and fees that would have been due under the Tariff for this time period. In addition to charges and fees applicable to the period of unauthorized attachment, Operator shall pay a penalty in the amount of: (1) \$25 for each unauthorized attachment within the Communications Space on a Distribution Pole; (2) \$500 for each unauthorized attachment above the Communications Space on a Distribution Pole; and (3) \$500 for each unauthorized attachment within a duct. Operator shall submit an application for approval of any unauthorized attachment within sixty (60) days of the Attachment's discovery. If Operator fails to submit the required application or to comply with Company's application process, Company may remove the unauthorized attachment at Operator's sole risk and expense.

**17. Abandonment by Operator**

Operator may at any time abandon the use of a Company Facility hereunder by removing therefrom all of its Attachments and by giving written notice thereof, on a form provided by Company, and no Facility shall be considered abandoned until such notice is received. If notice has been given that Attachment(s) have been removed, but the Attachments are later discovered not to have been removed, then such Attachments shall be deemed unauthorized attachments and handled in accordance with Section 16 of this Tariff.

**18. Indemnity**

Operator hereby agrees to indemnify, hold harmless, and defend Company from and against any and all loss, damage, cost or expense which Company may suffer or for which Company may be held liable because of interruption of Operator's service to its subscribers, or by reason of bodily injury, including death, to any person, or damage to or destruction of any property, including loss of use thereof, arising out of or in any manner connected with the attachment, operation, and maintenance of the Attachments and other facilities of Operator on the Facilities of Company under this Tariff, or to any such act or omission of Operator's respective representatives, employees, agents or contractors.

**19. Limitation of Liability**

IN NO EVENT SHALL COMPANY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER THIS TARIFF TO OPERATOR FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH THIS TARIFF, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE; (B) WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. THE LIMITATIONS SET FORTH IN THIS SECTION 19 SHALL NOT APPLY TO DAMAGES OR LIABILITY ARISING FROM THE GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF COMPANY IN PERFORMING ITS OBLIGATIONS UNDER THIS TARIFF.

*Continued on Sheet 12-8*

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**Tariff P.A. Continued  
(Pole Attachments)**

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**20. Insurance**

Operator agrees to obtain and maintain at all times policies of insurance as follows:

- (a) Comprehensive bodily injury liability insurance in an amount not less than \$5,000,000 for any one occurrence.
- (b) Comprehensive property damage liability insurance in an amount not less than \$5,000,000 for any one occurrence.
- (c) Contractual liability insurance in an amount not less than the foregoing minimums to cover the liability assumed by the Operator under the agreement or indemnity set forth above.

Prior to making Attachments to Company's Facilities, Operator shall furnish to Company two copies of a certificate, from an insurance carrier licensed to do business in Kentucky, stating that policies of insurance have been issued by it to Operator providing for the insurance listed above and that such policies are in force. Such certificate shall state that the insurance carrier will give Company thirty (30) days' prior written notice of any cancellation of or material change in such policies.

**21. Performance Assurance**

Operator shall furnish Performance Assurance in the following amounts to guarantee the payment of any sums which may become due for attachment charges, inspections, or work performed by Company under this Tariff, including the removal of Attachments upon termination of any license hereunder:

Number of Attachments	Amount per Attachment	Maximum Total
1-7,500	\$20	\$150,000
7,501-15,000	\$10	\$225,000
15,001+	\$5	\$1,000,000

The above-stated amounts are incremental. By way of example, 10,000 Attachments would require Performance Assurance in the amount of \$175,000 (\$20 per Attachment for the first 7,500 Attachments; \$10 per Attachment for the next 2,500 Attachments); 20,000 Attachments would require Performance Assurance in the amount of \$250,000 (\$20 per Attachment for the first 7,500 Attachments; \$10 per Attachment the next 7,500 Attachments; and \$5 per Attachment for the last 5,000 Attachments). The amount of the Performance Assurance shall be calculated by Company annually based on Operator's then-existing number of Attachments. Operator shall provide the Performance Assurance within thirty (30) days of its request by Company. If Operator proposes to attach a Wireless Facilities to Company Facilities, Operator shall post Performance Assurance in the amount of \$1,500 for each Company Facility to which a Wireless Facility is attached. The amount of the Performance Assurance shall not be reduced upon completion of installation or other event.

In the event the Operator provides Performance Assurance in the form of a surety bond or letter of credit, each bond or letter of credit shall contain the provision that it shall not be terminated prior to six (6) months after Company's receipt of written notice of the desire of the bonding or insurance company, or bank, to terminate such bond or letter of credit. Company may waive this requirement if an acceptable replacement is received before the six (6) months has ended. Upon termination of such surety bond or letter of credit, Company shall request Operator to immediately remove its Attachments and all other equipment from Company Facilities. If Operator should fail to complete the removal of all of its Attachments from Company Facilities within sixty (60) days after receipt of such request, then Company may remove Operator's Attachments at Operator's expense and without liability for any damage to Operator's Attachments.

Each surety bond shall be issued by an entity having a minimum A.M. Best rating of A- and/or letter of credit shall be issued by an entity having a minimum Credit Rating of A- by S&P or A3 by Moody's at the time of issuance and at all times the relevant instrument is outstanding.

*Continued on Sheet 12-9*

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**Tariff P.A. Continued  
(Pole Attachments)**

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**22. Easements**

Operator shall secure any right, license or permit from any governmental body, authority or other person or persons which may be required for the construction or maintenance of Attachments of Operator. Company does not convey nor guarantee any easements, rights-of-way or franchises for the construction and maintenance of said Attachments. Operator hereby agrees to indemnify and save harmless Company from any and all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Operator to secure such right, license, permit or easement for the construction or maintenance of said Attachments on Company's poles.

**23. Charges and Fees**

Operator agrees to pay Company an annual charge per Attachment as set forth in Section 3 of this Tariff in advance, and such other charges as may be provided for herein, for the use of each of Company Facility, any portion of which is occupied by, or reserved at Operator's request for, the Attachments of Operator.

Operator agrees to reimburse Company for all reasonable non-recurring expenses caused by or attributable to Operator's initial Attachments including without limitation the amounts set forth herein before and the expenses of Company in examining poles used but not owned by Company to which Operator proposes to make Attachments.

**24. Fees for Additional Attachments**

For Attachments made to Company Facilities between billing dates, Operator shall be billed a prorated amount of the annual charge effective on the date of attachment in on the Operator's next bill. Company will not reimburse Operator for, or otherwise prorate Operator's next bill for, any Attachments removed from Company Facilities between billing dates.

**25. Payment**

Payment of amounts due hereunder is due on the dates or at the times indicated with respect to each such payment. In the event the time for any payment is not specified, such payment shall be due thirty (30) days from the date of the invoice therefor. all amounts not so paid shall accrue interest at a monthly simple interest rate of 1.5% . Where the provisions of the Tariff require any payment by Operator to the Company other than for attachment charges, Company may, at its option, require that the estimated amount thereof be paid in advance of permission to use any pole or the performance by company of any work. In such a case, Company may, in its sole discretion, invoice any deficiency or refund any excess to Operator after the current amount of such payment has been determined.

**26. Default or Non-Compliance**

If Operator fails to comply with any of the provisions of this Tariff or defaults in the performance of any of its obligations under this Tariff and fails within sixty (60) days, after written notice from Company to correct such default or non-compliance, Company may, in addition to all other remedies under this Tariff, take any one or more of the following actions: terminate the specific permit or permits covering the Company Facilities to which such default or non-compliance is applicable; remove, relocate or rearrange Attachments of Operator to which such default or non-compliance relates, all at Operator's expense; decline to permit additional Attachments hereunder until such default is cured; or in the event of any failure to pay any of the charges, fees or amounts provided in this Tariff or any other substantial default, or of repeated defaults, terminate Operator's right of attachment. Where applicable, Company's written notice of default or non-compliance shall inform Operator of Company's right to remove, relocate or rearrange Attachments of Operator, in the event Operator fails to cure its default or non-compliance within the aforementioned 60-day period. Operator shall remove all Attachments where Company has terminated the right of attachment herein within sixty (60) days of Company providing notice of termination. If Operator fails to remove such Attachments within sixty (60) days, then Company may remove such Attachments at Operator's expense. Company shall have no obligation to store or recover any value for such removed Attachments.

No liability shall be incurred by Company because of any or all such actions except for Company's gross negligence or willful misconduct in any relocation or removal of such equipment. The remedies provided herein are cumulative and in addition to any other remedies available to Company.

*Continued on Sheet 12-10*

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**Tariff P.A. Continued  
(Pole Attachments)**

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**27. Notices**

Any notice required by this Tariff shall be deemed properly given if sent to Company's or Operator's authorized representative using any of the following methods: (1) overnight delivery by nationally recognized courier; (2) certified U.S. mail, return receipt requested, postage prepaid; (3) electronically via telecopier or electronic mail; or (4) sent in the manner expressly required herein or by Company's standards. Operators shall, within thirty (30) days of the effective date of this Tariff, or if service is taken for the first time following the effective date of this Tariff, prior to submitting any applications for Attachments, provide Company with the following information for each of their authorized representatives: name, title, mailing address and electronic mailing address. The designation of an authorized representative, as well as the contact information for an existing authorized representative, may be changed at any time by similar notice. Operators are required to maintain current contact information with Company for each of their authorized representatives.

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**28. Prior Agreements**

This Tariff, as of the effective date, terminates, supersedes and replaces any previous agreement or license affecting Company's Facilities and Operator's Attachments covered herein.

**29. Assignment**

This Tariff shall be binding upon and inure to the benefits of the parties hereto, their respective successors and/or assigns, but Operator shall not assign, transfer or sublet any of the rights hereby granted without the prior written consent of Company, which shall not be unreasonably withheld, and any such purported assignment, transfer or subletting without such consent shall be void.

**30. Performance Waiver**

Neither party shall be considered in default in the performance of its obligations herein, or any of them, to the extent that performance is delayed or prevented due to causes beyond the control of said party, including but not limited to, Acts of God or the public enemy, war, revolution, civil commotion, blockade or embargo, acts of government, any law, order, proclamation, regulation, ordinance, demand, or requirement of any government, fires, explosions, cyclones, floods, unavoidable casualties, quarantine, restrictions, strikes, labor disputes, lock-outs, and other causes beyond the reasonable control of either of the parties.

**31. Preservation of Remedies**

No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Company shall impair or affect its right thereafter to exercise the same.

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## **Tariff T.S. (Temporary Service)**

### **Availability of Service**

Where capacity is available, Company will install service for temporary lighting and power service to customers who have demonstrated to the Company's satisfaction that the requested temporary service will be temporary in nature. Residential customers will be supplied with 100 amp single phase service. All other customer classes will be supplied at voltage levels applicable to the class of business.

### **Rate (Tariff Code 019)**

Temporary service will be supplied under any published tariff applicable to the class of business of the Customer, when the Company has available unsold capacity of lines, transforming and generating equipment, with an additional charge of the total cost of installation, connection, disconnection and removal of service.

### **Charges**

The same minimum charge as provided for in any applicable tariff shall be applicable to such temporary service and for not less than one full monthly minimum.

Customer's requesting temporary service will be charged a minimum temporary service installation charge, payable in advance, based on the Company's actual cost of installation, connection, disconnection, and removal of the required facilities to provide temporary service.

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### **Terms of Service**

Temporary Service will be in effect for a period of 180 days from the date of installation. The Company may grant extensions based on customer's demonstration of continued need for temporary service.

The Company may discontinue temporary service at the end of the 180 days, or at the end of any extended period of time after the initial 180 days.

### **Special Terms and Conditions**

A deposit equal to the full estimated amount of the bill and/or construction costs under this tariff may be required. This tariff is not available to customers permanently located, whose energy requirements are of a seasonal nature. See Terms and Conditions of Service.

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**Tariff U.D.C.**  
**(Underground Differential Cost Schedule)**

**Underground Service Plan for Residential Subdivisions and Residential Service Laterals**

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**Applicable**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D. 2, and R.S.D.

**Rate**

**PRIMARY AND SECONDARY DISTRIBUTION SYSTEM**

Charge: **\$ 65.29** per foot of lot width (average x number of lots) when Company performs trenching, conduit installation, and backfilling to Company specifications.

Charge: **\$ 31.95** per foot of lot width (average x number of lots) when Customer performs trenching, conduit installation, and backfilling to Company specifications.

**SERVICE LATERALS**

**FROM OVERHEAD FACILITIES**

Charge: **\$ 29.67** per foot of trench length from Overhead Facilities when Company performs trenching, conduit installation, and backfilling to Company

Charge: **\$ 11.04** per foot of trench length from Overhead Facilities when Customer performs trenching, conduit installation, and backfilling to Company

**FROM UNDERGROUND FACILITIES**

Charge: **\$ 23.83** per foot of trench length from Underground Facilities when Company performs trenching, conduit installation, and backfilling to Company

Charge: **\$ 5.70** per foot of trench length from Underground Facilities when Customer performs trenching, conduit installation, and backfilling to Company

**REPLACEMENT OF USEFUL OVERHEAD SERVICE DROP**

Charge: **\$ 200.00** for each removal in addition to any underground differential costs.

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

**Availability of Service**

Standard Alternate Feed Service (AFS) is a premium service providing a redundant distribution service provided through a redundant distribution line and distribution station transformer, with automatic or manual switch-over and recovery, which provides increased reliability for distribution service. Rider AFS applies to those customers requesting new or upgraded AFS after the effective date of this rider. Rider AFS also applies to existing customers that desire to maintain redundant service when the Company must make expenditures in order to continue providing such service.

Rider AFS is available to customers who request a primary voltage alternate feed and who normally take service under Tariffs M.G.S.-TOD, L.G.S., L.G.S.-TOD, I.G.S., or M.W. for their basic service requirements, provided that the Company has adequate capacity in existing distribution facilities, as determined by the Company, or if changes can be made to make capacity available. AFS provided under this rider may not be available at all times, including emergency situations.

**System Impact Study Charge**

The Company shall charge the customer for the actual cost incurred by the Company to conduct a system impact study for each site reviewed. The study will consist of, but is not limited to, the following: (1) identification of customer load requirements, (2) identification of the potential facilities needed to provide the AFS, (3) determination of the impact of AFS loading on all electrical facilities under review, (4) evaluation of the impact of the AFS on system protection and coordination issues including the review of the transfer switch, (5) evaluation of the impact of the AFS request on system reliability indices and power quality, (6) development of cost estimates for any required system improvements or enhancements required by the AFS, and (7) documentation of the results of the study. The Company will provide to the customer an estimate of charges for this study.

**Equipment and Installation Charge**

The customer shall pay, in advance of construction, a nonrefundable amount for all equipment and installation costs for all dedicated and/or local facilities provided by the Company required to furnish either a new or upgraded AFS. The payment shall be grossed-up for federal and state taxes, assessment fees and gross receipts taxes. The customer will not acquire any title in said facilities by reason of such payment. The equipment and installation charge shall be determined by the Company and shall include, but not be limited to, the following: (1) all costs associated with the AFS dedicated and/or local facilities provided by the Company and (2) any costs or modifications to the customer's basic service facilities.

The customer is responsible for all costs associated with providing and maintaining phone service for use with metering to notify the Company of a transfer of service to the AFS or return to basic service.

**Transfer Switch Provision**

In the event the customer receives basic service at primary voltage, the customer shall install, own, maintain, test, inspect, operate and replace the transfer switch. Customer-owned switches are required to be at primary voltage and must meet the Company's engineering, operational and maintenance specifications. The Company reserves the right to inspect the customer-owned switches periodically and to disconnect the AFS for adverse impacts on reliability or safety.

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 \$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.

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

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**Transfer Switch Provision Continued**

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In the event a customer receives basic service at secondary voltage and requests AFS, the Company will provide the AFS at primary voltage. The Company will install, own, maintain, test, inspect and operate the transfer switch and control module. The customer shall pay the Company a nonrefundable amount for all costs associated with the transfer switch installation. The payment shall be grossed-up for federal and state taxes, assessment fees and gross receipts taxes. In addition, the customer is required to pay the monthly rate for testing and ongoing maintenance costs defined above. When the Company-owned transfer switch and/or control module requires replacement, and the customer desires to continue the AFS, 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.

After a transfer of service to the AFS, a customer utilizing a manual or semi-automatic transfer switch shall return to the basic service within one (1) week or as mutually agreed to by the Company and customer. In the event system constraints require a transfer to be expedited, the Company will endeavor to provide as much advance notice as possible to the customer. However, the customer shall accomplish the transfer back to the basic service within ten minutes if notified by the Company of system constraints. In the event the customer fails to return to basic service within 12 hours, or as mutually agreed to by the Company and customer, or within ten minutes of notification of system constraints, the Company reserves the right to immediately disconnect the customer's load from the AFS source. If the customer does not return to the basic service as agreed to, or as requested by the Company, the Company may also provide 30 days' notice to terminate the AFS agreement with the customer.

The customer shall make a request to the Company for approval three days in advance for any planned switching.

**Monthly AFS Capacity Reservation Demand Charge**

Monthly AFS charges will be in addition to all monthly basic service charges paid by the customer under the applicable tariff.

The Monthly AFS Capacity Reservation Demand Charge for the reservation of distribution station and primary lines is \$6.38 per kW.

**AFS Capacity Reservation**

The customer shall reserve a specific amount of AFS capacity equal to, or less than, the customer's average maximum requirements, but in no event shall the customer's AFS capacity reservation under this rider exceed the capacity reservation for the customer's basic service under the appropriate tariff. The Company shall not be required to supply AFS capacity in excess of that reserved except by mutual agreement.

If the customer plans to increase the AFS demand at anytime in the future, the customer shall promptly notify the Company of such additional demand requirements. The customer's AFS capacity reservation and billing will be adjusted accordingly. The customer will pay the Company the actual costs of any and all additional dedicated and/or local facilities required to provide AFS in advance of construction and pursuant to an AFS construction agreement. If customer exceeds the agreed upon AFS capacity reservation, the Company reserves the right to disconnect the AFS. If the customer's AFS metered demand exceeds the agreed upon AFS capacity reservation, which jeopardizes company facilities or the electrical service to other customers, the Company reserves the right to disconnect the AFS immediately. If the Company agrees to allow the customer to continue AFS, the customer will be required to sign a new AFS agreement reflecting the new AFS capacity reservation. In addition, the customer will promptly notify Kentucky Power regarding any reduction in the AFS capacity reservation.

The customer may reserve partial-load AFS capacity, which shall be less than the customer's full requirements for basic service subject to the conditions in this provision. Prior to the customer receiving partial-load AFS capacity, the customer shall be required to demonstrate or provide evidence to the Company that they have installed demand-controlling equipment that is capable of curtailing load when a switch has been made from the basic service to the AFS. The Company reserves the right to test and verify the customer's ability to curtail load to meet the agreed upon partial-load AFS capacity reservation.

*Continued on Sheet 15-3*

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

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**Determination of Billing Demand**

**Full-Load Requirement:**

For customers requesting AFS equal to their load requirement for basic service, the AFS billing demand shall be taken each month as the single-highest 15-minute integrated peak as registered during the month by a demand meter or indicator, but the monthly AFS billing demand so established shall in no event be less than the greater of (a) the customer's AFS capacity reservation, or (b) the customer's highest previously established monthly billing demand on the AFS during the past 11 months, or (c) the customer's basic service capacity reservation, or (d) the customer's highest previously established monthly billing demand on the basic service during the past 11 months.

**Partial-Load Requirement:**

For customers requesting partial-load AFS capacity reservation that is less than the customer's full requirements for basic service, the AFS billing demand shall be taken each month as the single-highest 15-minute integrated peak on the AFS as registered during the month by a demand meter or indicator, but the monthly AFS billing demand so established shall in no event be less than the greater of (a) the customer's AFS capacity reservation, or (b) the customer's highest previously established monthly metered demand on the partial-load AFS during the past 11 months.

**Terms of Contract**

The AFS agreement under this rider will be made for a period of not less than one year and shall remain in effect thereafter until either party shall give at least six months' written notice to the other of the intention to discontinue service under the terms of this rider.

Disconnection of AFS under this rider due to reliability or safety concerns associated with customer-owned transfer switches will not relieve the customer of payments required hereunder for the duration of the agreement term.

**Special Terms and Conditions**

This rider is subject to the Company's Terms and Conditions of Service.

Upon receipt of a request from the customer for non-standard AFS (AFS which includes unique service characteristics different from standard AFS), the Company will provide the customer with a written estimate of all costs, including system impact study costs, and any applicable unique terms and conditions of service related to the provision of the non-standard AFS. An AFS agreement will be filed with the Commission under the 30-day filing procedures. The AFS agreement shall provide full disclosure of all rates, terms and conditions of service under this rider, and any and all agreements related thereto.

The Company will have sole responsibility for determining the basic service circuit and the AFS circuit.

The Company assumes no liability should the AFS circuit, transfer switch, or other equipment required to provide AFS fail to operate as designed, is unsatisfactory, or is not available for any reason.

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

**Availability of Service**

Available to customers taking metered service under the Company’s 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., and M.W. tariffs. D

Participation in this program under Option A may be limited by the ability of the Company to procure renewable energy certificates (RECs) from Renewable Resources. If the total of all kWh under contract under this Rider equals or exceeds the Company’s ability to procure RECs, the Company may suspend the availability of this Rider to new participants.

Customers who wish to directly purchase the electrical output and all associated environmental attributes from a renewable energy generator may contract bilaterally with the Company under Option B. Option B is available to customers taking metered service under the Company’s I.G.S., and C.S.-I.R.P. tariffs, or multiple L.G.S. tariff accounts with common ownership under a single parent company that can aggregate multiple accounts to exceed 1000 kW of peak demand.

**Conditions of Service**

Customers who wish to support the development of electricity generated by Renewable Resources may under Option A contract to purchase each month a specific number of fixed kWh blocks, or choose to cover all of their monthly usage.

Renewable Resources shall be defined as Wind, Solar Photovoltaic, Biomass Co-Firing of Agricultural crops and all energy crops, Hydro (as certified by the Low Impact Hydro Institute), Incremental Improvements in Large Scale Hydro, Coal Mine Methane, Landfill Gas, Biogas Digesters, Biomass Co-Firing of All Woody Waste including mill residue, but excluding painted or treated lumber. All REC’s purchased under Option A of this tariff shall be retained or retired by the Company on behalf of customers.

**Rates**

**Option A**

In addition to the monthly charges determined according to the Company’s tariff under which the customer takes metered service, the customer shall also pay the following rate for the REC option of their choosing. The charge will be applied to the customer’s bill as a separate line item.

The Company will provide customers at least 30-days’ advance notice of any change in the Rate. At such time, the customer may modify or cancel their automatic monthly purchase agreement. Any cancellation will be effective at the end of the current billing period when notice is provided.

	<b>Block Purchase Charge (\$ per 100 kWh block)</b>	<b>All Usage Purchase Charge per kWh consumed</b>
<b>A1. Solar RECs</b>	\$0.50/month	\$0.005
<b>A2. Wind RECs</b>	\$0.50/month	\$0.005
<b>A3. Hydro &amp; Other RECs</b>	\$0.50/month	\$0.005

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**Option B**

Charges for service under option B of this Tariff will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the renewable energy resource being directly contracted for by the Customer.

*Continued on Sheet 16-2*

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

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**Term**

This is a voluntary program.

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Under Option A Customers may participate through a one-time purchase, or establish an automatic monthly purchase agreement. Any payments under this program are nonrefundable. Customers participating under Option A may terminate service under this Rider by notifying the Company with at least thirty (30) days prior notice.

Under Option B, the term of the agreement will be determined in the written agreement between the Company and the Customer.

**Special Terms and Conditions**

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the tariff under which the customer takes service, including all payment provisions. The Company may deny or terminate service under this Rider to customers who are delinquent in payment to the Company.

Funds collected under this Renewable Power Option Rider will be used solely to purchase RECs for the program.

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

### **Availability of Service**

This tariff is unavailable to new participants. This tariff is applicable to customers with generation facilities which have a total design capacity of over 1,000 kW that intends to schedule, deliver and sell the net electric output of the facility at wholesale, and who require Station Power service from the Company.

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Service to any load that is electrically isolated from the Customer's generator shall be separately metered and provided in accordance with the generally available demand-metered tariff appropriate for such service to the Customer.

This tariff is not available for standby, backup, maintenance, or supplemental service for wholesale or retail loads served by Customer's generator.

### **Definitions**

**Station Power** - The electrical energy and capacity supplied to the customer to serve the auxiliary loads at the Customer's generation facilities, usually when the Customer's generator is not operating. Station Power does not include Startup Power.

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### **Station Power Service**

Customers requiring Station Power shall take service under the generally available demand-metered tariff appropriate for the Customer's Station Power requirements.

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**Station Contract Capacity** – The Customer shall contract for a definite amount of electrical capacity in kW sufficient to meet the maximum Station Power requirements that the Company is expected to supply under the generally available demand-metered tariff appropriate for the customer.

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### **Transmission Service**

**Transmission Provider** - The entity providing transmission service to customers in the Company's service territory. Such entity may be the Company or a regional transmission entity.

Prior to taking service under this tariff, the Customer must have a fully executed Interconnection and Operation Agreement with the Company and/or the Transmission Provider or an unexecuted agreement filed with the Federal Energy Regulatory Commission under applicable procedures.

Transmission Congestion is the condition that exists when market participants seek to dispatch in a pattern that would result in power flows that cannot be physically accommodated by the system.

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### **Term of Contract**

Contracts under this tariff will be made for an initial period of not less than one year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than one year.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

The Company may not be required to supply capacity in excess of that contracted for except by mutual agreement. Contracts will be made in multiples of 100 kW.

*Continued on Sheet 17-2*

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 17-2 CANCELLING  
P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 17-2

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

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**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff shall not obligate the Company to purchase or pay for any capacity or energy produced by the Customer's generator.

Customers desiring to provide Station Power from other generation facilities, owned by the same individual business entity that are not located on the site of the customer's generator (remote self-supply), shall take service under the terms and conditions contained within the applicable Open Access Transmission Tariff as filed with and accepted by the Federal Energy Regulatory Commission.

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## **Tariff N.M.S. (Net Metering Service)**

### **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.

Eligible electric generating facilities in service before May 15, 2021 shall be entitled to continue to take service under this tariff, as it may be amended from time to time by the Commission, until the earlier of: (i) May 14, 2046; or (ii) the date the customer's modification of the eligible electric generating facility results in a material increase in the eligible electric generating facility's capacity.

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 standard 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**

Monthly charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to 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. If the customer's net energy is negative during a billing period, the customer shall be credited in the next billing period for the kWh difference. If time-of-day metering is used, energy flows in both directions shall be netted and accounted for at the specific time-of-use in accordance with the provisions of the customer's standard tariff and this Net Metering Service Tariff. When the customer elects to no longer take service under this Net Metering Service Tariff, any unused credit shall revert to the Company. Excess electricity credits are not transferable between customers or locations.

*Continued on Sheet 18-2*

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**Tariff N.M.S. Continued  
(Net Metering Service)**

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**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.

*Continued on Sheet 18-3*

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**Tariff N.M.S. Continued  
(Net Metering Service)**

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**Level 1 Continued**

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.

*Continued on Sheet 18-4*

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**Tariff N.M.S. Continued**  
**(Net Metering Service)**

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**Application, Inspection and Processing Fees**

No application fee or other review, study, or inspection or witness test fees will be charged by the company for Level I application.

The Company will require each customer to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$50. 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 up to \$1,000 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 so 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.

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*Continued on Sheet 18-5*

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**Tariff N.M.S. Continued  
(Net Metering Service)**

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**Terms and Conditions for Interconnection Continued**

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- (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 is allowed without approval.

*Continued on Sheet 18-6*

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**Tariff N.M.S. Continued  
(Net Metering Service)**

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**Terms and Conditions for Interconnection Continued**

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- (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.

*Continued on Sheet 18-7*

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**Tariff N.M.S. Continued  
(Net Metering Service)**

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**Application For Interconnection And Net Metering – Level 1**

*Use this Application only for: 1.) a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741, 2.) less than or equal to 45 kW generation capacity and 3.) connecting to Kentucky Power distribution system.*

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Submit this Application to:

**D.G. Coordinator**  
**American Electric Power**  
**1 Riverside Plaza**  
**Columbus, Ohio 43215-2373**  
**614-716-4020 Office / 614-716-1414 Fax**  
[dgcoordinator@aep.com](mailto:dgcoordinator@aep.com)

(Contact person listed is subject to change. Please visit our website for up-to date information <http://www.kentucky power.com>)

Applicant

Name:

Mailing Address:

City:

State:

Zip:

Phone: (            )

Phone: (            )

E-mail address:

Service Location

Name:

Street Address:

City:

State:

Zip: Electric Service

Account Number

*Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:*

**Alternate Contacts**

Name

Company

Telephone/Email

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Continued on Sheet 18-8*

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**Tariff N.M.S. Continued  
(Net Metering Service)**

**TERMS AND CONDITIONS FOR LEVEL 1:**

- 1 Kentucky Power Company (Company) shall provide 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 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

*Continued on Sheet 18-10*

DATE OF ISSUE: June 29, 2023  
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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff N.M.S. Continued  
(Net Metering Service)**

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**TERMS AND CONDITIONS FOR LEVEL 1, continued**

- 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 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 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 is allowed without approval.

*Continued on Sheet 18-11*

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In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff N.M.S. Continued  
(Net Metering Service)**

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**TERMS AND CONDITIONS FOR LEVEL 1, continued**

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 Level 1 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 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.

*Continued on Sheet 18-12*

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In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff N.M.S. Continued  
(Net Metering Service)**

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**TERMS AND CONDITIONS FOR LEVEL 1, continued**

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**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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. I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and Company's Net Metering Tariff.

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**COMPANY APPROVAL SECTION**

When signed below by a Company representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

**Company inspection and witness test: ( ) Required ( ) Waived**

If Company inspection and witness test is required, Customer shall notify the Company within three (3) business days of completion of the generating facility installation and schedule an inspection and witness test with the Company to occur within ten (10) business days of completion of the generating facility installation or as otherwise agreed to by the Company and the Customer. Unless indicated below, the Customer may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Customer may not operate the generating facility until all other terms and conditions in the Application have been met.

Call: \_\_\_\_\_ to schedule an inspection and witness test.

**Pre-Inspection operational testing not to exceed two (2) hours: ( ) Allowed ( ) Not Allowed**

If Company inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information: ( ) None ( ) As specified here:

\_\_\_\_\_  
**Approved by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

*Continued on Sheet 18-13*

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TITLE: Vice President, Regulatory & Finance  
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In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff N.M.S. Continued  
(Net Metering Service)**

**Application for Interconnection and Net Metering – Level 2**

*Use this Application form for connecting to the Kentucky Power distribution system and: 1.) the generating facility is not inverter based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or 2.) does not meet any of the additional conditions under a Level 1 Application (inverter based and less than or equal to 45kW generation).*

Submit this Application (along with the application fee of \$100) to:

**D.G. Coordinator**  
**American Electric Power**  
**1 Riverside Plaza**  
**Columbus, Ohio 43215-2373**  
**614-716-4020 Office / 614-716-1414 Fax**  
[dgcoordinator@aep.com](mailto:dgcoordinator@aep.com)

**(Contact person listed is subject to change. Please visit our website for up-to date information <http://www.kentucky power.com>)**

Applicant

Name:

Mailing Address:

City:

State:

Zip:

Phone: (            )

Phone: (            )

E-mail address:

Service Location

Name:

Street Address:

City:

State:

Zip:

Electric Service Account Number

*Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:*

**Alternate Contacts**

Name

Company

Telephone/Email

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Continued on Sheet 18-14*

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TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff N.M.S. Continued  
(Net Metering Service)**

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**APPLICATION FOR INTERCONNECTION AND NET METERING,  
LEVEL 2 - CONTINUED**

T

**Equipment  
Qualifications**

Total Generating Capacity (kW) of the Generating Facility: \_\_\_\_\_

Type of Generator:                     Inverter-Based                     Synchronous                     Induction

Energy Source:             Solar             Wind             Hydro             Biogas             Biomass

*Attach documentation showing that inverter is certified by a nationally recognizes testing laboratory to meet the requirements of UL 1741.*

*Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.*

*Attach single line drawing showing all electrical equipment from the metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.*

Expected Start-up Date: \_\_\_\_\_

*Continued on Sheet 18-15*

**Tariff N.M.S. Continued  
(Net Metering Service)**

T

**Interconnection Agreement – Level 2**

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**This Interconnection Agreement** (Agreement) is made and entered into this \_\_\_\_ day of \_\_, 20\_\_, by and between Kentucky Power Company (Company), and \_\_\_\_\_ (Customer). Company and Customer are hereinafter sometimes referred to individually as “Party” or collectively as “Parties”

**Witnesseth:**

**Whereas**, Customer is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Company’s electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: \_\_\_\_\_

Generator Size and Type: \_\_\_\_\_

**Now, Therefore**, in consideration thereof, Customer and Company agree as follows:

Company agrees to allow Customer to interconnect and operate the generating Facility in parallel with the Company’s electric system and Customer agrees to abide by Company’s Net Metering Tariff and all Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

*Continued on Sheet 18-16*

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TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff N.M.S. Continued  
(Net Metering Service)**

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**TERMS AND CONDITIONS FOR LEVEL 2:**

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

1. Company shall provide 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/meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.
2. 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

*Continued on Sheet 18-17*

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**Tariff N.M.S. Continued  
(Net Metering Service)**

T

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

T

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 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 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.

*Continued on Sheet 18-18*

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In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff N.M.S. Continued  
(Net Metering Service)**

T

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

T

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 not resulting in increases in generating facility capacity is 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). Customer shall 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. 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.

*Continued on Sheet 18-19*

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By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff N.M.S. Continued  
(Net Metering Service)**

T

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

T

**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

<b>Customer Signature:</b> _____	<b>Date:</b> _____
<b>Printed Name:</b> _____	<b>Title:</b> _____
<b>Company Signature:</b> _____	<b>Date:</b> _____
<b>Printed Name:</b> _____	<b>Title:</b> _____

*Continued on Sheet 18-20*

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In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff N.M.S. Continued  
(Net Metering Service)**

T

**Interconnection Agreement – Level 2  
Exhibit A**

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- Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.
- When construction of the Company’s facilities is required, Exhibit A will also contain a description and associated cost.
- Exhibit A will also specify requirements for a Company inspection and witness test and when limited operation for testing or full operation may begin.

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In Case No.: 2023-00159 Dated XXXX XX, XXXX

## **Tariff N.M.S. II (Net Metering Service II)**

### **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.

Eligible generating facilities may take service, for a period of 25 years after the eligible generating facility is first placed in service, under the two-part rate structure and netting periods of this tariff in effect at the time the eligible electric generating facility is first placed in service.

Customers served under this optional offering will not be eligible for the Company's Equal Payment Plan (Budget) or Average Monthly Payment Plan (AMP).

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 Charges**

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"), accumulated for the billing period, shall be credited at the avoided cost rate of 0.09746 \$/kWh for Residential service and 0.09657 \$/kWh for non-residential service each billing period.

Bill credits to customers for NNE at the avoided cost rate each billing period 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 energy charges, along with any riders that are based on a per kWh charge, during the billing period, the amount in excess will be carried over for use in subsequent billing periods.

*Continued on Sheet 19-2*

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In Case No.: 2023-00159 Dated XXXX XX, XXXX

## Tariff N.M.S. II Continued (Net Metering Service II)

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### 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.

*Continued on Sheet 19-3*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

T

**Level 1 Continued**

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.

*Continued on Sheet 19-4*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

T

**Level 2 Continued**

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**

No application fee or other review, study, or inspection or witness test fees will be charged by the Company for Level 1 applications.

The Company will require each customer to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$100. 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 up to \$1,000 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 TOU 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.

*Continued on Sheet 19-5*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

T

**Terms and Conditions for Interconnection Continued**

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- (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 so 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.

*Continued on Sheet 19-6*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

T

**Terms and Conditions for Interconnection Continued**

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- (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.

*Continued on Sheet 19-7*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

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**Application For Interconnection And Net Metering – Level 1**

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*Use this Application only for: 1.) a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741, 2.) less than or equal to 45 kW generation capacity, and 3.) connecting to Kentucky Power distribution system.*

Submit this Application to:

D.G. Coordinator American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215-2373  
614-716-4020 Office / 614-716-1414 Fax  
[dgcoordinator@aep.com](mailto:dgcoordinator@aep.com)

(Contact person listed is subject to change. Please visit our website for up-to-date information  
<http://www.kentuckypower.com>)

Applicant

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

E-mail address: \_\_\_\_\_

Service Location

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Electric Service Account Number \_\_\_\_\_

*Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:*

**Alternate Contacts**

Name

Company

Telephone/Email

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Continued on Sheet 19-8

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

T

**TERMS AND CONDITIONS FOR LEVEL 1:**

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- 1 The Company shall provide 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 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

*Continued on Sheet 19-10*

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**Tariff N.M.S. II Continued  
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T

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

T

- 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 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 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.

*Continued on Sheet 19-11*

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**Tariff N.M.S. II Continued  
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**TERMS AND CONDITIONS FOR LEVEL 1, continued**

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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 Level 1 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 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.

*Continued on Sheet 19-12*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

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**TERMS AND CONDITIONS FOR LEVEL 1, continued**

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**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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. I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and Company's Net Metering Tariff.

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**COMPANY APPROVAL SECTION**

When signed below by a Company representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

**Company inspection and witness test: ( ) Required ( ) Waived**

If Company inspection and witness test is required, Customer shall notify the Company within three (3) business days of completion of the generating facility installation and schedule an inspection and witness test with the Company to occur within ten (10) business days of completion of the generating facility installation or as otherwise agreed to by the Company and the Customer. Unless indicated below, the Customer may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Customer may not operate the generating facility until all other terms and conditions in the Application have been met.

Call: \_\_\_\_\_ to schedule an inspection and witness test.

**Pre-Inspection operational testing not to exceed two (2) hours: ( ) Allowed ( ) Not Allowed**

If Company inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information: ( ) None ( ) As specified here:

\_\_\_\_\_  
**Approved by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

*Continued on Sheet 19-13*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

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**Application for Interconnection and Net Metering – Level 2**

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*Use this Application form for connecting to the Kentucky Power distribution system and: 1.) the generating facility is not inverter based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or 2.) does not meet any of the additional conditions under a Level 1 Application (inverter based and less than or equal to 45kW generation).*

Submit this Application (along with the application fee of \$100) to:

**D.G. Coordinator**  
**American Electric Power**  
**1 Riverside Plaza**  
**Columbus, Ohio 43215-2373**  
**614-716-4020 Office / 614-716-1414 Fax**  
**dgcoordinator@aep.com**

(Contact person listed is subject to change. Please visit our website for up-to date information  
<http://www.kentucky power.com>)

Applicant

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Phone: ( ) \_\_\_\_\_

E-mail address: \_\_\_\_\_

Service Location

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Electric Service Account Number \_\_\_\_\_

*Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:*

**Alternate Contacts**

Name \_\_\_\_\_ Company \_\_\_\_\_ Telephone/Email \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Continued on Sheet 19-14*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff N.M.S. II Continued  
(Net Metering Service II)**

T

**APPLICATION FOR INTERCONNECTION AND NET METERING,  
LEVEL 2 - CONTINUED**

T

**Equipment Qualifications**

Total Generating Capacity (kW) of the Generating Facility:

Type of Generator:                     Inverter-Based                     Synchronous                     Induction

Energy Source:                     Solar                     Wind                     Hydro                     Biogas                     Biomass

*Attach documentation showing that inverter is certified by a nationally recognizes testing laboratory to meet the requirements of UL 1741.*

*Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.*

*Attach single line drawing showing all electrical equipment from the metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.*

Expected Start-up Date: \_\_\_\_\_

*Continued on Sheet 19-15*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

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**Interconnection Agreement – Level 2**

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**This Interconnection Agreement** (Agreement) is made and entered into this \_\_\_\_ day of \_\_, 20\_\_, by and between Kentucky Power Company (Company), and \_\_\_\_\_ (Customer). Company and Customer are hereinafter sometimes referred to individually as “Party” or collectively as “Parties”

**Witnesseth:**

**Whereas**, Customer is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Company’s electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: \_\_\_\_\_

Generator Size and Type: \_\_\_\_\_

**Now, therefore**, in consideration thereof, Customer and Company agree as follows:

Company agrees to allow Customer to interconnect and operate the generating Facility in parallel with the Company’s electric system and Customer agrees to abide by Company’s Net Metering Tariff and all Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

*Continued on Sheet 19-16*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

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**TERMS AND CONDITIONS FOR LEVEL 2:**

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

1. Company shall provide 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/meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.
2. 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

*Continued on Sheet 19-17*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

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**TERMS AND CONDITIONS FOR LEVEL 2, continued**

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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 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 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.

*Continued on Sheet 19-18*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

T

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

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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 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). Customer shall 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. 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.

*Continued on Sheet 19-19*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

T

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

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**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Company Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

*Continued on Sheet 19-20*

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**Tariff N.M.S. II Continued  
(Net Metering Service II)**

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**Interconnection Agreement – Level 2  
Exhibit A**

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- Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.
- When construction of the Company's facilities is required, Exhibit A will also contain a description and associated cost.
- Exhibit A will also specify requirements for a Company inspection and witness test and when limited operation for testing or full operation may begin.

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

**Availability of Service**

This tariff is available to customers with cogeneration and/or small power production (COGEN/SPP) facilities which qualify under Section 210 of the Public Utility Regulatory Policies Act of 1978, and which have a net power production capacity of 100 KW or less. Such facilities shall be designed to operate properly in parallel with the Company's system without adversely affecting the operation of equipment and services of the Company and its customers, and without presenting safety hazards to the Company and customer personnel.

The customer has the following options under this tariff, which will affect the determination of energy and capacity and the monthly metering charges:

- Option 1 - The customer does not sell any energy or capacity to the Company, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 2 - The customer sells to the Company the energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities in excess of the customer's total load, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 3 - The customer sells to the Company the total energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities, while simultaneously purchasing from the Company its total load requirements, as determined by appropriate meters located at one delivery point.

**Monthly Charges for Delivery from the Company to the Customer**

Such charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the tariff appropriate for the customer, except that Option 1 and Option 2 customers with cogeneration and/or small power production facilities having a total design capacity of more than 10 KW shall be served under demand-metered tariffs, and except that the monthly billing demand under such tariffs shall be the highest determined for the current and previous two billing periods. The above three-month billing demand provision shall not apply under Option 3.

**Additional Charges**

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

**Monthly Metering Charge**

The additional monthly charge for special metering facilities shall be as follows:

- Option 1 - Not Applicable
- Option 2 & 3 - Where meters are used to measure the excess or total energy and average on-peak capacity purchased by the Company:

	<u>Single Phase</u>	<u>Polyphase</u>
Standard Measurement	\$9.25	\$12.10
T.O.D. Measurement	\$9.85	\$12.40

*Continued on Sheet 20-2*

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

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**Additional Charges Continued**

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Under Option 3, when metering voltage for COGEN/SPP facilities is the same as the Company’s delivery voltage, the customer shall, at his option, either route the COGEN/SPP totalized output leads through the metering point, or make available at the metering point for the use of the Company and, as specified by the Company, metering current leads which will enable the Company to measure adequately the total electrical energy and average capacity produced by the qualifying COGEN/SPP facilities, as well as to measure the electrical energy consumption and capacity requirements of the customer’s total load. When metering voltage for COGEN/SPP facilities is different from the Company’s delivery voltage, metering requirements and charges shall be determined specifically for each use.

**Local Facilities Charge**

Additional charges to cover “interconnection costs” incurred by the Company shall be determined by the Company for each case and collected from the customer. For Options 2 and 3, the cost of metering facilities shall be covered by the Monthly Metering Charge and shall not be included in the Local Facilities Charge. The customer shall make a one-time payment for the Local Facilities Charge at the time of installation of the required additional facilities, or, at his option, up to 12 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company’s most recent issue of long-term debt. If the customer elects the installment payment option, the Company may require a reasonable security deposit.

**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	Variable LMP at time of delivery ¢ KWH
T.O.D. Meter	
On-Peak KWH	Variable LMP at time of delivery ¢ KWH
Off-Peak KWH	Variable LMP at time of delivery ¢ 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.   2023/2024     \$3.48   kW/month  
       2024/2025     \$3.72   kW/month  
       2025/2026     \$3.25   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.

*Continued on Sheet 20-3*

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

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**Monthly Credits or Payments for Energy and Capacity Deliveries Continued**

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If T.O.D. energy meters are used,

B.	2023/2024	\$8.36	kW/month
	2024/2025	\$8.92	kW/month
	2025/2026	\$7.79	kW/month, times the lowest of:

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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.

**On-Peak and Off-Peak Periods**

The on-peak period shall be defined as starting at 7:00A.M. and ending at 9:00 P.M., local time, Monday through Friday.

The off-peak period shall be defined as starting at 9:00 P.M. and ending at 7:00A.M. local time, Monday through Friday, and all hours of Saturday and Sunday.

**Charges for Cancellation or Non Performance Contract**

If the customer should, for a period in excess of six months, discontinue or substantially reduce for any reason the operation of cogeneration and/or small power production facilities which were the basis for the monthly contract capacity or the on-peak contract capacity, the customer shall be liable to the Company for an amount equal to the total difference between the actual payments for capacity paid to the customer and the payments for capacity that would have been paid to the customer pursuant to this Tariff COGEN/SPP I or any successor tariff. The Company shall be entitled to interest on such amount at the rate of the Company's most recent issue of long-term debt at the effective date of the contract.

**Term of Contract**

Contracts under this tariff shall be made for a term not less than five (5) years. A Qualifying Facility can request that avoided cost rates be set on an "as available" basis or when a legally enforceable obligation is established.

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

**Availability of Service**

This tariff is available to customers with cogeneration and/or small power production (COGEN/SPP) facilities which qualify under Section 210 of the Public Utility Regulatory Policies Act of 1978, and which have a net power production capacity of over 100 KW. In addition, cogeneration facilities must have a net power production capacity at or below 20,000 KW, and small power production facilities must have a net power production capacity at or below 5,000 KW. Such facilities shall be designed to operate properly in parallel with the Company's system without adversely affecting the operation of equipment and services of the Company and its customers, and without presenting safety hazards to the Company and customer personnel.

The customer has the following options under this tariff, which will affect the determination of energy and capacity and the monthly metering charges:

- Option 1 - The customer does not sell any energy or capacity to the Company, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 2 - The customer sells to the Company the energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities in excess of the customer's total load, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 3 - The customer sells to the Company the total energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities, while simultaneously purchasing from the Company its total load requirements, as determined by appropriate meters located at one delivery point.

**Monthly Charges for Delivery from the Company to the Customer**

Such charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the tariff appropriate for the customer, except that Option 1 and Option 2 customers shall be served under demand-metered tariffs, and except that the monthly billing demand under such tariffs shall be the highest determined for the current and previous two billing periods. The above three-month billing demand provision shall not apply under Option 3.

**Additional Charges**

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

**Monthly Metering Charge**

The additional monthly charge for special metering facilities shall be as follows:

- Option 1 - Not Applicable
- Option 2 & 3 - Where meters are used to measure the excess or total energy and average on peak capacity purchased by the Company:

	<u>Single Phase</u>	<u>Polyphase</u>
Standard Measurement	\$9.25	\$12.10
T.O.D. Measurement	\$9.85	\$12.40

*Continued on Sheet 21-2*

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

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**Additional Charges Continued**

T

Under Option 3, when metering voltage for COGEN/SPP facilities is the same as the Company’s delivery voltage, the customer shall, at his option, either route the COGEN/SPP totalized output leads through the metering point, or make available at the metering point for the use of the Company and, as specified by the Company, metering current leads which will enable the Company to measure adequately the total electrical energy and average capacity produced by the qualifying COGEN/SPP facilities, as well as to measure the electrical energy consumption and capacity requirements of the customer’s total load. When metering voltage for COGEN/SPP facilities is different from the Company’s delivery voltage, metering requirements and charges shall be determined specifically for each case.

**Local Facilities Charge**

Additional charges to cover “interconnection costs” incurred by the Company shall be determined by the Company for each case and collected from the customer. For Options 2 and 3, the cost of metering facilities shall be covered by the Monthly Metering Charge and shall not be included in the Local Facilities Charge. The customer shall make a one-time payment for the Local Facilities Charge at the time of installation of the required additional facilities, or, at his option, up to 12 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company’s most recent issue of long-term debt. If the customer elects the installment payment option, the Company may require a reasonable security deposit.

**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	Variable LMP at time of delivery ¢ KWH
T.O.D. Meter	
On-Peak KWH	Variable LMP at time of delivery ¢ KWH
Off-Peak KWH	Variable LMP at time of delivery ¢ 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.	2023/2024	\$3.48	kW/month
	2024/2025	\$3.72	kW/month
	2025/2026	\$3.25	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.

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*Continued on Sheet 21-3*

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

T

**Monthly Credits or Payments for Energy and Capacity Deliveries Continued**

T

If T.O.D. energy meters are used,

B.	2023/2024	\$8.36	kW/month
	2024/2025	\$8.92	kW/month
	2025/2026	\$7.79	kW/month, times the lowest of:

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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.

**On-Peak and Off-Peak Periods**

The on-peak period shall be defined as starting at 7:00 A.M. and ending at 9:00 P.M., local time, Monday through Friday.

The off-peak period shall be defined as starting at 9:00 P.M. and ending at 7:00 A.M., local time, Monday through Friday, and all hours of Saturday and Sunday.

**Charges for Cancellation or Non Performance Contract**

If the customer should, for a period in excess of six months, discontinue or substantially reduce for any reason the operation of cogeneration and/or small power production facilities which were the basis for the monthly contract capacity or the on-peak contract capacity, the customer shall be liable to the Company for an amount equal to the total difference between the actual payments for capacity paid to the customer and the payments for capacity that would have been paid to the customer pursuant to this Tariff COGEN/ SPP II or any successor tariff. The Company shall be entitled to interest on such amount at the rate of the Company's most recent issue of long-term debt at the effective date of the contract.

**Term of Contract**

Contracts under this tariff shall be made for a term not less than five (5) years. A Qualifying Facility can request that avoided cost rates be set on an "as available" basis or when a legally enforceable obligation is established.

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

**Availability of Service**

Available for service to customers who contract for service under the Company’s Industrial General Service (I.G.S.) tariff. The Company reserves the right to limit the total contract capacity for all customers served under this Tariff to 75,000 kW.

Loads of new customers locating within the Company’s service area or load expansions by existing customers may be offered interruptible service as part of an economic development incentive. Such interruptible service shall not be counted toward the limitation on total interruptible power contract capacity, as specified above, and will not result in a change to the limitation on total interruptible power contract capacity.

**Conditions of Service**

The Company will offer eligible customers the option to receive interruptible power service. This interruptible service will be consistent with PJM’s Load Management Resource Product – Capacity Performance Demand Response requirement, hereafter referred to as the “PJM Demand Response Program”, subject to any limitations on the availability of that Program by PJM. To be eligible for the credit, customers must be able to provide interruptible load (not including behind the meter diesel generation) of at least one (1) MW at a single site and commit to a minimum four (4) year contract term. The contract shall provide that 90 days prior to each contract anniversary date, the customer shall re-nominate the amount of interruptible load for the upcoming contract year, except that the cumulative reductions over the life of the contract shall not exceed 20% of the original interruptible load nominated under the contract. If no re-nomination is received at least 90 days prior to the contract anniversary date, the prior year’s interruptible load shall apply for the forthcoming contract year.

Upon receipt of a request from the Customer for interruptible service, the Company will provide the Customer with a written addendum containing the rates and related terms and conditions of service under which such service will be provided by the Company. If the parties reach an agreement based upon the offer provided to the Customer by the Company, such written contract will be filed with the Commission. The contract shall provide full disclosure of all rates, terms and conditions of service under this Tariff, and any and all agreements related thereto, subject to the designation of the terms and conditions of the contract as confidential, as set forth herein.

The Customer shall provide reasonable evidence to the Company that the Customer’s electric service can be interrupted in accordance with the provisions of the written agreement including, but not limited to, the specific steps to be taken and equipment to be curtailed upon a request for interruption.

The Customer shall contract for capacity sufficient to meet average maximum interruptible power requirements, but in no event will the interruptible amount contracted for be less than 1,000 KW at any delivery point.

The Company reserves the right to test and verify the customer’s ability to curtail. Any such test or verification may require actual physical interruption or curtailment, to the extent such testing or interruption is required under PJM’s Demand Response Program.

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.

Except as otherwise provided in the written agreement, the Company’s Terms and Conditions of Service shall apply to service under this tariff.

*Continued on Sheet 22-2*

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

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**Rate**

Credits under this tariff of \$3.68/kW/month will be provided for interruptible load that qualifies under PJM’s Demand Response Program rules as capacity for the purpose of the Company’s Fixed Resource Requirement (FRR) obligation.

Tariff	Tariff Type	Tariff Code Description	Tariff Description
321	IR	CS-IRP SEC	IRP-IGS SECONDARY
330	IR	CS-IRP PR	IRP-IGS PRIMARY
331	IR	CS-IRP ST	IRP-IGS SUBTRANSMISSION
332	IR	CS-IRP TR	IRP-IGS TRANSMISSION

Charges for service under this Tariff will be set forth in the written agreement between the Company and the Customer and will reflect the firm service rates otherwise available to the Customer.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

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**Confidentiality**

All terms and conditions of any written contract under this Tariff shall be protected from disclosure as confidential, proprietary trade secrets, if either the Customer or the Company requests a Commission determination of confidentiality pursuant to 807 KAR 5:001 Section 7 and the request is granted.

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**Special Terms and Conditions**

Except as otherwise provided in the written agreement, this Tariff is subject to the Company’s Terms and Conditions of Service.

A Customer’s plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer’s load necessitates the delivery of energy to the Customer’s plant over more than one circuit, the Company may elect to connect its circuits to different points on the Customer’s system irrespective of contrary provisions in Terms and Conditions of Service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

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**Rider D.R.S.  
(Demand Response Service)**

**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.**

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**Rider D.R.S. Continued  
(Demand Response Service)**

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**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**

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.

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## **Tariff V.C.S. (Voluntary Curtailment Service)**

This Rider provides the Customer with the opportunity to reduce their cost of electric service by curtailing usage during Voluntary Curtailment Events requested by the Company. Upon each event, the Customer shall have the option, but not the obligation, to curtail usage at their premises and be compensated by the Company as provided below.

### **Availability of Service**

The initial term of this tariff is two (2) years beginning January 28, 2022. Eligible customers must have a curtailable usage of not less than 1,000 kW at the metering point for a single account for electric service, have accounts that are current, and maintain satisfactory credit criteria as defined under the Company's Terms and Conditions under Deposits, Section D. All provisions of the applicable standard tariff for electric service will apply except as modified herein. Customers participating in a third-party demand response program and customers receiving service under special contracts, including COGEN/SPP contracts, are not eligible to participate under this Rider. Customers in this program are also subject to curtailments due to system emergencies in the same manner as all other firm service customers.

### **Monthly Charges and Credits**

Customer's net monthly bill for service provided under this Rider will be calculated in accordance with the Company's applicable rate schedule, with the exception that the Voluntary Curtailment Credit will be applied as a line item on the Customer's bill.

The Voluntary Curtailment Event Hours and the Voluntary Curtailment Price will be quoted to the Customer by no later than 5:00 p.m. ET of the day prior to the Event Day.

The Voluntary Curtailment Price will be based upon the Day-Ahead Market price of energy at the time of the Voluntary Curtailment Event, as determined in the Company's sole judgment, but not less than \$100 per MWh. The AEPKY\_RESID\_AGG LMP shall be used to develop the Voluntary Curtailment Price.

### **Conditions of Service**

1. The Company reserves the right to request a Voluntary Curtailment Event at any time at the Company's sole discretion. The Company will call no more than two (2) Voluntary Curtailment Events per day. The Events must be separated by at least one (1) non-event hour.
2. Customers must request enrollment in the program thirty (30) days before participating in a Voluntary Curtailment Event. A fully executed contract is required before a customer may participate in a Voluntary Curtailment Event.
3. The Company shall notify the Customer of a Voluntary Curtailment Event by e-mail, text or automated phone message. The Customer shall designate their representative(s) to receive said notifications.
4. No responsibility or liability of any kind shall attach to or be incurred by the Company or the AEP System 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 Rider.
5. The Customer shall not receive credit for any curtailment periods in which the Customer's usage is already reduced due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions or any event other than the Customer's normal operating conditions.
6. The Customer's participation in any Company capacity-based demand response program takes priority over this program. No credit shall be given under this program for hours that a customer is responsible for curtailing under another program. An interval meter is required for service under this Rider. The incremental cost of any special metering, communications or control equipment required for service under this Rider beyond that normally provided shall be borne by the Customer.

*Continued on Sheet 24-2*

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**Tariff V.C.S. Continued**  
**(Voluntary Curtailment Service)**

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**Curtailed Demand**

For each Voluntary Curtailment Event, Curtailed Demand shall be defined as the difference between the Customer's Average On-Peak Demand and the maximum sixty (60)-minute integrated demand in kW during the Voluntary Curtailment Event. The Curtailed Demand so computed will not be less than zero (0).

The Company shall determine the Customer's Average On-Peak Demand in kW specified in a contract or contract addendum for service under this Rider. The Customer's Average On-Peak Demand will be reviewed annually. Annual, seasonal or monthly Average On-Peak Demands may be established based upon Customer's historic usage patterns. For the purpose of determining the Average On-Peak Demand, the on-peak period is defined as 7:00 a.m. to 11:00 p.m. ET for all weekdays, Monday through Friday.

**Voluntary Curtailment Credit**

For each Voluntary Curtailment Event, the Event Credit shall be the product of the Curtailed Demand, the number of Voluntary Curtailment Event Hours and the Voluntary Curtailment Price.

The Voluntary Curtailment Credit will be the sum of the Event Credits for the calendar month.

The Voluntary Curtailment Credit will be applied to the Customer's bill within forty-five (45) days after the end of the month in which the Voluntary Curtailment Event occurred.

The Voluntary Curtailment Credit applied to the Customer's bill for service will be recorded in the Federal Energy Regulatory Commission's Uniform System of Accounts under Account 555, Purchased Power, and will be recorded in a subaccount so that the separate identity of this amount is preserved.

**Non-Compliance Provision**

There are no charges for non-compliance with a Voluntary Curtailment Event.

**Term**

Contracts under this Rider shall be made for an initial period of one (1) year and shall remain in effect thereafter until either party provides to the other at least thirty (30) days written notice of its intention to discontinue service under this Rider.

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## **Tariff E.D.R. (Economic Development Rider)**

### **Availability of Service**

To encourage economic development in the Company's service territory, limited-term reductions in billing demand charges described herein are offered to qualifying new and existing retail customers who make application for service under this Rider.

Service under this Economic Development Rider (EDR) is intended for specific types of commercial and industrial customers whose operations, by their nature, will promote sustained economic development based on plant and facilities investment and job creation. Availability is limited to customers on a first-come, first-served basis until such time as a total of 250 MW of new load has been added to Kentucky Power's system under the EDR. The EDR is available to commercial and industrial customers served under Tariffs L.G.S. and I.G.S. who meet the following requirements:

- (1) A new customer must have at least a monthly maximum billing demand of 500 kW. An existing customer must increase its monthly maximum billing demand by at least 500 kW over the current Base Maximum Billing Demand in order to receive the Incremental Billing Demand Discount (IBDD).
- (2) A new customer, or the business expansion by an existing customer, will receive a Supplemental Billing Demand Discount (SBDD) for creating and sustaining at least 25 new permanent full time jobs over the contract term at the service location. The Company reserves the right to verify job counts. Failure to demonstrate the creation of new employment positions or to maintain the employment during the contract term will result in the termination of the supplemental discount.
- (3) The customer must demonstrate to the Company's satisfaction that, absent the availability of this EDR, the qualifying new or increased electrical demand would be located outside of the Company's service territory or would not be placed in service.

### **Terms and Conditions**

- (1) The Company will offer the EDR to qualifying customers with new or increased load when the Company has sufficient generating capacity available. When sufficient generating capacity is not available, the Company will procure the additional capacity on the customer's behalf. The cost of capacity procured on behalf of the customer shall reduce on a dollar-for-dollar basis the customer's IBDD and SBDD. Such reduction shall be capped so that the customer's maximum demand charge shall be the non-discounted tariff demand charge. The reduction will be applied in reverse chronological order beginning with the most recent customer to receive discounted service under this tariff. The last customer to sign up for the EDR tariff would be the first customer responsible for paying the cost of incremental capacity purchases. In any year during the discount period in which the customer pays the full tariff demand charge for all twelve months, the Company will reduce the term of the contract by one year.
- (2) The new or increased load cannot accelerate the Company's plans for additional generating capacity during the period for which the customer receives a demand discount. Customers receiving Temporary Service are not eligible for this EDR.
- (3) To receive service under this EDR, the customer shall make written application to the Company with sufficient information contained therein to determine the customer's eligibility for service. At a minimum, such information must include:
  - a. A description and good faith estimate of the new or increased load to be served during each year of the contract,
  - b. The number of new employees or jobs that will be added as a result of the new load,
  - c. A description of the anticipated capital investment,
  - d. A description of all other federal, state or local economic development tax incentives, grants, or any other incentives or assistance associated with the new or expanded project, and
  - e. A statement that without the EDR discount, the customer would locate elsewhere or would choose not to expand within Kentucky Power's service territory.

*Continued on Sheet 25-2*

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**Tariff E.D.R. Continued  
(Economic Development Rider)**

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**Terms and Conditions Continued**

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- (4) For new and existing customers, billing demands for which reductions will be applicable under this EDR shall be for service at a new service location or expanded production at an existing facility and not merely the result of a change of ownership. Relocation of the delivery point of the Company's service, moving existing equipment from another Company-served location or load transfers from another Company-served location do not qualify as a new service location. Relocating existing facilities from within the Company's service territory shall not disqualify the customer from the IBDD as long as the new relocated facility exceeds the Base Maximum Billing Demand of the previous facility by the minimum required amount.
- (5) For existing customers, billing demands for which deductions will be applicable under this EDR shall be the result of an increase in business activity and not merely the result of resumption of normal operations following a force majeure, strike, equipment failure, renovation or refurbishment, or other such abnormal operating condition. In the event that such an occurrence has taken place prior to the date of the application by the customer for service under this EDR, the monthly Base Maximum Billing Demand shall be adjusted as appropriate for this analysis to eliminate the effects of such occurrence.
- (6) Service under the EDR will be offered under the applicable Tariff L.G.S. or I.G.S. schedule. An EDR will be filed as a Special Contract and must be approved by the Kentucky Public Service Commission before it can be implemented. The total contract period is equal to twice the number of years for which the customer receives a demand discount. The special contract term will be for two (2), four (4) six (6), eight (8), or ten (10) years only.
- (7) The IBDD and the SBDD, if applicable, begin when the customer's new or expanded operations are billed for service under this Rider. Temporary jobs created during the construction of new facilities or the expansion phase of existing operations are not eligible to be counted as permanent jobs for the purposes of this EDR.
- (8) If construction of new or expanded local distribution and/or transmission related facilities by the Company is required in order to provide the additional service, the customer may be required to make a contribution-in-aid of construction (CIAC) for the installed cost of such facilities pursuant to the provisions of the Company's Terms and Conditions of Service. The total cost of the CIAC, including gross-up by the effect of applicable taxes, will be recovered over the life of the EDR contract period, with no less than 80% recovered during the period for which the customer receives a demand discount. If the customer breaches the terms of the contract or ends the contract prematurely, any unpaid contribution-in-aid of construction must be paid to the Company, and any EDR discounts provided to the customer must be repaid to the Company. CIAC payment provided under this Rider supersedes other payment provisions only in the Company's Terms and Conditions Sheet 2-5 Section 9.
- (9) The L.G.S., and I.G.S. tariffs each contain a monthly minimum billing demand charge provision. The minimum demand charge provision is waived for EDR customers for up to 36 months depending upon the length of the contract. The provision is waived for the first 36 months of a 10 year contract, the first 24 months of an 8 year contract and the first 12 months of a 6 year contract. If during the special contract discount period, the customer's monthly demand falls below the minimum billing demand level for four (4) consecutive months or six (6) months total in a contract year, then the EDR discount will not be applied and the appropriate tariff minimum billing demand charge provision will be in force until the customer achieves the minimum billing demand level. Applicable EDR discounts will be applied to the qualifying incremental maximum billing demand only and will appear as a separate line item on the customer's bill.

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**Tariff E.D.R. Continued  
(Economic Development Rider)**

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**Determination of Monthly Qualifying Incremental Billing Demand**

For the purposes of this Rider, the monthly qualifying incremental billing demand will be calculated in the following manner:

Where the new qualifying incremental demand resides in new facilities (or separate facilities for existing customers), those facilities may be metered on a separate meter according to Tariffs L.G.S., I.G.S., for the current billing period and the incremental billing demand will be calculated based upon that facility's meter readings.

Where the new qualifying incremental demand resides in a customer's existing facility with sufficient service and metering capability to accommodate the business expansion, the qualifying incremental billing demand is equal to demand in excess of the Base Maximum Billing Demand. The Base Maximum Billing Demand for each billing month will be calculated by the Company as the average of the previous three years, corresponding month maximum billing demands, subject to Terms and Conditions Items (3) and (4), and will be agreed to by the customer in advance.

**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:

- (a) For the twelve consecutive monthly billings of the first contract year, the qualifying incremental billing demand charge shall be reduced by 50% from the applicable tariff L.G.S. or I.G.S., demand charge;
- (b) For the twelve consecutive monthly billings of the second contract year, the qualifying incremental billing demand charge shall be reduced by 40% from the applicable tariff L.G.S. or I.G.S., demand charge;
- (c) For the twelve consecutive monthly billings of the third contract year, the qualifying incremental billing demand charge shall be reduced by 30% from the applicable tariff L.G.S. or I.G.S., demand charge;
- (d) For the twelve consecutive monthly billings of the fourth contract year, the qualifying incremental billing demand charge shall be reduced by 20% from the applicable tariff L.G.S. or I.G.S., demand charge, but shall not be less than the applicable tariff rate schedule minimum billing demand;
- (e) For the twelve consecutive monthly billings of the fifth contract year, the qualifying incremental billing demand charge shall be reduced by 10% from the applicable tariff L.G.S. or I.G.S., demand charge, but shall not be less than the applicable tariff rate schedule minimum billing demand; and
- (f) All subsequent monthly billings shall be at the full charges stated in the applicable tariff rate schedule for contract years six (6) through ten (10).

The starting point for the IBDD is dependent upon the length of contract: i.e., an eight (8) year contract will have four (4) years of discount and a maximum annual IBDD of 40% in one year. Similarly, a six (6) year contract will have three (3) years of discount and a maximum annual IBDD of 30% in one year.

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**Tariff E.D.R. Continued**  
**(Economic Development Rider)**

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**Determination of Supplemental Billing Demand Discount**

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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:

- (a) For the twelve consecutive monthly billings of the first contract year, the qualifying incremental billing demand charge shall be reduced an additional 5% for an increase of at least 50 jobs or 2.5% for an increase of at least 25 jobs;
- (b) For the twelve consecutive monthly billings of the second contract year, the qualifying incremental billing demand charge shall be reduced an additional 4.5% for an increase of at least 50 jobs or 2.0% for an increase of at least 25 jobs;
- (c) For the twelve consecutive monthly billings of the third contract year, the qualifying incremental billing demand charge shall be reduced an additional 4% for an increase of at least 50 jobs or 1.5% for an increase of at least 25 jobs;
- (d) For the twelve consecutive monthly billings of the fourth contract year, the qualifying incremental billing demand charge shall be reduced an additional 3.5% for an increase of at least 50 jobs or 1.0% for an increase of at least 25 jobs;
- (e) For the twelve consecutive monthly billings of the fifth contract year, the qualifying incremental billing demand charge shall be reduced an additional 3% for an increase of at least 50 jobs or 0.5% for an increase of at least 25 jobs; and
- (f) All subsequent monthly billings shall be at the full charges stated in the applicable tariff rate schedule for contract years six (6) through ten (10)

The length of the SBDD shall be identical to the length of the IBDD. The starting point for the discount will be commensurate with the contract length, i.e., an eight (8) year contract will have four (4) years of discount with a maximum SBDD of either 4.5% or 2.0% as appropriate during one year of the contract.

The appropriate discount(s) shall be applicable over a period of up to 60 consecutive billing months as selected by the Customer in 12-month increments at the time of the contract.

**Terms of Contract**

A contract or agreement addendum for service under this Rider, in addition to service under Tariffs L.G.S. or I.G.S., shall be executed by the Customer and the Company for the time period which includes the start-up period and the multi-year period during which a Total Demand Charge discount is in effect and an equal multi-year period during which the customer agrees to pay the full rates in the applicable Tariff rate schedule.

At a minimum, the contract or agreement addendum shall specify the Base Maximum Billing Demand, the anticipated annual total qualifying demand, the Adjustment Factor and related provisions to be applicable under this Rider, and the effective date for the contract addendum.

The customer may discontinue service under this Rider before the end of the contract or agreement addendum only by reimbursing the Company for any and all demand reductions received under this Rider when billed at the applicable tariff schedule rate.

**Special Terms and Conditions**

Except as otherwise provided in this Rider, written agreements shall remain subject to all of the provisions of the applicable tariffs. This Rider is subject to the Company's Terms and Conditions of Service.

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 26-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 26-1

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

Proceeds of the charge and matching Company contributions will be used to provide financial assistance to eligible residential customers fix electric bills during peak hearing months (January through April).

**Applicable**

To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D.2

**Rate**

\$0.40 per month per residential account.

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**Programs**

Participation in the programs below will be determined by the residential customer's local community action agency in accordance with guidelines approved by the Commission and the availability of funds. Customer participation is limited to one program each calendar year.

**Home Energy Assistance in Reduced Temperatures (HEART)**

Participating low-income residential customers, whose primary source of heat is electric, are eligible to receive an electric bill credit of \$115.00 a month for bills rendered in January through April.

Participating low-income residential customers, whose primary source of heat is non-electric, are eligible to receive an electric bill credit of \$58.00 a month for bills rendered in January through April.

**Temporary Heating Assistance in Winter (THAW)**

Participating residential customers, who are experiencing temporary economic hardships, are eligible to receive electric bill credits totaling no more than \$175.00 for bills rendered in January through April in any single calendar year.

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 27-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 27-1

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**Tariff K.E.D.S.**  
**(Kentucky Economic Development Surcharge)**

Proceeds of the surcharge and matching Company contributions will be used to fund economic development programs and activities as determined by the Company within the 20 counties comprising Kentucky Power's certified territory.

**Applicable**

To Tariffs 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.

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**Rate**

\$1.00 per month per commercial account.

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

**Applicable**

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

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**Rate**

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

$$(c) \text{ Adjustment Factor} = \frac{\text{DSM}}{\text{S}(c)}$$

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

2. Demand-Side Management (DSM) costs shall be the most recent forecasted cost plus any over/under recovery balances recorded at the end of the previous period.
  - a. Program costs are any costs the Company incurred associated with demand-side management which were approved by the Kentucky Power Company DSM Collaborative. Examples of costs to be included are contract services, allowances, promotion, expenses, evaluation, lease expense, etc. by customer sector.
  - b. Net lost revenues are the calculated net lost revenues by customer sector resulting from the implementation of the DSM programs.
  - c. Incentives are a shared-savings incentive plan consisting of one of the following elements: The efficiency incentive, which is defined as 15 percent of the estimated net savings associated with the programs. Estimated net savings are calculated based on the California Standard Practice Manual's definition of the Total Resources Cost (TRC) test, or the maximizing incentive which is defined as 5 percent of actual program expenditures if program savings cannot be measured.
  - d. Over/ Under recovery balances are the total of the differences between the following:
    - i. the actual program costs incurred versus the program costs recovered through DSM adjustment clause, and
    - ii. the calculated net lost revenues realized versus the net lost revenues recovered through the DSM adjustment clause, and
    - iii. the calculated incentive to be recovered versus the incentive recovered through the DSM adjustment clause.
3. Sales (S) shall be the total ultimate KWH sales by customer sector less non-metered, opt-out and lost revenue impact KWHs by customer sector.
4. The provisions of the Demand-Side Management Adjustment Clause will be effective for the period ending December 31, 2023.
5. The DSM adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.

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*Continued on Sheet 28-2*

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

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**Rate Continued**

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6. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.
7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

	Customer Sector		
<u>DSM(c)</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial*</u>
S(c)	\$479,489	\$181,893	0
	1,943,627,965	1,448,924,338	0
Adjustment Factor	\$0.000247	\$0.000126	0

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

**Program Descriptions**

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

*Continued on Sheet 28-3*

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

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**Program: TEE – Targeted Energy Efficiency**

**Availability of Service**

Available on a voluntary basis to individual residential customers receiving retail electric service from the Company, who have primary electric heat and use an average of 700 kWh per month. Residential customers without primary electric heating may also be eligible for limited efficiency measures if they have electric water heating and use an average of 700 kWh per month from November through March. To qualify, the household's income cannot exceed the designated poverty guidelines as administered by the local community action agency.

**Program Description**

The Kentucky Power Targeted Energy Efficiency Program (TEE) provides weatherization and energy efficiency services to qualifying residential customers who need help reducing their energy bills. The Company provides funding for this program through the Kentucky Community Action network of not-for-profit community action agencies. The program funding and service is supplemental to the Weatherization Assistance Programs offered by the local community action agency. This program provides energy saving improvements to an existing home. Program services include residential energy audits, the installation of home weatherization/energy conservation items and customer education on home energy efficiency. The home weatherization/energy conservation measures may include, but not limited to:

- High efficiency lighting
- Domestic hot water pipe insulation
- Water heater insulation wrap (electric DHW only)
- Low flow showerhead
- Low flow faucet aerator
- Air and duct sealing (electric heat only)
- Insulation (electric heat only)
- Efficient windows and doors
- Air source heat pump

**Rate**

No rate applies for this program.

**Equipment**

The Kentucky Community Action network of not-for-profit community action agencies will furnish and install, in the customer's presence, the equipment as provided by this program.

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**Tariff S.S.C.  
(System Sales Clause)**

**Applicable**

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

D

**Rate**

1. When the annual net revenues from system sales are above or below the annual base net revenues from system sales, as provided in paragraph 2 below, an additional credit or charge equal to the product of the KWHs and a system sales adjustment factor (A) shall be made, where "A", calculated to the nearest 0.0001 mill per kilowatt-hour, is defined as set forth below.

$$\text{Annual System Sales Adjustment Factor (A)} = (1.0 [T_a - T_b + U/a])/S_a$$

In the above formula "T" is Kentucky Power Company's (KPCo) annual net revenues from system sales in the current annual (a), base (b) periods, and "S" is the KWH sales in the current annual (a) period, all defined below. "U/a" represents any under-or-over recovery from the prior period.

The applicable rate for service rendered on and after September 28, 2021, calculated in accordance with the above formula, is \$(.00066) per kWh.

2. The net revenue from KPCo's sales to non-associated companies as reported in the FERC Energy Regulatory Commission's Uniform System of Accounts under Account 447, Sales for Resale, shall consist of and be derived as follows:
  - a. KPCo's total revenues from system sales as recorded in Account 447, less b. and c. below.
  - b. KPCo's total out-of-pocket costs incurred in supplying the power and energy for the sales in a. above.

The out-of-pocket costs include all operating, maintenance, tax, transmission losses and other expenses that would not have been incurred if the power and energy had not been supplied for such sales, including demand and energy charges for power and energy supplied by Third Parties.
  - c. KPCo's environmental costs allocated to non-associated utilities in the Company's Environmental Surcharge Report.
3. The base annual net revenues from system sales are: \$ 1,935,350
4. Sales (S) shall be equated to the sum of (a) generation (including energy produced by generating plant during the construction period), (b) purchase, and (c) interchange-in, less (d) energy associated with pumped storage operations, less (e) inter-system sales and less (f) total system losses.
5. The system sales adjustment factor shall be based upon actual annual revenues and costs for system sales, subject to subsequent adjustment upon final determination of actual revenues and costs.
6. The annual System Sales Clause shall be filed with the Commission no later than August 15th of each year before it is scheduled to go into effect on Cycle 1 of the October billing cycle. The Company shall update the Annual System Sales Adjustment Factor for the period ending June 30, 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 under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.

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

**Applicable**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D. 2, R.S.D., 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.

D

**Rate**

1. The fuel clause shall provide for periodic adjustment per kWh of sales equal to the difference between the fuel costs per kWh of sales in the base period and in the current period according to the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where F is the expense of fossil fuel in the base (b) and current (m) periods; and S is sales in the base (b) and current (m) periods, all as defined below:

2. F(b)/S(b) shall be so determined that on the effective date of the Commission's approval of the utility's application of the formula, the resultant adjustment will be equal to zero (0).
3. Fuel costs (F) shall be the most recent actual monthly cost of:
- a. Fossil fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of the fuel related substitute generation, plus
  - b. The actual identifiable fossil and nuclear fuel costs [if not known--the month used to calculate fuel (F), shall be deemed to be the same as the actual unit cost of the Company generation in the month said calculations are made. When actual costs become known, the difference, if any, between fuel costs (F) as calculated using such actual unit costs and the fuel costs (F) used in that month shall be accounted for in the current month's calculation of fuel costs (F)] associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
  - c. The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases, the charges as a result of scheduled outage, and other charges for energy being purchased by the Company to substitute for its own higher cost of energy; and less
  - d. The cost of fossil fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
  - e. The fuel-related costs charged to the Company by PJM Interconnection LLC those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.
  - f. All fuel costs shall be based on weighted average inventory costing.
  - g. All Commission approved financial power hedging program-related contract settlements, and related contract costs.

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*Continued on Sheet 30-2*

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

T

**Rate Continued**

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4. Forced outages are all nonscheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel costs of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel costs (F) in subsection (3)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.
5. Sales (S) shall be all kWh's sold, excluding intersystem sales. If, for any reason billed system sales cannot be coordinated with the fuel costs for the billing period, sales may be equated to: (i) generation, plus (ii) purchases, plus (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) intersystem sales referred to in subsection (3)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).
6. The cost of fossil fuel shall only include the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees, less any cash or other discounts.
7. At the time the fuel clause is initially filed, the utility shall submit copies of each fossil fuel purchase contract not otherwise on file with the Commission and all other agreements, options, amendments, modifications, and similar documents related to the procurement of fuel supply or purchased power. Any changes in the contracts or other documents, including price escalations, and any new agreements entered into after the initial submission, shall be submitted at the time they are entered into. If fuel is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts shall be noted and the utility shall explain and justify them in writing. Fuel charges, which are unreasonable, shall be disallowed and may result in the suspension of the fuel adjustment clause based on the severity of the utility's unreasonable fuel charges and any history of unreasonable fuel charges. The Commission on its own motion may investigate any aspect of fuel purchasing activities covered by 807 KAR 5:056 (Fuel Adjustment Clause).
8. The monthly fuel adjustment shall be filed with the Commission no later than ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustment.
9. Copies of all documents required to be filed with the Commission under 807 KAR 5:056 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.
10. At six (6) month intervals, the Commission shall conduct a formal review and may conduct public hearings on a utility's past fuel adjustments. The Commission shall order a utility to charge off and amortize, by means of a temporary decrease of rates, any adjustments the Commission finds unjustified due to improper calculation or application of the charge or improper fuel procurement practice.
11. Every two (2) years following the initial effective date of each utility's fuel clause, the Commission shall conduct a formal review and evaluate past operations of the clause, disallow improper expenses, and to the extent appropriate, reestablish the fuel clause charge in accordance with Section 1 (2) of 807 KAR 5:056.
12. The Commission may conduct a public hearing if the Commission finds that a hearing is necessary for the protection of a substantial interest or is in the public interest.
13. Resulting cost per kilowatt-hour in February 2020 to be used as the base cost in Standard Fuel Adjustment Clause is:

<u>Fuel</u>	February 2020		\$12,810,858			
<u>Sales</u>	February 2020	÷	490,482,730	=	\$0.02612/kWh	

This, as used in the Fuel Adjustment Clause, is 2.612¢ per kilowatt-hour.

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

**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.

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**Rate**

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

1. Annual Purchase Power Net Costs (PPANC)

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

D

Where:

BPP = The annual amount of purchase power costs included in base rates, \$6,554,678.

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- 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. NT
- 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 \$1,165,983 included in BPP. I
- c. RKP = Rockport related items includable in Tariff PPA pursuant to the Commission approved Settlement agreement in Case No. 2017-00179: DT
- 1. Rockport deferral amount to be recovered;
  - 2. Rockport offset estimate and true-up.
  - 3. Final (over)/under recovery associated with tariff CC following its expiration
- 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 \$4,119,364 included in BPP. I

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**Tariff P.P.A. Continued  
(Purchase Power Adjustment)**

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**Rates**

Tariff Class	\$/kWh	\$/kW
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.	\$0.00353	--
S.G.S.-T.O.D.	\$0.00288	--
M.G.S.-T.O.D.	\$0.00288	--
G.S.	\$0.00288	--
L.G.S., L.G.S.-T.O.D.	\$0.00014	\$0.82
L.G.S.-L.M.-T.O.D.	\$0.00265	--
I.G.S. and C.S.-I.R.P.	\$0.00014	\$1.04
M.W.	\$0.00199	--
O.L.	\$0.00051	--
S.L.	\$0.00051	--

The kWh factor as calculated above will be applied to all billing kilowatt-hours for those tariff classes listed above. The kW factor as calculated above will be applied to all on-peak and minimum billing demand kW for the LGS, LGS-T.O.D, IGS, and CS-I.R.P. tariff classes.

The Purchase Power Adjustment factors shall be modified annually using the following formula:

The Purchase Power Adjustment factors shall be determined as follows:

For all tariff classes without demand billing:

$$\text{kWh Factor} = \frac{\text{PPA(E)} \times (\text{BE}_{\text{Class}} / \text{BE}_{\text{Total}}) + \text{PPA(D)} \times (\text{CP}_{\text{Class}} / \text{CP}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

$$\text{kW Factor} = 0$$

For all tariff classes with demand billing:

$$\text{kWh Factor} = \frac{\text{PPA(E)} \times (\text{BE}_{\text{Class}} / \text{BE}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

$$\text{kW Factor} = \frac{\text{PPA(D)} \times (\text{CP}_{\text{Class}} / \text{CP}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

*Continued on Sheet 31-3*

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**Tariff P.P.A. Continued  
 (Purchase Power Adjustment)**

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**Rates Continued**

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Where:

1. "PPA(D)" is the actual annual retail PPA demand-related costs, plus any prior review period (over)/under recovery.
2. "PPA(E)" is the actual annual retail PPA energy-related costs, plus any prior review period (over)/under recovery.
3. "BE<sub>Class</sub>" is the historic annual retail jurisdictional billing kWh for each tariff class for the current year.
4. "BD<sub>Class</sub>" is the historic annual retail jurisdictional billing kW for each applicable tariff class for the current year.
5. "CP<sub>Class</sub>" is the coincident peak demand for each tariff class estimated as follows:

Tariff Class	BE <sub>Class</sub>	CP/kWh Ratio	CP <sub>Class</sub>
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.		0.022970%	
S.G.S.-T.O.D.		0.018187%	
M.G.S.-T.O.D.		0.018187%	
G.S.		0.018187%	
L.G.S., L.G.S.-T.O.D.		0.016146%	
L.G.S.-L.M.-T.O.D.		0.016146%	
I.G.S. and C.S.-I.R.P.		0.011832%	
M.W.		0.012350%	
O.L.		0.005294%	
S.L.		0.005375%	

R

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6. "BE<sub>Total</sub>" is the sum of the BE Class for all tariff classes.
7. "CP<sub>Total</sub>" is the sum of the CP Class for all tariff classes.
8. The factors as computed above are calculated to allow the recovery of Uncollectible Accounts Expense of 0.40% and the KPSC Maintenance Fee of 0.1493% and other similar revenue based taxes or assessments occasioned by the Purchase Power Adjustment Rider revenues.
9. The annual PPA factors shall be filed with the Commission by August 15 of each year, with rates to begin with the October billing period, along with all necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.

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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.

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 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

**Tariff E.S.**  
**(Environmental Surcharge)**

**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.

D

**Rate**

The environmental surcharge shall provide for monthly adjustments based on a percent of revenues, equal to the difference between the environmental compliance costs in the base period as provided in Paragraph 2 below and in the current period as provided in Paragraph 3 below.

The retail share of the revenue requirement will be allocated between residential and non-residential retail customers based upon their respective total revenues during the previous calendar year. The Environmental Surcharge will be implemented as a percentage of total revenues for the residential class and as a percentage of non-fuel revenues for all other customers.

The revenues to which the residential Environmental Surcharge factor are applied is the sum of the customer's Service 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.

TDN

The revenues to which the all other customer Environmental Surcharge 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.

TD  
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1. Monthly Environmental Surcharge Gross Revenue Requirement, E(m)

Where: E(m) = CRR-BRR  
 CRR = Current Period Revenue Requirement for the Expense Month.  
 BRR = Base Period Revenue Requirement.

2. Base Period Revenue Requirement, BRR

BRR = The Following Monthly Amounts:

Billing Month		Base Net Environmental Costs
January	\$	3,022,418
February		2,558,332
March		2,621,611
April		2,519,828
May		2,514,284
June		2,644,974
July		2,594,563
August		2,741,097
September		2,508,995
October		2,376,639
November		2,423,992
December	\$	<u>2,597,739</u>
	\$	31,124,472

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In accordance with the Stipulation and Settlement Agreement approved by the Commission by its Order dated October 7, 2013 in Case No. 2012-00578, the Mitchell FGD and all related associated costs are not included in base rates or the Base Revenue Requirement but will be included in the Current Period Revenue Requirement. The Mitchell FGD will be excluded from Base Rates at least until June 30, 2020.

*Continued on Sheet 32-2*

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**Tariff E.S. Continued  
(Environmental Surcharge)**

T

3. Current Period Revenue Requirement, CRR  
 $CRR = [(RB_{KP(e)})(ROR_{KP(e)})/12] + OE_{KP(e)} - AS$

T

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Where:

- $RB_{KP(e)}$  = Environmental Compliance Rate Base for Mitchell.  
 $ROR_{KP(e)}$  = Annual Rate of Return on Mitchell Environmental Compliance Rate Base;  
Annual Rate divided by 12 to restate to a Monthly Rate of Return.  
 $OE_{KP(e)}$  = Monthly Pollution Control Operating Expenses for Mitchell.  
 $AS$  = Net proceeds from the sale of Title IV and CSAPR SO<sub>2</sub> emission allowances, ERCs,  
and NO<sub>x</sub> emission allowances, reflected in the month of receipt.

D

“KP(C)” identifies components from Mitchell Units – Current Period.

D

The Environmental Compliance Rate Base for Kentucky Power 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 Kentucky Power 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.

D

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

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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.

*Continued on Sheet 32-3*

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**Tariff E.S. Continued**  
**(Environmental Surcharge)**

T

4. Revenue Allocation

T

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

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

Where:

- (m) = the expense month.
- (b) = the most recent calendar year revenues

5. Environmental Surcharge Factor

$$\text{Residential Monthly Environmental Surcharge Factor} = \frac{\text{Net KY Retail E(m)} * \text{RA(m)}}{\text{KY RR(m)}}$$

$$\text{All Other Monthly Environmental Surcharge Factor} = \frac{\text{Net KY Retail E(m)} * \text{AO(m)}}{\text{KY OR(m)- KY OF(m)}}$$

Where:

- Net KY Retail E(m) = Monthly E(m) allocated to Kentucky Retail Customers, net of Over/(Under) Recovery Adjustment; Allocation based on Percentage of Kentucky Retail Revenues to Total Company Revenues in the Expense Month.  
 (For purposes of this formula, Total Company Revenues do not include Non-Physical Revenues.)
- RR(m) = Average Kentucky Residential Retail Revenues for the Preceding Twelve Month Period
- OR(m) = Average Kentucky All Other Classes Retail Revenues for the Preceding Twelve Month Period
- OF(m) = Average Kentucky All Other Classes Fuel Revenues for the Preceding Twelve Month Period.

*Continued on Sheet 32-4*

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**Tariff E.S. Continued**  
**(Environmental Surcharge)**

T

6. Environmental costs "E" shall be the Company's costs of compliance with the Clean Air Act and those environmental requirements that apply to coal combustion wastes and by-products, as follows:

T

Total Company:

- return on Title IV and CSAPR SO<sub>2</sub> allowance inventory
- over/under recovery balances between the actual costs incurred less the amount collected through the environmental surcharge
- costs associated with any Commission's consultant approved by the Commission
- costs associated with the consumption of Title IV and CSAPR SO<sub>2</sub> allowances
- costs associated with the consumption of NO<sub>x</sub> allowances
- return on NO<sub>x</sub> allowance inventory
- costs associated with maintaining approved pollution control equipment including material and contract labor (excluding plant labor)
- costs associated with consumables used in conjunction with approved environmental projects.
- return on inventories of consumables used in conjunction with approved environmental projects.
- return on environmental compliance rate base including construction work in progress.
- Monthly expense to amortize the \$1,446,998.35 regulatory asset for prudently incurred ELG (Effluent Limitation Guidelines) project costs over a two-year period to begin with July 2022 billing and conclude with June 2024 billing.

D

The Company's share of costs associated with the following environmental equipment at the Mitchell Plant:

- Mitchell Unit Nos 1 and 2 Water Injection, Low NO<sub>x</sub> burners, Low NO<sub>x</sub> burner Modification, SCR, FGD, Landfill, Coal Blending Facilities and SO<sub>3</sub> Mitigation
- Mitchell Plant Common CEMS, Replace Burner Barrier Valves and Gypsum Material Handling Facilities
- Air Emission Fees
- Precipitator Modifications and Upgrades
- Coal Combustion Waste Landfill
- Bottom Ash and Fly Ash Handling
- Mercury Monitoring (MATS)
- Dry Fly Ash Handling Conversion
- Wastewater Ponds (for the Mitchell CCR compliance project) with depreciation expense calculated using a 20 percent depreciation rate approved by the Commission's July 15, 2021 and May 3, 2022 Orders in Case No. 2021-00004.

7. The monthly environmental surcharge shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all necessary supporting data to justify the amount of the adjustments which shall include data and information as may be required by the Commission.

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**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..

D

**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:

$$\begin{aligned} \text{Residential Adjustment Factor} &= \frac{\$12,203,475}{\$260,106,760} = 4.6917\% \\ \text{All Other Classes Adjustment Factor} &= \frac{\$14,511,306}{\$183,145,514} = 7.9234\% \end{aligned}$$

- 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:

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

Where:

- (y) = the expense year;  
 (b) = Most recent available twelve month period ended June 30.

*Continued on Sheet 33-2*

T

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**Decommissioning Rider Continued**

T

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

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

Where:

$$\begin{aligned} \text{Net Annual Residential Allocation NRA}(b) &= \text{Annual Residential Allocation RA}(y), \text{ net of} \\ &\quad \text{Over/(Under) Recovery Adjustment;} \\ \text{Residential Retail Revenue RR}(b) &= \text{Annual Retail Revenue for all KY residential classes} \\ &\quad \text{for the year (b).} \end{aligned}$$

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

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

Where:

$$\begin{aligned} \text{Net Annual All Other Allocation NOA}(y) &= \text{Annual All Other Allocation OA}(y), \text{ net of} \\ &\quad \text{Over/(Under) Recovery Adjustment;} \\ \text{All Other Classes Non-Fuel Retail Revenue ONR}(b) &= \text{Annual Non-Fuel Retail Revenue for all classes} \\ &\quad \text{other than residential for the year (b).} \end{aligned}$$

5. The Revenues to which the residential Decommissioning Rider factor are applied is the sum of the customer's Service 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.

TDN

The Revenues to which the all other customer Decommissioning 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.

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6. The annual Decommissioning Rider adjustments shall be filed with the Commission no later than August 15th of each year before it is scheduled to go into effect on Cycle 1 of the October 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.
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.

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## Distribution Reliability Rider (D.R.R.)

N

### 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.

*Continued on Sheet 34-2*

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**Distribution Reliability Rider Continued  
 (D.R.R.)**

N

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.

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**Securitization Financing Rider  
 (S.F.R.)**

N

**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:

$$\begin{array}{l} \text{Residential Adjustment} \\ \text{Factor} \end{array} = \frac{\$X}{\$X} = X.X\%$$

$$\begin{array}{l} \text{All Other Classes} \\ \text{Adjustment Factor} \end{array} = \frac{\$X}{\$X} = X.X\%$$

2. 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.

*Continued on Sheet 35-2*

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**Securitization Financing Rider Continued  
(S.F.R.)**

N

3. 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:

$$\begin{aligned} \text{Net Annual Residential Allocation NRA}(y) &= \text{Annual Residential Allocation RA}(y), \text{ net of} \\ &\quad \text{Over/(Under) Recovery Adjustment;} \\ \text{Residential Retail Revenue RR}(b) &= \text{Annual Retail Revenue for all KY residential classes} \\ &\quad \text{for the year (b).} \end{aligned}$$

4. 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:

$$\begin{aligned} \text{Net Annual All Other Allocation NOA}(y) &= \text{Annual All Other Allocation OA}(y), \text{ net of} \\ &\quad \text{Over/(Under) Recovery Adjustment;} \\ \text{All Other Classes Non-Fuel Retail Revenue} \\ \text{ONR}(b) &= \text{Annual Non-Fuel Retail Revenue for all classes} \\ &\quad \text{other than residential for the year (b).} \end{aligned}$$

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.

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**Federal Tax Change Tariff  
 (F.T.C.)**

T

**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.

D

**Rate**

1. Pursuant to the final order of the Kentucky Public Service Commission in Case No. 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 XX, 2024. T  
D
2. The Company shall amortize the calendar year retail Generation and Distribution related Protected Excess ADIT of \$1,678,164 to support the rate credits provided to customers through this tariff. D  
D
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. N
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 on a kWh basis are as follows: T D

Residential (\$/kWh)	All Other (\$/kWh)
\$(0.00053)	\$(0.00037)

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7. The allocation of the Annual Revenue Requirement (ARR) which consists of the retail Generation and Distribution related Protected Excess ADIT, the actual CAMT expenses and credits and any over or under-recovery based upon actual information for prior periods between residential and all other customers shall be based upon their respective contribution to total retail revenues, according to the following formula: TN

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

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

Where:

- (y) = the credit year;
- RR = \$301,523,011;
- OR = \$392,479,515; and
- R = \$694,002,526.

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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. N
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.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 37-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 37-1

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**Tariff C.F.F.**  
**(City's Franchise Fee)**

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**Availability of Service**

Where a city or town within Kentucky Power's service territory requires the Company to pay a percentage of revenues from certain customer classifications collected within such city or town for the right to erect the Company's poles, conductors, or other apparatus along, over, under, or across such city's or town's streets, alleys, or public grounds, the Company shall increase the rates and charges to such customer classifications within such city or town by a like percentage. The aforesaid charge shall be separately stated and identified on each affected customer's bill.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 38-1  
CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 38-1

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**U.G.R.T.  
(Utility Gross Receipts Tax)  
(School Tax)**

**Applicable**

To all Tariff Schedules.

**Rate**

This tariff schedule is applied as a rate increase pursuant to KRS 160.617 to all other tariff schedules for the recovery by the utility of the utility gross receipts license tax imposed by the applicable school district pursuant to KRS 160.613 with respect to the customer's bill. The current utility gross receipts license tax for school imposed by a school district may not exceed 3%. The utility gross receipts license tax shall appear on the customer's bill as a separate line item.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 39-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 39-1

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**K.S.T.**  
**(Kentucky Sales Tax)**

**Applicable**

To all Tariff Schedules.

**Rate**

This tariff schedule is applied as a rate increase to all other applicable tariff schedules for the recovery by the utility pursuant to KRS 139.210 of the Kentucky Sales Tax imposed by KRS 139.200 for all customers not exempted by KRS 139.470(7). For any other exempt customers, an exemption certification must be received and on file with the Company. The Kentucky Sales Tax rate is currently imposed by the Commonwealth of Kentucky at the rate of 6%. The Kentucky Sales Tax shall appear on the customer's bill as a separate line item.

Sales of electricity under Tariff R.S. are exempt from sales tax only if the service is to the customer's place of domicile as defined by KRS 139.470(7)(b). Kentucky Power may retroactively charge a customer, under the parameters of KRS 278.225, for all applicable sales tax the Department of Revenue determines is due for service that is not exempt. It is the customer's responsibility to file all necessary documentation, including Form 51A380 (1-23), when notified by the Company, establishing the customer's place of domicile. In such a case, any exemption will become effective with the customer's first full billing cycle after the customer's delivery of a properly executed Form 51A380 (1-23).

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

P.S.C KY. NO. 12  
CANCELLING P.S.C. KY. NO. 11

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KENTUCKY POWER COMPANY  
1645 WINCHESTER AVENUE  
ASHLAND, KY 41101

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RATES-CHARGES-RULES-REGULATIONS FOR FURNISHING  
ELECTRIC SERVICE

IN THE KENTUCKY TERRITORY SERVED  
BY KENTUCKY POWER COMPANY  
AS STATED ON SHEET NO. 1

FILED WITH THE PUBLIC SERVICE COMMISSION  
OF  
KENTUCKY

DATE OF ISSUE: April 9,2021  
DATE EFFECTIVE: January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance

P.S.C. KY. NO. 13  
CANCELLING P.S.C. KY. NO. 12

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**Kentucky Power Company**  
1645 Winchester Avenue  
Ashland, KY 41101  
www.kentuckypower.com

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Rates, Terms, and Conditions for Furnishing  
Electric Service

DT

*Applicable to the Entire Territory Served by Kentucky Power Company In:  
Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence,  
Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and  
Rowan Counties.*

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**Filed with the Kentucky Public Service Commission**

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D

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 1-2  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 1-2

INDEX

<u>TITLE</u>		<u>SHEET NO.</u>	
Tariff P.A.	Pole Attachments	16-1 thru 16-12	T
Tariff COGEN/SPP I	Cogeneration and/or Small Power Production – 100 kW or less	17-1 thru 17-3	
Tariff COGEN/SPP II	Cogeneration and/or Small Power Production – Over 100 kW	18-1 thru 18-4	
Tariff S.S.C.	System Sales Clause	19-1 thru 19-2	
Tariff F.T.	Franchise Tariff	20-1	
Tariff T.S.	Temporary Service	21-1	
Tariff D.S.M.C.	Demand-Side Management Adjustment Clause	22-1 thru 22-3	
Tariff F.T.C.	Federal Tax Cut Tariff	23-1	
Tariff K.E.D.S.	KY. Economic Development Surcharge	24-1	
Tariff R.E.A.	Residential Energy Assistance	25-1	
Tariff N.U.G.	Non-Utility Generator	26-1 thru 26-3	
Tariff N.M.S.	Net Metering Service	27-1 thru 27-22	
Tariff N.M.S. II	Net Metering Service II	28-1 thru 28-22	
Tariff E.S.	Environmental Surcharge	29-1 thru 29-7	
Tariff XXX	Reserved for Future Use	30-1	
Rider R. P.O.	Renewable Power Option Rider	31-1 thru 31-2	
Rider A.F.S.	Alternate Feed Service Rider	32-1 thru 32-4	
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Rider D.R.S.	Demand Response Service	36-1 thru 36-3	

(Cont'd on Sheet No. 1-3)

Index is now contained on  
 a single page instead of three.

DATE OF ISSUE: January 17, 2023  
 DATE EFFECTIVE: Service Rendered On And After December 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. 2022-00105 Dated December 28, 2022  
 807 KAR 5:015, eff. 2-1-2022

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 1-3  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 1-3

INDEX

<u>TITLE</u>		<u>SHEET NO.</u>
Tariff E.D.R.	Economic Development Rider	37-1 thru 37-5
Tariff D.R.	Decommissioning Rider	38-1 thru 38-2
Tariff V.C.S.	Voluntary Curtailment Service	39-1 thru 39-2
Tariff U.D.C.	Underground Differential Cost Schedule	40-1
Tariff K.F.R.F.	Eastern Kentucky Fuel Relief Fund	41-1

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Index is now contained on  
a single page instead of three.

THE ABOVE TARIFFS ARE APPLICABLE TO THE ENTIRE TERRITORY SERVED BY KENTUCKY POWER COMPANY IN BOYD, BREATHITT, CARTER, CLAY, ELLIOTT, FLOYD, GREENUP, JOHNSON, KNOTT, LAWRENCE, LESLIE, LETCHER, LEWIS, MAGOFFIN, MARTIN, MORGAN, OWSLEY, PERRY, PIKE AND ROWAN COUNTIES.

DATE OF ISSUE: June 1, 2022  
DATE EFFECTIVE: Service Rendered On And After XXXX XX, XXXX  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00481 Dated May 4, 2022

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-1 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-1 T

**TERMS AND CONDITIONS OF SERVICE**

**1. APPLICATION**

Applications may be made in writing, on-line, or via telephone for customers who wish to have the Company provide electric service. Requests for service are to be made in the Customer's legal name by telephone or on line at: www.kentuckypower.com. The Company has the right to reject any request for service based on 807 KAR 5:006 Section 15 and associated tariffs.

The Company may require verification of ownership of property, lease, applicant's identity or other requested information.

A copy of the tariffs and standard terms and conditions under which service is to be rendered to the Customer will be furnished upon request and the Customer shall elect upon which tariff applicable to his service his application shall be based. A copy of the tariff is also available on-line at www.kentuckypower.com.

If the Company requires a written agreement from a Customer before service will be commenced, a copy of the agreement will be furnished to the Customer upon request.

When the Customer desires delivery of energy at more than one point, a separate agreement may be required for each separate point of delivery. Service delivered at each point of delivery will be billed separately under the applicable tariff.

**2. INSPECTION**

The Customer is responsible for the proper installation and maintenance of the customer's wiring and electrical equipment and the customer shall at all times be responsible for the character and condition thereof. The Company has no obligation to undertake inspection thereof and in no event shall be responsible therefore. However, the Company may disconnect or refuse to connect service if the customer's wiring is deemed unsafe by the Company.

Company may also require a new state electrical inspection should tampering, illegal use or theft of service be the basis for disconnection service.

Where a Customer's premises are located in a municipality or other governmental subdivision where inspection laws or ordinances are in effect, the Company may withhold furnishing service to new installations until the Company has received evidence that the inspection laws or ordinances have been complied with.

Where a Customer's premises are located outside of an area where inspection service is in effect, the Company may require the delivery by the Customer to the Company of an agreement duly signed by the owner and/or tenant of the premises authorizing the connection to the wiring system of the Customer and assuming responsibility therefore. No responsibility shall attach to the Company because of any waiver of this requirement.

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

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-1

**Terms and Conditions of Service**

**1. Application**

Applications may be made in writing, on-line, or via telephone for customers who wish to have the Company provide electric service. Requests for service are to be made in the Customer's legal name by telephone or online at: www.kentuckypower.com. The Company has the right to reject any request for service based on 807 KAR 5:006 Section 15 and associated tariffs.

The Company may require verification of ownership of property, lease, applicant's identity, or other requested information.

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Where a Customer's premises are located outside of an area where inspection service is in effect, the Company may require the delivery by the Customer to the Company of an agreement duly signed by the owner and/or tenant of the premises authorizing the connection to the wiring system of the Customer and assuming responsibility therefore. No responsibility shall attach to the Company because of any waiver of this requirement.

**3. Service Connections**

Service connections will be provided in accordance with 807 KAR-5:041, Section 10.

The Customer should in all cases consult the Company before the Customer's premises are wired to determine the location of Company's point of service connection.

The Company will, when requested to furnish service, designate the location of its service connection. The Customer's wiring must, except for those cases listed below, be brought outside the building wall nearest the Company's service wires so as to be readily accessible thereto. When service is from an overhead system, the Customer's wiring must extend at least 18 inches beyond the building. Where Customers install service entrance facilities which have capacity and layout specified by the Company and/or install and use certain equipment specified by the Company, the Company may supply or offer to own certain facilities on the Customer's side of the point where the service wires attach to the building.

Continued on Sheet 2-2

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-2 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-2 T

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. SERVICE CONNECTIONS.**

Service connections will be provided in accordance with 807 KAR-5.041, Section 10.

The Customer should in all cases consult the Company before the Customer's premises are wired to determine the location of Company's point of service connection.

The Company will, when requested to furnish service, designate the location of its service connection. The Customer's wiring must, except for those cases listed below, be brought outside the building wall nearest the Company's service wires so as to be readily accessible thereto. When service is from an overhead system, the Customer's wiring must extend at least 18 inches beyond the building. Where Customers install service entrance facilities which have capacity and layout specified by the Company and/or install and use certain equipment specified by the Company, the Company may supply or offer to own certain facilities on the Customer's side of the point where the service wires attach to the building.

All inside wiring must be grounded in accordance with the requirements of the National Electrical Code or the requirements of any local inspection service authorized by a state or local authority.

When a Customer desires that energy be delivered at a point or in a manner other than that designated by the Company, the Customer shall pay the additional cost of same.

**4. DEPOSITS.**

Prior to providing service or at any time thereafter, the Company may require a cash deposit or other guaranty acceptable to the Company to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5.006, Section 16, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Upon request from a residential customer the deposit will be returned after 18 months if the customer has established a satisfactory payment record; but commercial deposits will be retained by the Company during the entire time that the account remains active.

**A. Interest**

Interest will be paid on all sums held on deposit at the rate indicated in KRS 278.460. The interest will be applied by the Company as a credit to the Customer's bill or will be paid to the Customer on an annual basis. If the deposit is refunded or credited to the Customer's bill prior to the deposit anniversary date, interest will be paid or credited to the Customer's bill on a pro-rated basis.

The Company will not pay interest on deposits after discontinuance of service to the Customer. Retention of any deposit or guaranty by the Company prior to final settlement is not a payment or partial payment of any bill for service. The Company shall have a reasonable time in which to obtain a final reading and to ascertain that the obligations of the Customer have been fully performed before being required to return any deposits.

(Cont'd on Sheet 2-3)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-2  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-2

**Terms and Conditions of Service Continued**

**Service Connections Continued**

All inside wiring must be grounded in accordance with the requirements of the National Electrical Code or the requirements of any local inspection service authorized by a state or local authority.

When a Customer desires that energy be delivered at a point or in a manner other than that designated by the Company, the Customer shall pay the additional cost of same.

**4. Deposits**

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**A. Interest**

Interest will be paid on all sums held on deposit at the rate indicated in KRS 278.460. The interest will be applied by the Company as a credit to the Customer's bill or will be paid to the Customer on an annual basis. If the deposit is refunded or credited to the Customer's bill prior to the deposit anniversary date, interest will be paid or credited to the Customer's bill on a pro-rated basis.

The Company will not pay interest on deposits after discontinuance of service to the Customer. Retention of any deposit or guaranty by the Company prior to final settlement is not a payment or partial payment of any bill for service. The Company shall have a reasonable time in which to obtain a final reading and to ascertain that the obligations of the Customer have been fully performed before being required to return any deposits.

**B. Criteria for Waiver of Deposit Requirement**

The Company may waive any deposit requirement based upon the following criteria, which may be considered by the Company cumulatively:

- i. Satisfactory payment history with the Company, which may be established by paying all bills by due date, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments and having no energy diversion or theft of service;
- ii. Satisfactory payment history with another utility acceptable to the Company;
- iii. Another customer with satisfactory payment history is willing to sign as a guarantor for an amount equal to the required deposit; or
- iv. Providing evidence of other collateral acceptable to Company.

**C. Method of Determination – Calculated Deposits**

- a. Deposit amounts paid by residential customers shall not exceed a calculated amount based upon actual usage data of the Customer at the same or similar premises for the most recent 12-month period, if such information is available. If the actual usage data is not available, the deposit amount shall be based on the average bills of similar customers and premises in the customer class. The deposit shall not exceed 2/12 of the Customer's actual or estimated annual bill.
- b. Deposit amounts paid by commercial and industrial customers shall not exceed a calculated amount based upon actual usage data of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If the actual usage data is not available, the deposit amount shall be based on the typical bills of similar customers and premises in the customer class. The deposit shall not exceed 2/12 of the customer's actual or estimated annual bill.

Continued on Sheet 2-3

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-3 T

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**4. DEPOSITS. (Cont'd)**

**B. Criteria for Waiver of Deposit Requirement**

The company may waive any deposit requirement based upon the following criteria, which may be considered by the Company cumulatively:

1. Satisfactory payment history with the Company, which may be established by paying all bills by due date, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments and having no energy diversion or theft of service;
2. Satisfactory payment history with another utility acceptable to the Company;
3. Another customer with satisfactory payment history is willing to sign as a guarantor for an amount equal to the required deposit; or
4. Providing evidence of other collateral acceptable to Company.

**C. Method of Determination**

**1. Calculated Deposits**

- a. Deposit amounts paid by residential customers shall not exceed a calculated amount based upon actual usage data of the Customer at the same or similar premises for the most recent 12-month period, if such information is available. If the actual usage data is not available, the deposit amount shall be based on the average bills of similar customers and premises in the customer class. The deposit shall not exceed 2/12 of the Customer's actual or estimated annual bill.
- b. Deposit amounts paid by commercial and industrial customers shall not exceed a calculated amount based upon actual usage data of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If the actual usage data is not available, the deposit amount shall be based on the typical bills of similar customers and premises in the customer class. The deposit shall not exceed 2/12 of the customer's actual or estimated annual bill.

**D. Additional or Supplemental Deposit Requirement**

An additional or supplemental deposit may be required if the Customer does not maintain a satisfactory credit criteria or payment history. If a change in usage or classification of service has occurred, the customer may be required to pay an additional deposit up to 2/12 of the annual usage. The Customer will receive a message on the bill informing the Customer that if the account is not current by the specified date listed an additional or supplement deposit will be charged to the account the next time the account is billed.

1. Satisfactory payment history is defined as paying all bills by due date, having no disconnections for nonpayment, having no defaulted credit arrangements, having no returned payments and having no meter diversion or theft of service.
2. A nonresidential customer does not maintain satisfactory credit criteria when its credit score at any national independent credit rating service falls to a level that is deemed to present a risk of nonpayment, including but not limited to: below a "BB+" level at Standard and Poor's or below "Ba1" at Moody's. If a nonresidential customer is not rated by a national independent credit rating service, its credit may be evaluated by using credit scoring services, public record financial information, or financial scoring and modeling services, and if it is deemed that the customer presents a risk of nonpayment, a deposit may be required.

(Cont'd on Sheet No. 2-4)

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-3  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-3

**Terms and Conditions of Service Continued**

**D. Additional or Supplemental Deposit Requirement**

An additional or supplemental deposit may be required if the Customer does not maintain a satisfactory credit criteria or payment history. If a change in usage or classification of service has occurred, the customer may be required to pay an additional deposit up to 2/12 of the annual usage. The Customer will receive a message on the bill informing the Customer that if the account is not current by the specified date listed an additional or supplement deposit will be charged to the account the next time the account is billed.

- i. Satisfactory payment history is defined as paying all bills by due date, having no disconnections for nonpayment, having no defaulted credit arrangements, having no returned payments and having no meter diversion or theft of service.
- ii. A nonresidential customer does not maintain satisfactory credit criteria when its credit score at any national independent credit rating service falls to a level that is deemed to present a risk of nonpayment, including but not limited to: below a "BB+" level at Standard and Poor's or below "Ba1" at Moody's. If a nonresidential customer is not rated by a national independent credit rating service, its credit may be evaluated by using credit scoring services, public record financial information, or financial scoring and modeling services, and if it is deemed that the customer presents a risk of nonpayment, a deposit may be required.

**E. Recalculation of Customer Deposit**

When a deposit is held longer than 18 months, the Customer may request that the deposit be recalculated based on the Customer's actual usage. If the amount of deposit on the account differs from the recalculated amount by more than \$10.00 for a residential Customer or 10 percent for a non-residential Customer, the Company may collect any underpayment and shall refund any overpayment. No refund will be made if the Customer's bill is delinquent at the time of the recalculation.

**5. Payments**

Bills will be rendered by the Company to the Customer monthly or in accordance with the tariff selected applicable to the Customer's service.

**A. Equal Payment Plan (Budget)**

Nonresidential customers with accounts that are current and that maintain satisfactory credit criteria per paragraph 4(D) above and all residential customers have the option of paying a fixed amount each month under the Company's Equal Payment Plan. The monthly payment amount will be based on one-twelfth of the Customer's estimated annual usage. The payment amount is subject to periodic review and adjustment during the budget year to more accurately reflect actual usage. The normal plan period is 12 months, which may commence April through December.

In the last month of the plan (the "settle-up month") if the actual usage during the plan period exceeds the amount billed, the Customer will be billed for the balance due. If an overpayment exists, the amount of overpayment will either be refunded to the Customer or credited to the last bill of the period. If a Customer discontinues service with the Company under the Equal Payment Plan, any amounts not yet paid shall become payable immediately.

If a Customer fails to pay bills as rendered under the Equal Payment Plan, the Company reserves the right to revoke the plan, restore the Customer to regular billing, require immediate payment of any deficiency, and require a cash deposit or other guaranty to secure payment of bills.

Customers currently enrolled in the Equal Payment Plan whose settle-up month falls within the period December through February may elect to change their settle-up month to November or March if their Equal Payment Plan account is current.

If a customer who is currently enrolled in the Equal Payment Plan elects to take service under Tariff N.M.S. II, such customer will be removed from the Equal Payment Plan and restored to regular billing.

*Continued on Sheet 2-4*

DATE OF ISSUE: June 29, 2023

DATE EFFECTIVE: January 1, 2024

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of an Order of the Public Service Commission

In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 2-4  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-4

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**4. DEPOSITS. (Cont'd)**

**E. Recalculation of Customer Deposit**

When a deposit is held longer than 18 months, the Customer may request that the deposit be recalculated based on the Customer's actual usage. If the amount of deposit on the account differs from the recalculated amount by more than \$10.00 for a residential Customer or 10 percent for a non-residential Customer, the Company may collect any underpayment and shall refund any overpayment. No refund will be made if the Customer's bill is delinquent at the time of the recalculation.

**5. PAYMENTS.**

Bills will be rendered by the Company to the Customer monthly or in accordance with the tariff selected applicable to the Customer's service.

**A. Equal Payment Plan (Budget)**

Nonresidential customers with accounts that are current and that maintain satisfactory credit criteria per paragraph 4(D) above and all residential customers have the option of paying a fixed amount each month under the Company's Equal Payment Plan. The monthly payment amount will be based on one-twelfth of the Customer's estimated annual usage. The payment amount is subject to periodic review and adjustment during the budget year to more accurately reflect actual usage. The normal plan period is 12 months, which may commence April through December.

In the last month of the plan (the "settle-up month") if the actual usage during the plan period exceeds the amount billed, the Customer will be billed for the balance due. If an overpayment exists, the amount of overpayment will either be refunded to the Customer or credited to the last bill of the period. If a Customer discontinues service with the Company under the Equal Payment Plan, any amounts not yet paid shall become payable immediately.

If a Customer fails to pay bills as rendered under the Equal Payment Plan, the Company reserves the right to revoke the plan, restore the Customer to regular billing, require immediate payment of any deficiency, and require a cash deposit or other guaranty to secure payment of bills.

Customers currently enrolled in the Equal Payment Plan whose settle-up month falls within the period December through February may elect to change their settle-up month to November or March if their Equal Payment Plan account is current.

If a customer who is currently enrolled in the Equal Payment Plan elects to take service under Tariff N.M.S. II, such customer will be removed from the Equal Payment Plan and restored to regular billing.

**B. Average Monthly Payment Plan (AMP)**

The Average Monthly Payment Plan (AMP Plan) is available to all residential customers and nonresidential customers with accounts that are current and that maintain satisfactory credit criteria per paragraph 4(D) above.

The AMP Plan is designed to allow the Customer to pay an average amount each month based upon the actual billed amounts during the past twelve (12) months. The average payment amount is based upon the current month's total bill plus the eleven (11) preceding months. That result is divided by the total billing days associated with the billings to determine a per day average. The daily average amount is multiplied by thirty (30) to determine the current month's payment under the AMP Plan. At the next billing period, the oldest month's billing history is removed, the current month's billing is added and the total is again divided by the total billing days associated with the billings to determine a per day average. Again the daily average amount is multiplied by thirty (30) to find the new average payment amount. The average monthly payment amount is calculated each and every month in this manner.

If a customer who is currently enrolled in the AMP Plan elects to take service under Tariff N.M.S. II, such customer will be removed from the AMP Plan and restored to regular billing.

(Cont'd on Sheet 2-5)

DATE OF ISSUE: February 16, 2022  
DATE EFFECTIVE: Service Rendered On And After March 18, 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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-4  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 2-4

**Terms and Conditions of Service Continued**

**B. Average Monthly Payment Plan**

The Average Monthly Payment Plan (AMP Plan) is available to all residential customers and nonresidential customers with accounts that are current and that maintain satisfactory credit criteria per paragraph 4(D) above.

The AMP Plan is designed to allow the Customer to pay an average amount each month based upon the actual billed amounts during the past twelve (12) months. The average payment amount is based upon the current month's total bill plus the eleven (11) preceding months. That result is divided by the total billing days associated with the billings to determine a per day average. The daily average amount is multiplied by thirty (30) to determine the current month's payment under the AMP Plan. At the next billing period, the oldest month's billing history is removed, the current month's billing is added and the total is again divided by the total billing days associated with the billings to determine a per day average. Again the daily average amount is multiplied by thirty (30) to find the new average payment amount. The average monthly payment amount is calculated each and every month in this manner.

If a customer who is currently enrolled in the AMP Plan elects to take service under Tariff N.M.S. II, such customer will be removed from the AMP Plan and restored to regular billing.

The difference between the actual billings and the AMP Plan billings will be carried in a deferred balance. Both the debit and credit differences will accumulate in the deferred balance for the duration of the AMP Plan year, which is twelve (12) consecutive billing months. At the end of the AMP Plan year (anniversary month), the current month's billing plus the eleven (11) preceding month's billing is summed and divided by the total billing days associated with the billings to determine a per day average. That result is multiplied by thirty (30) to calculate the AMP Plan's monthly payment amount. In addition, the net accumulated deferred balance is divided by 12. This result is added or subtracted to the calculated average payment amount starting with the next billing of the new AMP plan year and will be used in the average payment amount calculation for the remaining AMP plan year. Settlement occurs only when participation in the AMP Plan is terminated. This happens if any account is final billed, if the customer requests termination, or at the Company's discretion when the customer fails to make two or more consecutive monthly payments on an account by the due date. The deferred balance (debit or credit) is then applied to the billing now due.

In such instances where sufficient billing history is not available, an AMP Plan may be established by using the actual billing history available throughout the first AMP Plan year.

**C. All Payments**

All bills are due and payable within twenty-one (21) days after their mailing date. Failure to receive a bill will not entitle a Customer to any discount or to the remission of any charges for non-payment within the time specified. The word "month" as used herein and in the tariffs is hereby defined to be the elapsed time between 2 successive meter readings approximately 30 days apart.

In the event of the stoppage of or the failure of any meter to register the full amount of energy consumed, the Customer will be billed for the period based on an estimated consumption of energy in a similar period of like use.

**Delayed Payment Charge**

The tariffs of the Company are met if the account of the Customer is paid within the time limit specified in the tariff applicable to the Customer's service. On all non-residential accounts not so paid, an additional charge of 5% of the unpaid balance will be applied. Any one delayed payment charge billed against the Customer for non-payment of bill or any one forfeited discount applied against the Customer for non-payment of bill may be remitted, provided the Customer's previous accounts are paid in full and provided no delayed payment charge or forfeited discount has been remitted under this clause during the preceding six months.

*Continued on Sheet 2-5*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-5 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-5 T

TERMS AND CONDITIONS OF SERVICE (Cont'd)

5. PAYMENTS (Cont'd)

The difference between the actual billings and the AMP Plan billings will be carried in a deferred balance. Both the debit and credit differences will accumulate in the deferred balance for the duration of the AMP Plan year, which is twelve (12) consecutive billing months. At the end of the AMP Plan year (anniversary month), the current month's billing plus the eleven (11) preceding month's billing is summed and divided by the total billing days associated with the billings to determine a per day average. That result is multiplied by thirty (30) to calculate the AMP Plan's monthly payment amount. In addition, the net accumulated deferred balance is divided by 12. This result is added or subtracted to the calculated average payment amount starting with the next billing of the new AMP plan year and will be used in the average payment amount calculation for the remaining AMP plan year. Settlement occurs only when participation in the AMP Plan is terminated. This happens if any account is final billed, if the customer requests termination, or at the Company's discretion when the customer fails to make two or more consecutive monthly payments on an account by the due date. The deferred balance (debit or credit) is then applied to the billing now due.

In such instances where sufficient billing history is not available, an AMP Plan may be established by using the actual billing history available throughout the first AMP Plan year.

C. All Payments.

All bills are payable within the time limits specified in the tariff. Failure to receive a bill will not entitle a Customer to any discount or to the remission of any charges for non-payment within the time specified. The word "month" as used herein and in the tariffs is hereby defined to be the elapsed time between 2 successive meter readings approximately 30 days apart.

In the event of the stoppage of or the failure of any meter to register the full amount of energy consumed, the Customer will be billed for the period based on an estimated consumption of energy in a similar period of like use.

The tariffs of the Company are met if the account of the Customer is paid within the time limit specified in the tariff applicable to the Customer's service. To discourage delinquency and encourage prompt payment within the specified time limit, certain tariffs contain a delayed payment charge, which may be added in accordance with the tariff under which service is provided. Any one delayed payment charge billed against the Customer for non-payment of bill or any one forfeited discount applied against the Customer for non-payment of bill may be remitted, provided the Customer's previous accounts are paid in full and provided no delayed payment charge or forfeited discount has been remitted under this clause during the preceding six months.

6. Payment Arrangements

In accordance with 807 KAR 5.006 Section 14(2), Kentucky Power shall negotiate and accept reasonable payment arrangements at the request of a residential customer who has received a termination notice for failure to pay. Payment arrangements will include the following reasonable provisions:

- 1) Partial Payment Plans are available up to the day prior to the termination date printed on a customer's termination notice.
- 2) Partial Payment Plans are available only for current balances and balances up to 30 days in arrears.
- 3) Any balance more than 30 days in arrears must be paid in full at least one business day prior to the date the Partial Payment Plan is established.
- 4) Customers with delinquent or otherwise unsatisfied Partial Payment Plans may not be eligible for a Partial Payment Plan.
- 5) Unpaid deposit amounts are not eligible for inclusion in a Partial Payment Plan.
- 6) Company reserves the right to refuse unverifiable third party pledges toward a customer's obligations under a Partial Payment Plan.
- 7) Customer shall be advised, in writing or by telephone, the date and the amount of payment(s) due. Service may be terminated without additional notice if the Customer fails to meet the obligations of the agreed plan.
- 8) It is the responsibility of the customer presenting the Medical Certificate to contact the Company to negotiate a payment arrangement based upon the customer's ability to pay. The payment arrangements shall require that the account become current no later than October 15.
- 9) Customers presenting Certification from the Cabinet for Health and Family Services must do so during the initial 10 day termination notice period. As a condition of the 30 day extension, the customer shall exhibit good faith by entering into a payment arrangement.

(Cont'd on Sheet No. 2-6)

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-5  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-5

Terms and Conditions of Service Continued

6. Payment Arrangements

In accordance with 807 KAR 5.006 Section 14(2), Kentucky Power shall negotiate and accept reasonable payment arrangements at the request of a residential customer who has received a termination notice for failure to pay. Payment arrangements will include the following reasonable provisions:

- a. Partial Payment Plans are available up to the day prior to the termination date printed on a customer's termination notice.
- b. Partial Payment Plans are available only for current balances and balances up to 30 days in arrears.
- c. Any balance more than 30 days in arrears must be paid in full at least one business day prior to the date the Partial Payment Plan is established.
- d. Customers with delinquent or otherwise unsatisfied Partial Payment Plans may not be eligible for a Partial Payment Plan.
- e. Unpaid deposit amounts are not eligible for inclusion in a Partial Payment Plan.
- f. Company reserves the right to refuse unverifiable third-party pledges toward a customer's obligations under a Partial Payment Plan.
- g. Customer shall be advised, in writing or by telephone, the date and the amount of payment(s) due. Service may be terminated without additional notice if the Customer fails to meet the obligations of the agreed plan.
- h. It is the responsibility of the customer presenting the Medical Certificate to contact the Company to negotiate a payment arrangement based upon the customer's ability to pay. The payment arrangement shall require that the account become current no later than October 15.
- i. Customers presenting Certification from the Cabinet for Health and Family Services must do so during the initial 10 day termination notice period. As a condition of the 30-day extension, the customer shall exhibit good faith by entering into a payment arrangement.

7. Underground Service

When a real estate developer desires an underground distribution system within the property which he is developing or when a Customer desires an underground service, the real estate developer or the Customer as the case may be, shall pay the Company the difference between the anticipated cost of the underground facilities so requested and the cost of the overhead facilities which would ordinarily be installed in accordance with 807 KAR 5.041, Section 21, and the Company's underground service plan as filed with the Public Service Commission. Upon receipt of payment, the Company will install the underground facilities and will own, operate and maintain the same.

Please see Tariff Sheet No. 14-1 for the underground differential cost schedule.

8. Company's Liability

The Company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy, but does not guarantee uninterrupted service. The Company shall not be liable for damages in case such supply should be interrupted or fail by reason of an event of Force Majeure. Force Majeure consists of an event or circumstance which prevents Company from providing service, which event or circumstance was not anticipated, which is not in the reasonable control of, or the result of negligence of, the Company, and which, by the exercise of due diligence, Company is unable to overcome or avoid or cause to be avoided. Force Majeure events includes acts of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, breakdowns or injury to the machinery, transmission lines, distribution lines or other facilities of the Company, or extraordinary repairs.

Unless otherwise provided in a contract between the Company and Customer, the point at which service is delivered by Company to Customer, to be known as "delivery point," shall be the point at which the Customer's facilities are connected to the Company's facilities. The metering device is the property of the Company. The meter base, connection, grounds and all associated internal parts inside the meter base are customer owned and are the responsibility of the customer to install and maintain. The Company shall not be liable for any loss, injury, or damage resulting from the Customer's use of their equipment or occasioned by the energy furnished by the Company beyond the delivery point.

Continued on Sheet 2-6

DATE OF ISSUE: June 29, 2023

DATE EFFECTIVE: January 1, 2024

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of an Order of the Public Service Commission

In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-6 T  
CANCELLING P.S.C. KY. NO. 11 1<sup>ST</sup> REVISED SHEET NO. 2-6 T

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**7. UNDERGROUND SERVICE**

When a real estate developer desires an underground distribution system within the property which he is developing or when a Customer desires an underground service, the real estate developer or the Customer as the case may be, shall pay the Company the difference between the anticipated cost of the underground facilities so requested and the cost of the overhead facilities which would ordinarily be installed in accordance with 807 KAR 5:041, Section 21, and the Company's underground service plan as filed with the Public Service Commission. Upon receipt of payment, the Company will install the underground facilities and will own, operate and maintain the same.

Please see Tariff Sheet No. 40-1 for the underground differential cost schedule.

**8. COMPANY'S LIABILITY**

The Company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy, but does not guarantee uninterrupted service. The Company shall not be liable for damages in case such supply should be interrupted or fail by reason of an event of Force Majeure. Force Majeure consists of an event or circumstance which prevents Company from providing service, which event or circumstance was not anticipated, which is not in the reasonable control of, or the result of negligence of, the Company, and which, by the exercise of due diligence, Company is unable to overcome or avoid or cause to be avoided. Force Majeure events includes acts of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, breakdowns or injury to the machinery, transmission lines, distribution lines or other facilities of the Company, or extraordinary repairs. T

Unless otherwise provided in a contract between the Company and Customer, the point at which service is delivered by Company to Customer, to be known as "delivery point," shall be the point at which the Customer's facilities are connected to the Company's facilities. The metering device is the property of the Company. The meter base, connection, grounds and all associated internal parts inside the meter base are customer owned and are the responsibility of the customer to install and maintain. The Company shall not be liable for any loss, injury, or damage resulting from the Customer's use of their equipment or occasioned by the energy furnished by the Company beyond the delivery point.

Any new installation, upgrade or other modification of an existing meter installation shall be made using only Company-supplied or Company-approved meter bases. A list of Company-approved meter bases and specifications can be found on the Company's website at: [www.kentuckypower.com](http://www.kentuckypower.com). T

The Customer shall provide and maintain suitable protective devices on their equipment to prevent any loss, injury or damage that might result from single phasing conditions or any other fluctuation or irregularity in the supply of energy. The Company shall not be liable for any loss, injury or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of energy which could have been prevented by the use of such protective devices. The Company shall not be liable for any damages, whether direct, incidental or consequential, including, without limitation, loss of profits, loss of revenue, or loss of production capacity occasioned by interruptions, fluctuations, or irregularity in the supply of energy.

The Company is not responsible for loss or damage caused by the disconnection or reconnection of its facilities. The Company is not responsible for loss or damages caused by the theft or destruction of Company facilities by a third party.

The Company will provide and maintain the necessary line or service connections, transformers (when same are required by conditions of contract between the parties thereto), meters and other apparatus, which may be required for the proper measurement of and protection to its service. All such apparatus shall be and remain the property of the Company.

(Cont'd on Sheet 2-7)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-6  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-6

**Terms and Conditions of Service Continued**

**Company's Liability Continued**

Any new installation, upgrade or other modification of an existing meter installation shall be made using only Company-supplied or Company-approved meter bases. A list of Company-approved meter bases and specifications can be found on the Company's website at: [www.kentuckypower.com](http://www.kentuckypower.com).

The Customer shall provide and maintain suitable protective devices on their equipment to prevent any loss, injury or damage that might result from single phasing conditions or any other fluctuation or irregularity in the supply of energy. The Company shall not be liable for any loss, injury or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of energy which could have been prevented by the use of such protective devices. The Company shall not be liable for any damages, whether direct, incidental or consequential, including, without limitation, loss of profits, loss of revenue, or loss of production capacity occasioned by interruptions, fluctuations, or irregularity in the supply of energy.

The Company is not responsible for loss or damage caused by the disconnection or reconnection of its facilities. The Company is not responsible for loss or damages caused by the theft or destruction of Company facilities by a third party.

The Company will provide and maintain the necessary line or service connections, transformers (when same are required by conditions of contract between the parties thereto), meters and other apparatus, which may be required for the proper measurement of and protection to its service. All such apparatus shall be and remain the property of the Company.

**9. Customer's Liability**

In the event of loss or injury to the property of the Company through misuse by, or the negligence of, the Customer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Company by the Customer.

Customers will be responsible for tampering with, interfering with, or breaking the seals of meters, or other equipment of the Company installed on the Customer's premises. The Customer hereby agrees that no one except the employees of the Company shall be allowed to make internal or external adjustments to any meter or any other piece of apparatus, which shall be the property of the Company.

The Company shall have the right at all reasonable hours to enter the premises of the Customer for the purpose of installing, reading, removing, testing, replacing or otherwise disposing of its apparatus and property, and the right of entire removal of the Company's property in the event of the termination of the contract for any cause. The Company may assess charges based on electric usage and damages to all Company equipment.

**10. Extension of Service**

The electric facilities of the Company shall be extended or expanded to supply electric service to all residential Customers and small commercial Customers which require single phase line where the installed transformer capacity does not exceed 25 KVA in accordance with 807 KAR 5:041, Section 11.

The electric facilities of the Company shall be extended or expanded to supply electric service to Customers other than those named in the above paragraph when the estimated revenue is sufficient to justify the estimated cost of making such extensions or expansions as set forth below.

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TITLE: Vice President, Regulatory & Finance  
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In Case No.: 2023-00159 Dated XXXX XX, XXXX

Continued on Sheet 2-7

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-7 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-7 T

TERMS AND CONDITIONS OF SERVICE (Cont'd) T

9. CUSTOMER'S LIABILITY.

In the event of loss or injury to the property of the Company through misuse by, or the negligence of, the Customer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Company by the Customer.

Customers will be responsible for tampering with, interfering with, or breaking the seals of meters, or other equipment of the Company installed on the Customer's premises. The Customer hereby agrees that no one except the employees of the Company shall be allowed to make internal or external adjustments to any meter or any other piece of apparatus, which shall be the property of the Company. T

The Company shall have the right at all reasonable hours to enter the premises of the Customer for the purpose of installing, reading, removing, testing, replacing or otherwise disposing of its apparatus and property, and the right of entire removal of the Company's property in the event of the termination of the contract for any cause. The Company may assess charges based on electric usage and damages to all Company equipment. T

10. EXTENSION OF SERVICE

The electric facilities of the Company shall be extended or expanded to supply electric service to all residential Customers and small commercial Customers which require single phase line where the installed transformer capacity does not exceed 25 KVA in accordance with 807 KAR 5.041, Section 11.

The electric facilities of the Company shall be extended or expanded to supply electric service to Customers other than those named in the above paragraph when the estimated revenue is sufficient to justify the estimated cost of making such extensions or expansions as set forth below.

For services to be delivered to Commercial, Industrial, Mining and multiple housing project Customers up to and including estimated demands of 500 KW requiring new facilities, the Company will: (a) where the estimated revenue for one year exceeds the estimated installed cost of new local facilities required, provide such new facilities at no cost to the Customer; (b) where the estimated revenue for one year is less than the installed cost of new local facilities required, the Customer will be required to pay a contribution in aid of construction equal to the difference between the installed cost of the new facilities required to service the load and the estimated revenue for one year; (c) if the Company has reason to question the financial stability of the Customer and/or the life of the operation is uncertain or temporary in nature, such as construction projects, oil and gas well drilling, sawmills and mining operations, the Customer shall pay a contribution in aid of construction, consisting of the estimated labor cost to install and remove the facilities required plus the cost of unsalvageable material, before the facilities are installed.

For service to be delivered to Customers with demand levels higher than those specified above, the annual cost to serve the Customer's requirements shall be compared with the estimated revenue for one year to determine if a contribution in aid of construction, and/or a special minimum and/or other arrangement may be necessary. The annual cost to serve shall be the sum of the following components:

1. The annual fixed costs of the generation, transmission and distribution facilities related to the Customer's requirements. These fixed costs will be calculated at 21.95% of the value to be based on the year-end embedded investment depreciated in all similar facilities of the Company.
2. The annual energy cost based on the latest available production costs related to the Customer's estimated annual energy use requirements.
3. The annual fixed costs of the new local facilities necessary to provide the service requested calculated at 21.95% of the installed cost of such facilities.

(Cont'd on Sheet No. 2-8)

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ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-7  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-7

Terms and Conditions of Service Continued T

Extension of Service Continued

For services to be delivered to Commercial, Industrial, Mining and multiple housing project Customers up to and including estimated demands of 500 KW requiring new facilities, the Company will: (a) where the estimated revenue for one year exceeds the estimated installed cost of new local facilities required, provide such new facilities at no cost to the Customer; (b) where the estimated revenue for one year is less than the installed cost of new local facilities required, the Customer will be required to pay a contribution in aid of construction equal to the difference between the installed cost of the new facilities required to service the load and the estimated revenue for one year; (c) if the Company has reason to question the financial stability of the Customer and/or the life of the operation is uncertain or temporary in nature, such as construction projects, oil and gas well drilling, sawmills and mining operations, the Customer shall pay a contribution in aid of construction, consisting of the estimated labor cost to install and remove the facilities required plus the cost of unsalvageable material, before the facilities are installed.

For service to be delivered to Customers with demand levels higher than those specified above, the annual cost to serve the Customer's requirements shall be compared with the estimated revenue for one year to determine if a contribution in aid of construction, and/or a special minimum and/or other arrangement may be necessary. The annual cost to serve shall be the sum of the following components:

- i. The annual fixed costs of the generation, transmission and distribution facilities related to the Customer's requirements. These fixed costs will be calculated at 21.95% of the value to be based on the year-end embedded investment depreciated in all similar facilities of the Company.
- ii. The annual energy cost based on the latest available production costs related to the Customer's estimated annual energy use requirements.
- iii. The annual fixed costs of the new local facilities necessary to provide the service requested calculated at 21.95% of the installed cost of such facilities.

If the estimated revenue for one year is greater than the cost to serve as describe herein, the Company may provide any new local facilities required at no cost to the Customer. If the estimated revenue for one year is less than the cost to serve as described herein, the Company will require the Customer to pay a contribution in aid of construction equal to the difference between the annual cost to serve as calculated and the estimated revenue for one year divided by 21.95%, but in no case to exceed the installed cost of the new facilities required. If, however, the annual cost to serve excluding the cost of new facilities paid for by the Customer exceeds the estimated revenue for one year, the Company, will, in addition to a contribution in aid of construction, require a special minimum or other arrangement to compensate the Company for such deficiency in venue.

Except where service is rendered in accordance with 807 KAR 5.041, Section 11, as described herein, the Company may require the Customer to execute an Advance and Refund Agreement where the Company reasonably questions the longevity of the service or the estimated energy use and demand requirements provided by the Customer. Under the Advance and Refund Agreement, the Customer shall pay the company the estimated total installed cost of the required new facilities which advance could be refunded over a five year period under certain circumstances. Over the five year period the Customer's electric bill would be credited each month up to the amount of 1/60th of the total amount advanced.

11. Extension of Service to Mobile Home

The electrical facilities of the Company will be extended or expanded to supply electric service to mobile homes in accordance with 807 KAR 5.041, Section 12.

12. Location and Maintenance of Company Equipment

The Company shall have the right to construct its poles, lines and circuits on the property, and to place its transformers and other apparatus on the property or within the building of the Customer, at a point or points convenient for such purposes, as required to serve such Customer, and the Customer shall provide suitable space for the installation of necessary measuring instruments so that the latter may be protected from injury by the elements or through the negligence or deliberate acts of the Customer or of any employee of the same.

Continued on Sheet 2-8

DATE OF ISSUE: June 29, 2023

DATE EFFECTIVE: January 1, 2024

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of an Order of the Public Service Commission

In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 2-8  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-8

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**10. EXTENSION OF SERVICE (Cont'd)**

If the estimated revenue for one year is greater than the cost to serve as describe herein, the Company may provide any new local facilities required at no cost to the Customer. If the estimated revenue for one year is less than the cost to serve as described herein, the Company will require the Customer to pay a contribution in aid of construction equal to the difference between the annual cost to serve as calculated and the estimated revenue for one year divided by 21.95%, but in no case to exceed the installed cost of the new facilities required. If, however, the annual cost to serve excluding the cost of new facilities paid for by the Customer exceeds the estimated revenue for one year, the Company, will, in addition to a contribution in aid of construction, require a special minimum or other arrangement to compensate the Company for such deficiency in venue.

Except where service is rendered in accordance with 807 KAR 5:041, Section 11, as described herein, the Company may require the Customer to execute an Advance and Refund Agreement where the Company reasonably questions the longevity of the service or the estimated energy use and demand requirements provided by the Customer. Under the Advance and Refund Agreement, the Customer shall pay the company the estimated total installed cost of the required new facilities which advance could be refunded over a five year period under certain circumstances. Over the five year period the Customer' electric bill would be credited each month up to the amount of 1/60<sup>th</sup> of the total amount advanced.

**11. EXTENSION OF SERVICE TO MOBILE HOME.**

The electrical facilities of the Company will be extended or expanded to supply electric service to mobile homes in accordance with 807 KAR 5:041, Section 12.

**12. LOCATION AND MAINTENANCE OF COMPANY EQUIPMENT.**

The Company shall have the right to construct its poles, lines and circuits on the property, and to place its transformers and other apparatus on the property or within the building of the Customer, at a point or points convenient for such purposes, as required to serve such Customer, and the Customer shall provide suitable space for the installation of necessary measuring instruments so that the latter may be protected from injury by the elements or through the negligence or deliberate acts of the Customer or of any employee of the same.

**13. BILLING FORM.**

Pursuant to 807 KAR 5:006, Section 7, copies of the billing forms used by the Company are shown on Sheet Nos. 2-17 thru 2-24.

**14. RATE SCHEDULE SELECTION**

The Company will explain to the Customer, at the beginning of service or upon request, the Company's rates available to the Customer. Company will assist Customer in the selection of the rate schedule best adapted to Customer's service requirements, provided, however, that Company does not assume responsibility for the selection or that Customer will at all times be served under the most favorable rate schedule.

Customer may change their initial rate schedule selection to another applicable rate schedule at any time by either written notice to Company and/or by executing a new contract for the rate schedule selected, provided that the application of such subsequent selection shall continue for 12 months before any other selection may be made. In no case will the Company refund any monetary difference between the rate schedule under which service was billed in prior periods and the newly selected rate schedules.

(Cont'd on Sheet No. 2-9)

DATE OF ISSUE: July 6, 2022  
DATE EFFECTIVE: Service Rendered On And After July 1, 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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-8  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 2-8

**Terms and Conditions of Service Continued**

**13. Billing Form**

Pursuant to 807 KAR 5:006, Section 7, copies of the billing forms used by the Company are shown on Sheet Nos. 2-14 thru 2-23.

**14. Rate Schedule Selection**

The Company will explain to the Customer, at the beginning of service or upon request, the Company's rates available to the Customer. Company will assist Customer in the selection of the rate schedule best adapted to Customer's service requirements, provided, however, that Company does not assume responsibility for the selection or that Customer will at all times be served under the most favorable rate schedule.

Customer may change their initial rate schedule selection to another applicable rate schedule at any time by either written notice to Company and/or by executing a new contract for the rate schedule selected, provided that the application of such subsequent selection shall continue for 12 months before any other selection may be made. In no case will the Company refund any monetary difference between the rate schedule under which service was billed in prior periods and the newly selected rate schedules.

**15. Monitoring Usage**

At least once quarterly the Company will monitor the usage of each customer according to the following procedure:

- a. The Customer's monthly usage will be compared with the usage of the corresponding period of the previous year.
- b. If the monthly usage for the two periods is substantially the same or if any difference is known to be attributed to unique circumstances, such as unusual weather conditions, common to all customers, no further review will be made.
- c. If the monthly usage is not substantially the same and cannot be attributed to a readily identified common cause, the Company will compare the Customer's monthly usage records for the 12-month period with the monthly usage for the same months of the preceding year.
- d. If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, the company will contact the Customer to determine whether there have been changes that explain the increased or decreased usage.
- e. Where the deviation is not otherwise explained, the Company will test the Customer's meter to determine whether it shows an average error greater than 2 percent fast or slow.
- f. The Company will notify the Customer of the investigation, its findings, and any refunds or back billing in accordance with 807 KAR 5:006, Section 11(4) and (5).

In addition to the quarterly monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading, billing processes, or customer inquiry.

**16. Use of Energy by Customer**

The tariffs for electric energy given herein are classified by the character of use of such energy and are not available for service except as provided herein.

Upon the expiration of an electric service contract, if required by the terms of the tariff, the Customer may elect to renew the contract upon the same or another tariff published by the Company available to the Customer and applicable to the Customer's requirements, except that in no case shall the Company be required to maintain transmission, switching or transformation equipment different from or in addition to that generally furnished to other Customers receiving electrical supply under the terms of the tariff elected by the Customer.

The service connections, transformers, meters and appliances supplied by the Company for each Customer have a definite capacity and no additions to the equipment, or load connected thereto, will be allowed except by consent of the Company.

Continued on Sheet 2-9

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-9 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-9 T

TERMS AND CONDITIONS OF SERVICE (Cont'd)

15. **MONITORING USAGE.**

At least once quarterly the Company will monitor the usage of each customer according to the following procedure:

1. The Customer's monthly usage will be compared with the usage of the corresponding period of the previous year.
2. If the monthly usage for the two periods is substantially the same or if any difference is known to be attributed to unique T circumstances, such as unusual weather conditions, common to all customers, no further review will be made.
3. If the monthly usage is not substantially the same and cannot be attributed to a readily identified common cause, the Company will compare the Customer's monthly usage records for the 12-month period with the monthly usage for the same months of the preceding year.
4. If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, the company will contact the Customer to determine whether there have been changes that explain the increased or decreased usage.
5. Where the deviation is not otherwise explained, the Company will test the Customer's meter to determine whether it shows an average error greater than 2 percent fast or slow.
6. The Company will notify the Customer of the investigation, its findings, and any refunds or back billing in accordance with 807 KAR T 5.006, Section 11(4) and (5).

In addition to the quarterly monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading, billing processes, or customer inquiry.

16. **USE OF ENERGY BY CUSTOMER**

The tariffs for electric energy given herein are classified by the character of use of such energy and are not available for service except as provided herein.

Upon the expiration of an electric service contract, if required by the terms of the tariff, the Customer may elect to renew the contract upon the same or another tariff published by the Company available to the Customer and applicable to the Customer's requirements, except that in no case shall the Company be required to maintain transmission, switching or transformation equipment different from or in addition to that generally furnished to other Customers receiving electrical supply under the terms of the tariff elected by the Customer.

The service connections, transformers, meters and appliances supplied by the Company for each Customer have a definite capacity and no additions to the equipment, or load connected thereto, will be allowed except by consent of the Company.

The Customer shall install only motors, apparatus or appliances which are suitable for operation with the character of the service supplied by the Company, and which shall not be detrimental to same, and the electric energy must not be used in such a manner as to cause unprovided-for voltage fluctuations or disturbances in the Company's transmission or distribution system. The Company shall be the sole T judge as to the suitability of apparatus or appliances, and also as to whether the operation of such apparatus or appliances is or will be detrimental to its general service.

(Cont'd on Sheet No. 2-10)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-9  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-9

**Terms and Conditions of Service Continued**

**Use of Energy by Customer Continued**

The Customer shall install only motors, apparatus or appliances which are suitable for operation with the character of the service supplied by the Company, and which shall not be detrimental to same, and the electric energy must not be used in such a manner as to cause unprovided-for voltage fluctuations or disturbances in the Company's transmission or distribution system. The Company shall be the sole judge as to the suitability of apparatus or appliances, and also as to whether the operation of such apparatus or appliances is or will be detrimental to its general service.

No attachment of any kind whatsoever may be made to the Company's lines, poles, cross arms, structures or other facilities without the express written consent of the Company.

All apparatus used by the Customer shall be of such type as to secure the highest practicable commercial efficiency, power factor and the proper balancing of phases. Motors which are frequently started or motors arranged for automatic control must be of a type to give maximum starting torque with minimum current flow, and must be of a type, and equipped with controlling devices, approved by the Company. The Customer agrees to notify the Company of any increase or decrease in his connected load

The Company will not supply service to Customers who have other sources of electrical energy supply except under tariffs that specifically provide for same.

The Customer shall not be permitted to operate generating equipment in parallel with the Company's service except with express written consent of the Company.

Resale of energy will be permitted only with express written consent by the Company.

17. **Residential Service**

Except as otherwise provided in these tariffs, individual residences shall be served individually with single-phase secondary service under the applicable residential service tariff. Customer may not take service for 2 or more separate residences through a single point of delivery under any tariff. Exclusions may be allowed pursuant to 807 KAR 5:046 (Prohibition of master metering).

The residential service tariff shall cease to apply to that portion of a residence which becomes regularly used for business, professional, institutional or gainful purposes, which requires three phase service or primary service or which requires service to motors in excess of 10 HP each. Under these circumstances, Customer shall have the choice of: (1) separating the wiring so that the residential portion of the premises is served through a separate meter under the residential service tariff, and the other uses as enumerated above are served through a separate meter or meters under the applicable general service tariff; or (2) taking the entire service under the applicable general service tariff.

Detached building or buildings, actually appurtenant to the residence, such as a garage, stable or barn, may be served by an extension of the Customer's residence wiring through the residence meter and under the applicable residential service tariff.

18. **Denial or Discontinuance of Service**

The Company reserves the right to refuse or discontinue service to any customer if the customer is indebted to the Company for any service theretofore rendered at any location. Service will not be supplied or continued to any premises if at the time of application for service the Applicant is merely acting as an agent or person or former customer who is indebted to the Company for service previously supplied at the same, or other premises, until payment of such indebtedness shall have been made.

*Continued on Sheet 2-10*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 Original SHEET NO. 2-10 T  
 CANCELLING P.S.C. KY. NO. 11 1<sup>ST</sup> REVISION SHEET NO. 2-10 T

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**16. USE OF ENERGY BY CUSTOMER. (Cont'd)**

No attachment of any kind whatsoever may be made to the Company's lines, poles, cross arms, structures or other facilities without the express written consent of the Company.

All apparatus used by the Customer shall be of such type as to secure the highest practicable commercial efficiency, power factor and the proper balancing of phases. Motors which are frequently started or motors arranged for automatic control must be of a type to give maximum starting torque with minimum current flow, and must be of a type, and equipped with controlling devices, approved by the Company. The Customer agrees to notify the Company of any increase or decrease in his connected load

The Company will not supply service to Customers who have other sources of electrical energy supply except under tariffs that specifically provide for same.

The Customer shall not be permitted to operate generating equipment in parallel with the Company's service except with express written consent of the Company.

Resale of energy will be permitted only with express written consent by the Company.

**17. RESIDENTIAL SERVICE**

Except as otherwise provided in these tariffs, individual residences shall be served individually with single-phase secondary service under the applicable residential service tariff. Customer may not take service for 2 or more separate residences through a single point of delivery under any tariff. Exclusions may be allowed pursuant to 807 KAR 5.046 (Prohibition of master metering).

The residential service tariff shall cease to apply to that portion of a residence which becomes regularly used for business, professional, institutional or gainful purposes, which requires three phase service or primary service or which requires service to motors in excess of 10 HP each. Under these circumstances, Customer shall have the choice of: (1) separating the wiring so that the residential portion of the premises is served through a separate meter under the residential service tariff, and the other uses as enumerated above are served through a separate meter or meters under the applicable general service tariff; or (2) taking the entire service under the applicable general service tariff.

Detached building or buildings, actually appurtenant to the residence, such as a garage, stable or barn, may be served by an extension of the Customer's residence wiring through the residence meter and under the applicable residential service tariff.

**18. DENIAL OR DISCONTINUANCE OF SERVICE.**

The Company reserves the right to refuse or discontinue service to any customer if the customer is indebted to the Company for any service theretofore rendered at any location. Service will not be supplied or continued to any premises if at the time of application for service the Applicant is merely acting as an agent or person or former customer who is indebted to the Company for service previously supplied at the same, or other premises, until payment of such indebtedness shall have been made.

Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5.006, Section 15(1)(f). Final Bills transferred following a lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection;

(Cont'd on Sheet 2-11)

DATE OF ISSUE: April 9, 2021  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-10  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-10

**Terms and Conditions of Service Continued**

**Denial or Discontinuance of Service Continued**

Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect.

**19. Special Charges**

a. **Reconnection and Disconnect Charges**

In cases where the Company has discontinued service as herein provided for, the Company reserves the right to assess a reconnection charge pursuant to 807 KAR 5:006, Section 9 (3)(b), payable in advance, in accordance with the following schedule. However, those Customers qualifying for Winter Hardship Reconnection under 807 KAR 5:006 Section 16 shall be exempt from the reconnect charges.

Reconnect for nonpayment during regular hours	\$4.70
Reconnect at the end of the day (no "Call Out" required)	\$30.00
Reconnect for nonpayment when a "Call Out" is required prior to 8:00PM (A "Call Out" is when an employee must be called in to work on overtime basis to make the reconnect trip. Reconnection for nonpayment will not be made when a "Call Out" after 8:00 p.m. is required)	\$95.00
Reconnect for nonpayment when double time is required (Sunday and Holiday)	\$124.00
Termination or field trip	\$4.70

The reconnection charge for all Customers where service has been disconnected for fraudulent use of electricity will be the actual cost of the reconnection.

b. **Meter Read Check**

Pursuant to 807 KAR 5:006, Section 9(3)(d) in cases where a customer requests a meter be reread, and the second reading shows the original reading was correct, the Customer will be charged a fee of \$21.00 to cover the handling cost.

c. **Returned Check Charge**

In cases where a customer pays by check, which is later returned as unpaid by the bank for any reason, the Customer will be charged a fee of \$14.65 to cover the handling costs.

d. **Meter Test Charge**

Where test of a meter is made upon written request by the Customer pursuant to 807 KAR 5:006, Section 19, the Customer will be charged \$48.00 if such test shows that the meter was not more than two percent (2%) fast.

*Continued on Sheet 2-11*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-11 T  
 CANCELLING P.S.C. KY. NO.11 1<sup>ST</sup> REVISION SHEET NO. 2-11 T

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**18. DENIAL OR DISCONTINUANCE OF SERVICE. (Cont'd)**

or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect.

**19. SPECIAL CHARGES.**

**A. Reconnection and Disconnect Charges**

In cases where the Company has discontinued service as herein provided for, the Company reserves the right to assess a reconnection charge pursuant to 807 KAR 5:006, Section 9 (3)(b), payable in advance, in accordance with the following schedule. However, those Customers qualifying for Winter Hardship Reconnection under 807 KAR 5:006 Section 16 shall be exempt from the reconnect charges.

1. Reconnect for nonpayment during regular hours.....	\$ 4.70	R
2. Reconnect at the end of the day (No "Call Out" required).....	\$ 30.00	
3. Reconnect for nonpayment when a "Call Out" is required prior to 8:00 PM (A "Call Out" is when an employee must be called in to work on overtime basis to make the reconnect trip. Reconnection for nonpayment will not be made when a "Call Out" after 8:00 p.m. is required).....	\$ 95.00	T
4. Reconnect for nonpayment when double time is required (Sunday and Holiday).....	\$ 124.00	
5. Termination or field trip.....	\$ 4.70	R

The reconnection charge for all Customers where service has been disconnected for fraudulent use of electricity will be the actual cost of the reconnection.

**B. Meter Reading Check**

Pursuant to 807 KAR 5:006, Section 9(3)(d) in cases where a customer requests a meter be reread, and the second reading shows the original reading was correct, the Customer will be charged a fee of \$21.00 to cover the handling cost.

**C. Returned Check Charge**

In cases where a customer pays by check, which is later returned as unpaid by the bank for any reason, the Customer will be charged a fee of \$14.65 to cover the handling costs.

**D. Meter Test Charge**

Where test of a meter is made upon written request by the Customer pursuant to 807 KAR 5:006, Section 19, the Customer will be charged \$48.00 if such test shows that the meter was not more than two percent (2%) fast.

(Cont'd on Sheet No. 2-12)

DATE OF ISSUE: April 9, 2021  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-11  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-11

**Terms and Conditions of Service Continued**

**Special Charges Continued**

**e. Work Performed on Company's Facilities at Customer's Request**

Whenever, at the request and for the benefit of the Customer, work is performed on the Company's facilities, including the relocation, or replacement of the Company's facilities, the Customer shall pay to the Company in advance of the Company undertaking the work the estimated total cost of such work. This cost shall be itemized by major categories and shall include the Company's overheads and shall be credited with the net value of any salvageable material. The actual cost for the work performed shall be calculated at the completion of the work and the appropriate charge or refund will be made to the Customer.

Reasonable notice of not less than three working days shall be given to the Company for all requested work except for the covering of the Company's lines. Notice of any request for the Company to cover its lines shall be given at least two days in advance. The Company will endeavor to comply with all timely requests, but work may be delayed because of demands on the Company's personnel and equipment.

If the cost, as calculated above, is \$500 or less for covering the Company's distribution facilities no charge will be imposed. All costs in excess of \$500 for covering the Company's distribution facilities shall be paid by the Customer, in advance of the Company undertaking the work. The actual cost for the work performed shall be calculated at the completion of the work and the appropriate charge or refund will be made to the customer.

**20. Refunds to Residential Customers**

The Company may make a refund to residential customers by one of the following means: a credit to the Customer's bill, a prepaid card, or a check or electronic funds transfer (EFT).

The Company acting through its customer service representative shall fully address and resolve any customer complaints or disputes related to: (a) the accuracy of the names and last known addresses of the customer to receive prepaid cards; (b) the effective delivery and receipt of the prepaid cards; and (c) the amount of any refunds.

**21. Alerts and Subscriptions**

Kentucky Power offers an optional Mobile Alert Service for customers through which participating customers can elect to receive notifications from the Company via e-mail or text message. The Company provides billing and payment alerts and alerts relating to outages. These alerts are supplemental to standard communications from the Company and to the extent any discrepancies exist between the information contained in the mobile alerts and the information contained in standard communications from the Company, the information in the standard communications from the Company shall prevail.

Customers interested in receiving mobile alerts from Kentucky Power may sign up for the service through the Company's website at [www.kentuckypower.com](http://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.com](mailto:communications@kentuckypower.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.

E-mail 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 electronic communication to the Company should be sent to [Communications@kentuckypower.com](mailto:Communications@kentuckypower.com).

There is no charge from the Company for the Mobile Alert Service; however, message and data rates may apply. Customers are advised to verify message and data rates with their cellular and internet service providers.

Information regarding the types of alerts and the Mobile Alert Service in general are provided below.

*Continued on Sheet 2-12*

DATE OF ISSUE: June 29, 2023  
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 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-12 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-12 T

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**19. SPECIAL CHARGES. (Cont'd)**

**E. Work performed on Company's Facilities at Customer's Request**

Whenever, at the request and for the benefit of the Customer, work is performed on the Company's facilities, including the relocation, or replacement of the Company's facilities, the Customer shall pay to the Company in advance of the Company undertaking the work the estimated total cost of such work. This cost shall be itemized by major categories and shall include the Company's overheads and shall be credited with the net value of any salvageable material. The actual cost for the work performed shall be calculated at the completion of the work and the appropriate charge or refund will be made to the Customer. T

Reasonable notice of not less than three working days shall be given to the Company for all requested work except for the covering of the Company's lines. Notice of any request for the Company to cover its lines shall be given at least two days in advance. The Company will endeavor to comply with all timely requests, but work may be delayed because of demands on the Company's personnel and equipment.

If the cost, as calculated above, is \$500 or less for covering the Company's distribution facilities no charge will be imposed. All costs in excess of \$500 for covering the Company's distribution facilities shall be paid by the Customer, in advance of the Company undertaking the work. The actual cost for the work performed shall be calculated at the completion of the work and the appropriate charge or refund will be made to the customer.

**20. REFUNDS TO RESIDENTIAL CUSTOMERS.**

The Company may make a refund to residential customers by one of the following means: a credit to the Customer's bill, a prepaid card, or a check or electronic funds transfer (EFT). T

The Company acting through its customer service representative shall fully address and resolve any customer complaints or disputes related to: (a) the accuracy of the names and last known addresses of the customer to receive prepaid cards; (b) the effective delivery and receipt of the prepaid cards; and (c) the amount of any refunds.

(Cont'd on Sheet No. 2-13)

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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-12  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-12

**Terms and Conditions of Service Continued**

**Alerts and Subscriptions Continued**

**Billing and Payment Alerts**

Billing and payment alerts provided through Kentucky Power's Mobile Alert Service are in addition to regular billing statements, payment notifications, disconnect notices, or other standard communications sent by Kentucky Power or its third party partners as required by law, regulation, or tariff filed by Kentucky Power or its subsidiaries. These alerts are not a replacement for any regular billing statement, payment notifications, disconnect notices, or other standard communications. In the event of a discrepancy between the information provided in a billing or payment alert provided through the Mobile Alert Service and the information provided in the Company's standard communication, the information in the standard communication shall prevail.

Kentucky Power shall not have any liability for any delay or failure to deliver a billing or payment alert or for any mistakes or errors in any billing or payment alert provided through the Mobile Alerts Service.

**Outage Alerts**

Kentucky Power provides alerts relating to system outages through its Mobile Alert Service. Outage alerts will be sent when the Company has evidence of an outage at a subscribed address. Due to variations in equipment from one area to another, it is possible that the accuracy of outage alerts will vary from one area to another. Recipients shall consider any outage related information as guidance and not as an absolute guarantee. Kentucky Power will send outage related notifications based upon available information and does not guarantee that the notifications will be without error.

Planned outages and short-duration outages will normally not generate an outage-related notification. During large-scale outage events, the frequency and timeliness of outage updates may be impacted.

Kentucky Power shall not have any liability for any delay or failure to deliver an outage-related notification.

**General**

Kentucky Power does not warrant or guarantee that alerts will be sent or received, and Kentucky Power shall not be responsible for any lost or misdirected messages.

Customers electing to participate in Kentucky Power's Mobile Alert Service authorize the Company to contact them via their elected communication method with transactional messages pertaining to the service. Participation in the Mobile Alert Service shall be considered as affirmative consent to receive the related messages should these messages ever be classified as commercial in nature.

Kentucky Power shall not have any liability under any theory of recovery, whether in contract or tort, for any loss or damages due to delay or failure to deliver an alert through the Mobile Alert Service. Without limiting the previous sentence, Kentucky Power disclaims any liability, expressed or implied, for indirect or consequential damages arising from a customer's subscription to Kentucky Power's Mobile Alert Service.

Customer agrees not to publish, copy, communicate to the public, edit, retransmit, or amend any data received as part of Kentucky Power's Mobile Alert Service. The data communicated via the Mobile Alert Service is provided for the participating customer's personal non-commercial use only and may not be used for any other purpose.

Personal information and data ("Personal Data") provided by customers when using Kentucky Power's Mobile Alert Service will only be used by Kentucky Power and its suppliers and contractors for Mobile Alert Service-related purposes. Data other than Personal Data may be aggregated and used by the Company for the purpose of undertaking market research or in facilitating reviews, developments and improvements to Kentucky Power's Mobile Alert Service.

Continued on Sheet 2-13

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-13 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-13 T

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**21. ALERTS AND SUBSCRIPTIONS.**

Kentucky Power offers an optional Mobile Alert Service for customers through which participating customers can elect to receive notifications from the Company via e-mail or text message. The Company provides billing and payment alerts and alerts relating to outages. These alerts are supplemental to standard communications from the Company and to the extent any discrepancies exist between the information contained in the mobile alerts and the information contained in standard communications from the Company, the information in the standard communications from the Company shall prevail.

Customers interested in receiving mobile alerts from Kentucky Power may sign up for the service through the Company's website at [www.kentuckypower.com](http://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](mailto: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.

E-mail 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 electronic communication to the Company should be sent to [Communications@kentuckypower-mail.com](mailto:Communications@kentuckypower-mail.com).

There is no charge from the Company for the Mobile Alert Service; however, message and data rates may apply. Customers are advised to verify message and data rates with their cellular and internet service providers.

Information regarding the types of alerts and the Mobile Alert Service in general are provided below.

**Billing and Payment Alerts**

Billing and payment alerts provided through Kentucky Power's Mobile Alert Service are in addition to regular billing statements, payment notifications, disconnect notices, or other standard communications sent by Kentucky Power or its third party partners as required by law, regulation, or tariff filed by Kentucky Power or its subsidiaries. These alerts are not a replacement for any regular billing statement, payment notifications, disconnect notices, or other standard communications. In the event of a discrepancy between the information provided in a billing or payment alert provided through the Mobile Alert Service and the information provided in the Company's standard communication, the information in the standard communication shall prevail.

Kentucky Power shall not have any liability for any delay or failure to deliver a billing or payment alert or for any mistakes or errors in any billing or payment alert provided through the Mobile Alerts Service.

**Outage Alerts**

Kentucky Power provides alerts relating to system outages through its Mobile Alert Service. Outage alerts will be sent when the Company has evidence of an outage at a subscribed address. Due to variations in equipment from one area to another, it is possible that the accuracy of outage alerts will vary from one area to another. Recipients shall consider any outage related information as guidance and not as an absolute guarantee. Kentucky Power will send outage related notifications based upon available information and does not guarantee that the notifications will be without error.

Planned outages and short-duration outages will normally not generate an outage-related notification. During large-scale outage events, the frequency and timeliness of outage updates may be impacted.

Kentucky Power shall not have any liability for any delay or failure to deliver an outage-related notification.

(Cont'd on Sheet No. 2-14)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-13  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-13

**Terms and Conditions of Service Continued**

**Alerts and Subscriptions Continued**

Customers participating in the Mobile Alert Service may discontinue a portion of or all alerts at any time by modifying their alert subscription or by unsubscribing entirely. Customers wishing to modify or unsubscribe from the Mobile Alert Service may do so at the Company's website: [www.kentuckypower.com](http://www.kentuckypower.com) or by contacting Kentucky Power's Customer Operations Centers at 1-800-572-1113. Kentucky Power will process a request to unsubscribe from the Mobile Alert Service within ten days of receiving the request. Kentucky Power is authorized to send a communication to a customer requesting to unsubscribe from the Mobile Alert Service to confirm the request.

The terms and conditions the Company's Mobile Alert Service shall be governed by applicable state law.

Customers electing to participate in the Company's Mobile Alert Service agree to the terms and conditions of the service and further agree that the terms and conditions may be updated from time to time. The Company will provide customers participating in the Mobile Alert Service with updated terms and conditions as they become effective. Customers participating in the Mobile Alert Service must take affirmative action to withdraw from the service if the customer does not agree with any new or updated term or condition of service. Failure to withdraw after an updated term and condition is provided by the Company means that the customer accepts the new or updated terms and conditions.

**Additional Terms and Conditions for E-mail Alerts**

If a customer sends an email to Kentucky Power with questions or comments, Kentucky Power may use the customer's e-mail address and other personal information included in the correspondence in order to respond. If a customer provides the Company with an e-mail address in order to receive alerts, Kentucky Power may use that e-mail address to send the customer other types of information.

A customer may unsubscribe from receiving e-mail alerts by clicking the "Unsubscribe" link near the bottom of an e-mail alert.

**Additional Terms and Conditions for Text Message Alerts**

Customers may elect to receive text alerts through Kentucky Power's Mobile Alert Service. For text alerts, message and data rates may apply consistent with the customer's mobile phone service agreement. Kentucky Power assumes no responsibility for any service charges received from customer's mobile phone service providers for text alerts received through the Mobile Alert Service. Kentucky Power is not responsible for and will not be liable for any breach of the terms of an agreement between a customer electing to receive text alerts through the Mobile Alert System and that customer's mobile phone service provider or for any mistake that may arise in the billing process.

To receive text alerts from the Company through the Mobile Alert Service, the customer must be the owner or legitimate user of the mobile phone registered or have the express consent of the owner or legitimate user. Customers electing to receive text alerts from the Company through the Mobile Alert Service are responsible for providing and maintaining a mobile phone and ensuring connection to a mobile network capable of receiving the text alerts.

Customers electing to receive text alerts through the Mobile Alert Service acknowledge that the text alerts may, at any time, be adversely affected by problems with the mobile phone network including, without limitation, interference to the network coverage. Kentucky Power shall not be responsible or liable for any loss, damage, or expense incurred directly or indirectly by customers electing to receive text alerts through the Mobile Alert Service as a result of any difficulties experienced by any cellular phone service provider.

In the event a customer electing to receive text alerts through the Mobile Alert Service changes mobile phone service providers or telephone number, that customer is required to subscribe again to receive text alerts. If no alerts are sent or received for eighteen months, a customer's opt-in to that offering will expire. A customer must opt-in again to the program in order to receive alerts.

Kentucky Power may discontinue text alerts at any time. Customers electing to receive text alerts through the Mobile Alert Service will receive text alerts from 23711. Customers may unsubscribe from text alerts by texting STOP to 23711 and may obtain assistance via text by texting HELP to 23711.

*Continued on Sheet 2-14*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-14 T  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-14 T

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**21. ALERTS AND SUBSCRIPTIONS (Cont'd).**

General

Kentucky Power does not warrant or guarantee that alerts will be sent or received, and Kentucky Power shall not be responsible for any lost or misdirected messages.

Customers electing to participate in Kentucky Power's Mobile Alert Service authorize the Company to contact them via their elected communication method with transactional messages pertaining to the service. Participation in the Mobile Alert Service shall be considered as affirmative consent to receive the related messages should these messages ever be classified as commercial in nature.

Kentucky Power shall not have any liability under any theory of recovery, whether in contract or tort, for any loss or damages due to delay or failure to deliver an alert through the Mobile Alert Service. Without limiting the previous sentence, Kentucky Power disclaims any liability, expressed or implied, for indirect or consequential damages arising from a customer's subscription to Kentucky Power's Mobile Alert Service.

Customer agrees not to publish, copy, communicate to the public, edit, retransmit, or amend any data received as part of Kentucky Power's Mobile Alert Service. The data communicated via the Mobile Alert Service is provided for the participating customer's personal non-commercial use only and may not be used for any other purpose.

Personal information and data ("Personal Data") provided by customers when using Kentucky Power's Mobile Alert Service will only be used by Kentucky Power and its suppliers and contractors for Mobile Alert Service-related purposes. Data other than Personal Data may be aggregated and used by the Company for the purpose of undertaking market research or in facilitating reviews, developments and improvements to Kentucky Power's Mobile Alert Service.

Customers participating in the Mobile Alert Service may discontinue a portion of or all alerts at any time by modifying their alert subscription or by unsubscribing entirely. Customers wishing to modify or unsubscribe from the Mobile Alert Service may do so at the Company's website: [www.kentuckypower.com](http://www.kentuckypower.com) or by contacting Kentucky Power's Customer Operations Centers at 1-800-572-1113. Kentucky Power will process a request to unsubscribe from the Mobile Alert Service within ten days of receiving the request. Kentucky Power is authorized to send a communication to a customer requesting to unsubscribe from the Mobile Alert Service to confirm the request.

The terms and conditions the Company's Mobile Alert Service shall be governed by applicable state law.

Customers electing to participate in the Company's Mobile Alert Service agree to the terms and conditions of the service and further agree that the terms and conditions may be updated from time to time. The Company will provide customers participating in the Mobile Alert Service with updated terms and conditions as they become effective. Customers participating in the Mobile Alert Service must take affirmative action to withdraw from the service if the customer does not agree with any new or updated term or condition of service. Failure to withdraw after an updated term and condition is provided by the Company means that the customer accepts the new or updated terms and conditions.

(Cont'd on Sheet No. 2-15)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-14  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-14

**Terms and Conditions of Service Continued**



**Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

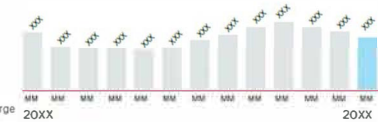
Amount due on or before  
 MM DD, YYYY **\$XXX.XX**  
 Bill mailing date is MM DD, YYYY  
 Account #XXX-XXX-XXX-X

SERVICE ADDRESS: KENTUCKY RESIDENTIAL, ADDRESS 123, ABC, KY XXXXX-XXXX

  
 KENTUCKY RESIDENTIAL  
 ADDRESS 123  
 ABC, KY XXXXX-XXXX

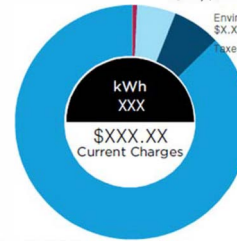
**Notes from KPCO:**  
 Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready! Sign up at [kentuckypower.com/paperless!](http://kentuckypower.com/paperless!)

**Usage History (kWh):**



**Current bill summary:**  
 Billing from MM/DD/YY - MM/DD/YY (XX days)

- DSM \$X.XX
- Fuel Adj \$X.XX
- Environmental Surcharge \$X.XX
- Taxes & Fees \$X.XX



Electric Service \$XX.XX

Please tear on dotted line. Turn over for important information! >  
 Thank you for your prompt payment! Please include your account number on your check and return it to us with your payment.  
 KENTUCKY RESIDENTIAL, ADDRESS 123, ABC, KY XXXXX-XXXX

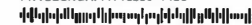
 **Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

Account #XXX-XXX-XXX-X  
 KENTUCKY RESIDENTIAL  
 Amount due on or before  
 MM DD, YYYY **\$XXX.XX**

Payment Amount \$

Pay \$XX.XXX after MM/DD/YYYY

Make check payable and send to:  
 KENTUCKY POWER COMPANY  
 PO BOX 371420  
 PITTSBURGH, PA 15250-7420



The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of \$ \_\_\_\_\_

*Continued on Sheet 2-15*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX.XX.XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-15 T  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-15 T

TERMS AND CONDITIONS OF SERVICE (Cont'd)

21. **ALERTS AND SUBSCRIPTIONS (Cont'd).**

Additional Terms and Conditions for E-mail Alerts

If a customer sends an email to Kentucky Power with questions or comments, Kentucky Power may use the customer's e-mail address and other personal information included in the correspondence in order to respond. If a customer provides the Company with an e-mail address in order to receive alerts, Kentucky Power may use that e-mail address to send the customer other types of information.

A customer may unsubscribe from receiving e-mail alerts by clicking the "Unsubscribe" link near the bottom of an e-mail alert.

Additional Terms and Conditions for Text Message Alerts

Customers may elect to receive text alerts through Kentucky Power's Mobile Alert Service. For text alerts, message and data rates may apply consistent with the customer's mobile phone service agreement. Kentucky Power assumes no responsibility for any service charges received from customer's mobile phone service providers for text alerts received through the Mobile Alert Service. Kentucky Power is not responsible for and will not be liable for any breach of the terms of an agreement between a customer electing to receive text alerts through the Mobile Alert System and that customer's mobile phone service provider or for any mistake that may arise in the billing process.

To receive text alerts from the Company through the Mobile Alert Service, the customer must be the owner or legitimate user of the mobile phone registered or have the express consent of the owner or legitimate user. Customers electing to receive text alerts from the Company through the Mobile Alert Service are responsible for providing and maintaining a mobile phone and ensuring connection to a mobile network capable of receiving the text alerts.

Customers electing to receive text alerts through the Mobile Alert Service acknowledge that the text alerts may, at any time, be adversely affected by problems with the mobile phone network including, without limitation, interference to the network coverage. Kentucky Power shall not be responsible or liable for any loss, damage, or expense incurred directly or indirectly by customers electing to receive text alerts through the Mobile Alert Service as a result of any difficulties experienced by any cellular phone service provider.

(Cont'd on Sheet No. 2-16)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-15  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-15

Terms and Conditions of Service Continued



**Service Address:**

KENTUCKY RESIDENTIAL  
 ADDRESS 123  
 ABC, KY XXXXX - XXXX  
 Account #XXX-XXX-XXX-X

**Line Item Charges:**

Previous Charges	
Total Amount Due at Last Billing	\$ XxX.XX
Payment 02/07/22 - Thank You	-XXX.XX
<b>Previous Balance Due</b>	<b>\$ X.XX</b>
Current KPCO Charges	
Tari#XXX- Residential ServiceXX/XX/XX	
Rate Billing	\$ XXXXX
Federal Tax Charge @ XXXXXX Per kWh	-XXX
Fuel Adj @ XXXXXX Per kWh	XXXX
DSM Adj @ XXXXXX Per kWh	XXXX
Residential Energy Assistance @ \$XXX	XXXX
Distribution Reliability Rider @ \$X.XX	XX
Purchased Power Adj. \$XXXXXX/kWh	XXXX
Renewable Power Option Rider	XXXX
Securitization Financing Rider XXXXXX%	XXXX
Decommissioning Rider XXXXXX%	XXXX
Environmental Adj. XXXXXX%	XXXX
School Tax	XXXX
City's Franchise Fee	XXXX
State Sales Tax	XXXX
<b>Current Balance Due</b>	<b>\$ XXX.XX</b>
Homeserve Warranty Service	\$ XXXX

**Meter Read Details:**

Meter #XXXXXXXX					
Previous	Type	Current	Type	Metered	Usage
XXXXX	Actual	XXXXX	Actual	XXX	XXX kWh
Service Period XX/XX - XX/XX					Multiplier 1
Next scheduled read date should be between MM DD and MM DD.					

**Notes from KPCO:**

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Homeserve USA is optional. Homeserve USA is not the same as KPCO and is not regulated by the KY Public Service Commission. A customer does not have to buy the Warranty Service in order to continue to receive quality regulated services from KPCO.

[www.kyelectricalprotectionplan.com](http://www.kyelectricalprotectionplan.com)

**Usage Details:**



Total usage for the past 12 months: XXXX kWh  
 Average (Avg.) monthly usage: XXX kWh

Continued on Sheet 2-16

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-16 T  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 2-16 T

TERMS AND CONDITIONS OF SERVICE (Cont'd)

21. ALERTS AND SUBSCRIPTIONS (Cont'd)

In the event a customer electing to receive text alerts through the Mobile Alert Service changes mobile phone service providers or telephone number, that customer is required to subscribe again to receive text alerts. If no alerts are sent or received for eighteen months, a customer's opt-in to that offering will expire. A customer must opt-in again to the program in order to receive alerts.

Kentucky Power may discontinue text alerts at any time. Customers electing to receive text alerts through the Mobile Alert Service will receive text alerts from 23711. Customers may unsubscribe from text alerts by texting STOP to 23711 and may obtain assistance via text by texting HELP to 23711.

(Cont'd on Sheet No. 2-17)

DATE OF ISSUE: April 9, 2021  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-16  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-16

Terms and Conditions of Service Continued

**KENTUCKY POWER**  
 Non-Payment/Return Mail:  
 PO BOX 24401  
 CANTON, OH 44701-4401

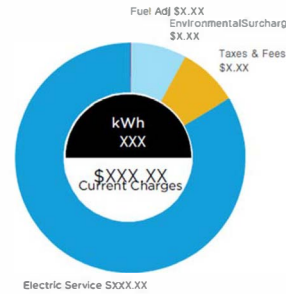
Amount due on or before **\$XXX.XX**  
 MM DD, YYYY  
 Bill mailing date is MM DD, YYYY  
 Account #XXX-XXX-XXX-X-X

SERVICE ADDRESS: KENTUCKY GENERAL SERVICE, ADDRESS 123, ABC, KY XXXX-XXXX

  
 KENTUCKY GENERAL SERVICE  
 ADDRESS 123  
 ABC, KY XXXX-XXXX

Notes from KPCCO:  
 Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready. Sign up at kentuckypower.com/paperless!

Usage History (kWh):



Methods of Payment

-  kentuckypower.com
-  PO Box 371420  
Pittsburgh, PA 15250-7420
-  1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-888-710-4237  
 Outages: kentuckypower.com/outages  
 or 1-800-572-1113

Please tear on dotted line. Turn over for important information!  
 Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.  
 KENTUCKY GENERAL SERVICE, ADDRESS 123, ABC, KY XXXX-XXXX

**KENTUCKY POWER** Non-Payment/Return Mail:  
 PO BOX 24401  
 CANTON, OH 44701-4401

Account #XXX-XXX-XXX-X-X  
 KENTUCKY GENERAL SERVICE

Amount due on or before **\$XXX.XX**  
 MM DD, YYYY

Payment Amount \$

Pay \$XXX.XX after MM/DD/YYYY

Make check payable and send to:  
 KENTUCKY POWER COMPANY  
 PO BOX 371420 PITTSBURGH,  
 PA 15250-7420



The HEART program helps low-income customers pay the electric bill. I want to help. My payment reflects my gift of \$ \_\_\_\_\_

Continued on Sheet 2-17

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No. 2023-00159 Dated XXXX XX, XXXX





KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-18 T  
 CANCELLING P.S.C. KY. NO. 11 3<sup>rd</sup> REVISED SHEET NO. 2-18 T

TERMS AND CONDITIONS OF SERVICE (Cont'd)



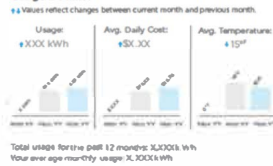
Service Address:

XXXX-XX  
 KPCC RESIDENTIAL CUSTOMER  
 123 ANYWHERE CT  
 ANYWHERE, KY 12345-1234  
 Account #XXXX-XXXX-XXXX-XX

Line Item Charges:

Previous Charges	
Total Amount due at last billing	\$ XXXX.XX
Payment MM/DD/YY - This bill year	\$ XXXX.XX
Previous Balance Due	\$ XXXX.XX
Current KPCC Charges	
Tax on DS - 8 month lat Service MM/DD/YY	\$ XXXX.XX
Rate Billing	\$ XXXX.XX
Federal Tax/Cut Credit @ % discount	XXX.XX
Fuel Adj @ XXXXXX Per kWh	XXX.XX
DSH Adj @ XXXXXX Per kWh	XXX.XX
Residential Env Adj @ XXXXXX Per kWh	XXX.XX
Capacity Charge @ XXXXXX Per kWh	XXX.XX
Environmental Adj XXXXXXXXX	XXX.XX
Discounts/credits to date XXXXXXXX	XXX.XX
Purchase Credit Adj @ XXXXXXXX Per kWh	XXX.XX
0 month lat Power Opt-in Rate	XXX.XX
Warranty Fee	XXX.XX
Franchise Fee	XXX.XX
State Sales Tax	XXX.XX
Current Balance Due	\$ XXXX.XX
HomeServe Warranty Service (855-709-6267)	\$ XXXX.XX
<b>Total Balance Due</b>	<b>\$ XXXX.XX</b>

Usage Details:



Meter Read Details:

Meter Details:

Meter #	Type	Current	Type	Interval	Usage
XXXXXX	ANALOG	XXXXXX	ANALOG	15 MIN	XXXX kWh

Service Period: MM/DD - MM/DD  
 Next scheduled read date should be between Month DD and Month DD.

Notes from KPCCO:

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-372-1113.

HomeServe USA is optional. HomeServe USA is not the same as KPCCO and is not regulated by the KY Public Service Commission. A customer does not have to buy the Warranty Service in order to continue to receive quality regulated services from KPCCO.

[www.kyelectricalprotectionplan.com](http://www.kyelectricalprotectionplan.com)

DN

(Cont'd on Sheet No. 2-19)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-18  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-18

Terms and Conditions of Service Continued



Non-Payment/Return Mail:  
 PO BOX 24401  
 CANTON, OH 44701-4401

Amount due on or before  
 MM DD, YYYY **\$XXX.XX**

Bill mailing date is MM DD, YYYY  
 Account #XXX-XXX-XXX-X-X

SERVICE ADDRESS: KENTUCKY LARGE GENERAL SERVICE, ADDRESS 123, ABC, KY XXXXX-XXXX

KENTUCKY LARGE GENERAL SERVICE  
 ADDRESS 123  
 ABC, KY XXXXX-XXXX

Notes from KPCCO:

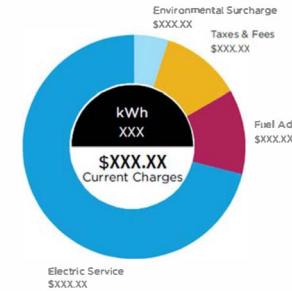
Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready. Sign up at [kentuckypower.com/paperless](http://kentuckypower.com/paperless)!

Usage History (kWh):



Current bill summary:

Billing from MM/DD/YY - MM/DD/YY (XX days)



Methods of Payment

- kentuckypower.com
- PO Box 371420  
Pittsburgh, PA 15250-7420
- 1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-888-710-4237  
 Outages: [kentuckypower.com/outages](http://kentuckypower.com/outages)  
 or 1-800-572-1113

Please tear on dotted line

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

Turn over for important information!

KENTUCKY LARGE GENERAL SERVICE, ADDRESS 123, ABC, KY XXXXX-XXXX



Non-Payment/Return Mail:  
 PO BOX 24401  
 CANTON, OH 44701-4401

Account # XXXXXX-XXX-X-X  
 KENTUCKY LARGE GENERAL SERVICE

Amount due on or before  
 MM DD, YYYY **\$XXX.XX**

Payment Amount \$

Pay \$XXX.XX after MM/DD/YYYY

Make check payable and send to:  
 KENTUCKY POWER COMPANY  
 PO BOX 371420 PITTSBURGH,  
 PA 15250-7420



The HEART program helps low-income customers pay their electric bill. To help pay payment reflects my gift of \$ \_\_\_\_\_

Continued on Sheet 2-19

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No. 2023-00159 Dated XXXX.XX.XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 2-19  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-19

TERMS AND CONDITIONS OF SERVICE (Cont'd)



Non-Payment/Return Mail:  
 PO BOX 24401  
 CANTON, OH 44701-4401

Amount due on or before **\$XX.XX**  
 Month DD, YYYY  
 Bill mailing date is Month DD, YYYY  
 Account #XXX-XXX-XXX-X

SERVICE ADDRESS KENTUCKY COMMERCIAL ACCOUNT

4-1 T  
 03000000401SP 053

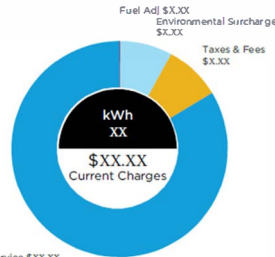
KENTUCKY COMMERCIAL ACCOUNT

Notes from KPSCO:

Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready. Sign up at AEPPaperless.com!

Current bill summary:

Billing from MM/DD/YY - MM/DD/YY (XX days)



Usage History (kWh):



Methods of Payment

- kentuckypower.com
- PO Box 37420  
Pittsburgh, PA 15250-7420
- 1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-800-572-1113  
 Outages: kentuckypower.com/outages  
 or 1-800-572-1113

Please take on dotted line

Turn over for important information

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.  
 KENTUCKY COMMERCIAL ACCOUNT.



Non-Payment/Return Mail:  
 PO BOX 24401  
 CANTON, OH 44701-4401

Account #XXX-XXX-XXX-X  
 KENTUCKY COMMERCIAL ACCOUNT

Amount due on or before **\$XX.XX**  
 Month DD, YYYY

Payment Amount \$

Pay \$XX.XX after MM/DD/YYYY

The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of \$

0000045440000177301000000000300000222516021003015900002

(Cont'd on Sheet No. 2-20)

DATE OF ISSUE: March 29, 2022  
 DATE EFFECTIVE: Bills Rendered On And After April 29, 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. XXX-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-19  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 2-19

Terms and Conditions of Service Continued



Service Address:

KENTUCKY LARGE GENERAL SERVICE

ADDRESS 123  
 ABC, KY XXXXX-XXXX

Account #XXX-XXX-XXX-X-X

Line Item Charges:

Previous Charges	
Total Amount Due At Last Billing	\$ XXX.XX
Payment XX/XX/XX - Thank You	-XXX.XX
<b>Previous Balance Due</b>	<b>\$ XX.XX</b>
Current Charges	
Tariff XXX - Large General Service XXXXXX Reto Billing	\$ XXX.XX
Economic Development Rider - IBDD	-XXX.XX
Economic Development Rider - SBDD	-XXX.XX
Federal Tax Charge @ XXXXXX Per kWh	-XXX.XX
Fuel Adj @ XXXXXX Per kWh	XXX.XX
DSM Adj @ XXXXXX Per kWh	XXX.XX
Kentucky Economic Development Surcharge @ XXXX	XXX
Distribution Reliability Rider @ \$X/M	XXX
Purchased Power Adj \$XXXXXX/kWh	XXX.XX
Renewable Power Option Rider	XXX.XX
Securitization Financing Rider XXXXXX%	XXX.XX
Decommissioning Rider XXXXXX%	XXX.XX
Environmental Adj. XXXXXX%	XXX.XX
School Tax	XXX.XX
City's Franchise Fee	XXX.XX
State Sales Tax	XXX.XX
<b>Current Balance Due</b>	<b>\$ XXX.XX</b>

Billed Usage MM/YY				
Usage	Power Factor	Power Constant	Meter Location Comp.	Billed Usage
XXX	-	-	-	XXX kwh
XXX	-	-	-	XXX kw
XXX	-	-	-	XXX XXX KVA

Meter Read Details:

Meter #XXXXXXXX					
Previous	Type	Current	Type	Metered	Usage
X	X	XXXX	Actual	X	XkVAR
X	X	XXXX	Actual	XXXX	XXXXX kW
XXXX	Actual	XXXX	Actual	XXX	XXX XXX kWh

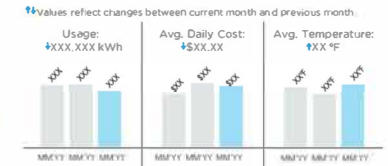
Service Period MM/DD - MM/DD Multiplier: XXX  
 Next scheduled read date should be between MM DD and MM DD.  
 Net Usage: XXX.XXX kWh Billable Usage: XXX.XXX kWh

Notes from Kentucky Power:

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Due date does not apply to previous balance due.

Usage Details:



Total usage for the past 12 months: XXX kWh  
 Average (Avg.) monthly usage: XXX kWh

Continued on Sheet 2-20

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-20 T  
 CANCELLING P.S.C. KY. NO. 11 2<sup>ND</sup> REVISED SHEET NO. 2-20 T

TERMS AND CONDITIONS OF SERVICE (Cont'd)



**Service Address:**  
 GENERAL SERVICE  
 10 MEDIUM RD  
 MEDIUM, KY 41701  
**Account #XXX-XXX-XXX-X-X**

**Line Item Charges:**

Previous Charges	
Total Amount due at last billing	\$ XXX.XX
Payment MM/DD/YY - Thank You	-XXX.XX
Previous Balance Due	\$ X.XX
Current KPCO Charges	
Vert II 2B - Small General Service MM/DD/YY	
Rate Billing	\$ XXX.XX
Federal Tax Cut Credit @ X.X0000000	-X.XX
Fuel Adj @ X.X00000 Per kWh	XX.XX
DSM Adj @ X.X00000 Per kWh	XX.XX
Capacity Charge @ X.X00000 Per kWh	XX.XX
Kentucky Economic Development Surcharges @ \$X.XX	XX.XX
Environmental Adj XXXX.X000	X.XX
Decommissioning Rider X.X00000%	XX.XX
Purchase Power Adj @ X.X000000 Per kWh	XX.XX
Renewable Power Option Rider	X.XX
School Tax	X.XX
Franchise Tax	X.XX
State Sales Tax	X.XX
<b>Current Balance Due</b>	<b>\$ XXX.XX</b>
<b>Total Balance Due</b>	<b>\$ XXX.XX</b>

**Usage Details:**

Values reflect change between current month and previous month.



Total usage for the past 12 months: X,XXX kWh  
 Your average monthly usage: XXX kWh

**Meter Details:**

Meter #123456789	Previous	Type	Current	Type	Method	Usage
	XXXXX	Actual	XXXXX	Actual	XXXX	X,XXX kWh
Service Period MM/DD - MM/DD						(kWh) @ X,XXX kWh

**Notes from KPCO:**

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

DN

(Cont'd on Sheet No. 2-21)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-20  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-20

Terms and Conditions of Service Continued



**Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

Amount due on or before MM DD, YYYY **\$XX,XXX.XX**  
 Bill mailing date is MM DD, YYYY  
 Account #XXX-XXX-XXX-X-X

SERVICE ADDRESS: KENTUCKY INDUSTRIAL-PRIMARY & SECONDARY, ADDRESS 123, ABC, KY XXXXX-XXXX



KENTUCKY INDUSTRIAL- PRIMARY & SECONDARY  
 ADDRESS 123  
 ABC, KY XXXXX-XXXX

**Notes from KPCO:**

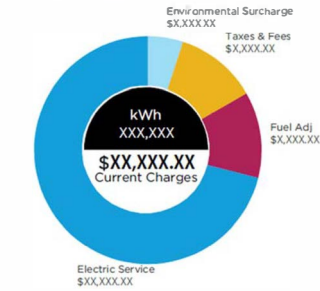
Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready. Sign up at [kentuckypower.com/paperless!](http://kentuckypower.com/paperless!)

**Usage History (kWh):**



**Current bill summary:**

Billing from MM/DD/YY - MM/DD/YY (XX days)



**Methods of Payment**

- [kentuckypower.com](http://kentuckypower.com)
- PO Box 371420  
Pittsburgh, PA 15250-7420
- 1-800-611-0964 (fee may apply)

**Need to get in touch?**

Customer Operations Center: 1-888-710-4237  
 Outages: [kentuckypower.com/outages](http://kentuckypower.com/outages)  
 or 1-800-572-1113

Please tear on dotted line.

Turn over for important information!

Thank you for your prompt payment. Please include your account number on your check and return the stub with your payment.  
 KENTUCKY INDUSTRIAL-PRIMARY & SECONDARY, ADDRESS 123, ABC, KY XXXXX-XXXX



**Non-Payment/Return Mail:**  
 PO BOX 24401  
 CANTON, OH 44701-4401

Account #XXX-XXX-XXX-X-X  
 KENTUCKY INDUSTRIAL - PRIMARY & SECONDARY  
 Amount due on or before MM DD, YYYY **\$XX,XXX.XX**

Payment Amount \$

Pay \$XX,XXX.XX after MM/DD/YYYY

The eB&E program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of \$ \_\_\_\_\_

Continued on Sheet 2-21

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 2-21  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-21

TERMS AND CONDITIONS OF SERVICE (Cont'd)

**KENTUCKY POWER**  
 Non-Payment/Return Mail:  
 PO BOX 24401  
 CANTON, OH 44701-4401

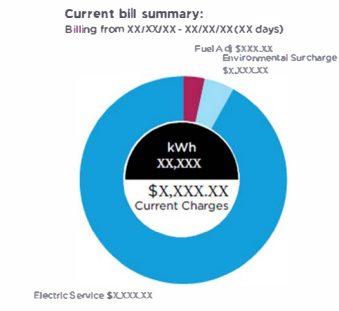
Amount due on or before Month DD, YYYY **\$X,XXX.XX**  
 Bill mailing date is Month DD, YYYY  
 Account #XXX-XXX-XXX-X-X

SERVICE ADDRESS: INDUSTRIAL TEST CASE, 5

INDUSTRIAL TEST CASE

Notes from KPCO:  
 Thank you for being a paperless customer. Sign up for billing and outage alerts to stay informed. You can manage your account by logging in at kentuckypower.com.

Usage History (kWh):  
 Mar 2021: 38,205  
 Apr 2021: 38,205  
 May 2021: 38,205  
 Jun 2021: 38,205  
 Jul 2021: 38,205  
 Aug 2021: 38,205  
 Sep 2021: 38,205  
 Oct 2021: 38,205  
 Nov 2021: 38,205  
 Dec 2021: 38,205  
 Jan 2022: 38,205  
 Feb 2022: 38,205  
 Mar 2022: 38,205



Methods of Payment  
 kentuckypower.com  
 PO Box 371420  
 Pittsburgh, PA 15250-7420  
 1-800-611-0964 (fee may apply)

Need to get in touch?  
 Customer Operations Center: 1-888-710-4237  
 Outages: kentuckypower.com/outages  
 or 1-800-572-1113

Please read on dotted line Turn over for important information!

INDUSTRIAL TEST CASE, Account #XXX-XXX-XXX-X-X

Amount due on or before Month DD, YYYY **\$X,XXX.XX**  
 Payment Amount \$  
 Pay \$X,XXX.XX after MM/DD/YYYY

The HEART program helps non-income-qualified pay their electric bill. I want to help. My payment reflects my gift of \$\_\_\_\_\_.

00234 06040024 576340100000000000003000003924 15030204011900005

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

DATE OF ISSUE: March 29, 2022  
 DATE EFFECTIVE: Bills Rendered On And After April 29, 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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-21  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 2-21

Terms and Conditions of Service Continued

**KENTUCKY POWER**

Service Address:  
 KENTUCKY INDUSTRIAL-PRIMARY & SECONDARY  
 ADDRESS 123  
 ABC, KY XXXXX-XXXX  
 Account #XXX-XXX-XXX-X-X

Billed Usage MM/YY					
Usage	Power Factor	Power Factor Constant	Meter Location Comp.	Billed Usage	
XXXXXX	-	-	-	XXXX XXX kWh	
XXX XXX	-	-	-	XXX XXX kW Off-Pk	
XXX XXX	-	-	-	XXX XXX kW Off-Pk	

Contract Capacity = X XXX X High Prev Demand = X XXX X On-Pk  
 High Prev Demand = X XXX X Off-Pk

Line Item Charges:

Previous Charges	
Total Amount Due At Last Billing	\$ XXXXX.XX
Payment XXX/XX/XX - Thank You	-XX,XXX.XX
<b>Previous Balance Due</b>	<b>\$ XX.XX</b>

Current Charges:

Tariff XXX - Industrial General Service XX/XXX	
Rate Billing	\$ XXXXXX.XX
Economic Development Rider - IBDD	-XXXXXX
Economic Development Rider - SBDD	-XXXXXX
Federal Tax Change @ XXXXXX Per kWh	-XXXXXX
Fuel Adj @ XXXXXX Per kWh	XXXXXX
Kentucky Economic Development Surcharge @ \$X.XX	XXX
Distribution Reliability Rider @ \$XXX	XXX
Purchased Power Adj \$X,XXXXXX/kWh	XXXX
Purchased Power Adj \$X,XXXXXX/kWh	XXXXXX
Renewable Power Option Rider	XXXXXX
Securitization Financing Rider XXXXXX%	XXXX
Decommissioning Rider XXXXXX%	XXXX
Environmental Adj XXXXXX%	XXXXXX
School Tax	XXXXXX
City's Franchise Fee	XXXXXX
State Sales Tax	XXXXXX
<b>Total Balance Due</b>	<b>\$ XX,XXX.XX</b>

Meter Read Details:

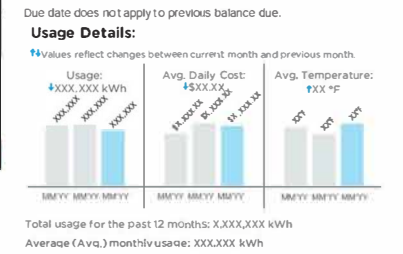
Meter #XXXXXXXXXX					
Previous	Type	Current	Type	Metered	Usage
X	X	X,XXX	Actual	X	X kVAR
X	X	X,XXX	Actual	X,XXX	XXX XXX W On-Pk
XXXXX	Actual	XXXXX	Actual	XXX	XXXXXXX kWh
X	X	X,XXX	Actual	X,XXX	XXXXXX W Off-Pk
X	X	X,XXX	Actual	X,XXX	XXXXXX kVAR

Service Period MM/DD - MM/DD Multiplier XXX

Next scheduled read date should be between MM DD and MM DD.

Net Usage : XXX,XXX kWh Billable Usage: XXX,XXX kWh

Notes from Kentucky Power:  
 Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.



Continued on Sheet 2-22

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-22 T  
 CANCELLING P.S.C. KY. NO. 11 2<sup>nd</sup> REVISED SHEET NO. 2-22 T

TERMS AND CONDITIONS OF SERVICE (Cont'd)



Service Address:

LARGE GENERAL SERVICE  
 170 LARGE WAY DRIVE  
 LARGERSVILLE, KY 41465

Account #XXX-XXX-XXX-X-X

Line Item Charges:

Previous Charges	
Total Amount due at end of billing	\$ 1,333.43
Payment MM/DD/YY Thank You	1,333.43
Previous Balance Due	\$ 1,333.43

Current KPSC Charges	
Rate 240 - Large General Service MM/DD/YY	1,000.00
Rate Billing	1,000.00
Federal Tax Cost @ 0.000000	-0.00
Economic Development Rider - SBDD	100.00
Economic Development Rider - SBDD	100.00
Fuel Adj @ 10000000 Per kWh	100.00
Kentucky Economic Development Surcharge @ 1.00%	100.00
DSM Adj @ 1,000,000 Per kWh	100.00
Capacity Charge @ 1,000,000 Per kWh	100.00
Environmental Adj 1000000%	100.00
Decommissioning Rider 10,000,000%	100.00
Purchased Power Adj @ 1,000,000 Per kWh	100.00
Renewable Power Option Rider	100.00
School Tax	100.00
Franchise Tax	100.00
State Sales Tax	100.00
<b>Current Balance Due</b>	<b>\$ 1,333.43</b>
<b>Total Balance Due</b>	<b>\$ 1,333.43</b>

Usage Details:



Usage	Previous Billing	Power Factor	Meter Location	Balance
1,333.43	1,333.43	0.95	170 Large Way Drive	1,333.43

Meter Details:

Prev	Type	Current	Type	Interval	Usage
1,333.43	Actual	1,333.43	Actual	15 MIN	1,333.43 kWh
1,333.43	Actual	1,333.43	Actual	15 MIN	1,333.43 kWh

Notes from KPSC:

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

(Cont'd on Sheet No. 2-23)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-22  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-22

Terms and Conditions of Service Continued



Non-Payment/Return Mail:  
 PO BOX 24401  
 CANTON, OH 44701-4401

Amount due on or before  
 MM DD, YYYY **\$XX,XXX.XX**  
 Bill mailing date is MM DD, YYYY  
 Account #XXX-XXX-XXX-X-X

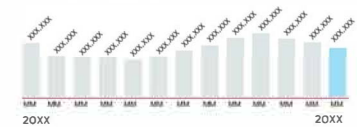
SERVICE ADDRESS: KENTUCKY INDUSTRIAL-SUBTRANSMISSION & TRANSMISSION, ADDRESS 123, ABC, KY XXXXX-XXXX

KENTUCKY INDUSTRIAL-SUBTRANSMISSION & TRANSMISSION  
 ADDRESS 123  
 ABC, KY XXXXX-XXXX

Notes from KPSC:

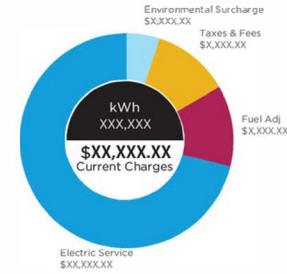
Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready. Sign up at [kentuckypower.com/paperless!](http://kentuckypower.com/paperless!)

Usage History (kWh):



Current bill summary:

Billing from MM/DD/YY - MM/DD/YY (XX days)



Methods of Payment

- [kentuckypower.com](http://kentuckypower.com)
- PO Box 371420  
Pittsburgh, PA 15250-7420
- 1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-888-710-4237  
 Outages: [kentuckypower.com/outages](http://kentuckypower.com/outages)  
 or 1-800-572-1113

Please tear on dotted line.

Turn over for important information!

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.  
 KENTUCKY INDUSTRIAL-SUBTRANSMISSION & TRANSMISSION, ADDRESS 123, ABC, KY XXXXX-XXXX



Non-Payment/Return Mail:  
 PO BOX 24401  
 CANTON, OH 44701-4401

Account #XXX-XXX-XXX-X-X  
 KENTUCKY INDUSTRIAL - SUBTRANSMISSION & TRANSMISSION  
 Amount due on or before  
 MM DD, YYYY **\$XX XXX.XX**

Make check payable and send to:  
 KENTUCKY POWER COMPANY  
 PO BOX 371420 PITTSBURGH,  
 PA 15250-7420



Payment Amount \$

Pay \$XX,XXX.XX after MM/DD/YYYY

The WE ARE! program helps low-income customers pay their electric bill. I want to help my payments reflect my gift!

Continued on Sheet 2-23

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 2-24  
 CANCELLING P.S.C. KY. NO. 12 SHEET NO. X-XX

TERMS AND CONDITIONS OF SERVICE (Cont'd)



**Service Address:**  
 KENTUCKY INDUSTRIAL  
 ADDRESS 123  
 ABC, KY XXXXX-XXXX  
 Account #XXXXXX XXXXX

**Line Item Charges:**

Previous Charges	
Total Amount Due At Last Billing	\$ XX,XXX.XX
Payment 04/28/22 - Thank You	-XX,XXX.XX
<b>Previous Balance Due</b>	<b>\$ XX.XX</b>
Current Liberty Charges	
Tariff XXX - Industrial General Service XXXXX	
Rate Billing	\$ XX,XXX.XX
Economic Development Rider - IBDD	X,XXX.XX
Economic Development Rider - SBDD	-X,XXX.XX
Federal Tax Credit @ XXXXXX-Per kWh	-X,XXX.XX
Fuel Adj @ XXXXXX Per kWh	XXXX.XX
Kentucky Economic Development Surcharge @ XXX	XXX
Capacity Charge @ XXXXXX Per kWh	XXX.XX
Purchased Power Adj \$X,XXXXX/kWh	XXX.XX
Purchased Power Adj \$X,XXXXX/kWh	X,XXX.XX
Permissible Power Option Rider	X,XXX.XX
Decommissioning Rider XXXXXX%	XXX.XX
Environmental Adj XXXXXX%	X,XXX.XX
School Tax	XXXX.XX
Franchise Tax	X,XXX.XX
State Sales Tax	X,XXX.XX
<b>Current Balance Due</b>	<b>\$ XX,XXX.XX</b>
<b>Total Balance Due</b>	<b>\$ XXXXX.XX</b>
Pay \$XX,XXX.XX after MM/DD/YYYY	

Billed Usage MM/YY				
Usage	Power Factor	Power Factor Constant	Meter Location Comp.	Billed Usage
XXX.XXX	-	-	-	XX,XXX kWh
XXX.XXX	-	-	-	XXX.XXX kW On-Pk
XXX.XXX	-	-	-	XXX.XXX kW Off-Pk
Contract Capacity= X,XXX.X			High Prev Demand = X,XXX.X	On-Pk
			High Prev Demand = X,XXX.X	Off-Pk

**Meter Read Details:**

Meter #XXXXXXXXXX					
Previous	Type	Current	Type	Metered	Usage
X	X	X,XXX	Actual	X	X kVAR
X	X	X,XXX	Actual	X,XXX	XXX.XX kW On-Pk
XXXX	Actual	XXXX	Actual	XXX	XXX.XX kW
X	X	X,XXX	Actual	X,XXX	XXX.XX kW Off-Pk
X	X	X,XXX	Actual	X,XXX	XXX.XX kVAR
Service Period MM/DD - MM/DD				Multiplier XXX	
Next scheduled read date should be between MM DD and MM DD.					
Net Usage : XXX,XXX kWh		Billable Usage: XXX,XXX kWh			

**Notes from Kentucky Power:**

If you are an AutoPay customer, we will continue to process your monthly AutoPay withdrawals. If you do not wish to continue AutoPay, please log in to your electric account on our website and select Manage AutoPay to un-enroll.  
 Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Due date does not apply to previous balance due.

**Usage Details:**

↑ Values reflect changes between current month and previous month



Total usage for the past 12 months: X,XXX,XXX kWh  
 Average (Avg.) monthly usage: XXX,XXX kWh

DATE OF ISSUE: July 6, 2022  
 DATE EFFECTIVE: Bills Rendered On And After July 1, 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-XXXX Dated XXXX XX, XXXX

Terms and Conditions is now contained on twenty-three pages instead of twenty-four pages.



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-1 T  
CANCELLING P.S.C. KY. 11 ORIGINAL SHEET NO. 3-1 T

**CAPACITY AND ENERGY CONTROL PROGRAM**

**INTRODUCTION**

Kentucky Power Company's Capacity and Energy Control Program outlines the procedures the Company will follow in the event of an emergency that threatens the continued reliable operation of bulk power supply system. Notwithstanding any provisions of this Capacity and Energy Control Program, the Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of Company's electric system or interconnected electric network or to restore service following an outage. Such actions will be taken giving priority to maintaining service to Company's retail and full requirements customers relative to other sales whenever feasible and as allowed by law. The Company's Capacity and Energy Control Program consists of three sets of procedures:

- I. Procedures During Abnormal System Frequency
- II. Capacity Deficiency Program
- III. Energy Emergency Control Program

Specific details regarding the Company's Capacity and Energy Control Program are included in the Company's Emergency Operating Plan ("EOP"). A copy of the Company's current EOP is on file with the Kentucky Public Service Commission in Administrative Case No. 345. Where this tariff diverts from the Company's EOP, the EOP Plan shall govern.

**I. AEP/PJM PROCEDURES DURING ABNORMAL SYSTEM FREQUENCY (EOP Section IV)**

**A. PURPOSE**

Precautionary procedures are required to meet emergency conditions such as system separation and operation at subnormal frequency. In addition, the coordination of these emergency procedures with neighboring companies is essential. The AEP/PJM program described below provides procedures for reducing the consumption of electric energy on the Company's system in the event of a period of abnormal system frequency.

**B. AEP/PJM PROCEDURES**

From 59.8 – 60.2 Hz, to the extent practicable, the Company will utilize all operating and emergency reserves. The manner of utilization of these reserves depends on the behavior of the System during the emergency.

For rapid frequency decline, the Company will utilize capacity that is on-line and automatically responsive to frequency (spinning reserve) and such measures as interconnection assistance and automatic load reductions to arrest the decline in frequency.

If the frequency decline is gradual, the Generation/Production Optimization Group, particularly in the deficient area, will invoke non-automatic procedures involving operating and emergency reserves. These efforts will continue until the frequency decline is arrested or until automatic load-shedding devices operate at subnormal frequencies. A deficient Balancing Authority shall only use the assistance provided by the Interconnection's frequency bias for the time needed to implement corrective actions. The Balancing Authority shall not unilaterally adjust generation in an attempt to return Interconnection frequency to normal beyond that supplied through frequency bias action and Interchange Schedule changes. Such unilateral adjustment may overload transmission facilities. At 59.75 Hz, the Company will suspend Automatic Generation Control (AGC) and notify Interruptible Customers to drop load.

(Cont'd on Sheet 3-2)

DATE OF ISSUE: April 9, 2021  
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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
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In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 3-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-1

**Capacity and Energy Control Program**

**Introduction**

Kentucky Power Company's Capacity and Energy Control Program outlines the procedures the Company will follow in the event of an emergency that threatens the continued reliable operation of bulk power supply system. Notwithstanding any provisions of this Capacity and Energy Control Program, the Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of Company's electric system or interconnected electric network or to restore service following an outage. Such actions will be taken giving priority to maintaining service to Company's retail and full requirements customers relative to other sales whenever feasible and as allowed by law. The Company's Capacity and Energy Control Program consists of three sets of procedures:

- I. Procedures During Abnormal System Frequency
- II. Capacity Deficiency Program
- III. Energy Emergency Control Program

Specific details regarding the Company's Capacity and Energy Control Program are included in the Company's Emergency Operating Plan ("EOP"). A copy of the Company's current EOP is on file with the Kentucky Public Service Commission in Administrative Case No. 345. Where this tariff diverts from the Company's EOP, the EOP Plan shall govern.

**I. AEP/PJM Procedures During Abnormal System Frequency (EOP Section IV)**

**a. Purpose**

Precautionary procedures are required to meet emergency conditions such as system separation and operation at subnormal frequency. In addition, the coordination of these emergency procedures with neighboring companies is essential. The AEP/PJM program described below provides procedures for reducing the consumption of electric energy on the Company's system in the event of a period of abnormal system frequency.

**b. AEP/PJM Procedures**

From 59.8 – 60.2 Hz, to the extent practicable, the Company will utilize all operating and emergency reserves. The manner of utilization of these reserves depends on the behavior of the System during the emergency.

For rapid frequency decline, the Company will utilize capacity that is on-line and automatically responsive to frequency (spinning reserve) and such measures as interconnection assistance and automatic load reductions to arrest the decline in frequency.

If the frequency decline is gradual, the Generation/Production Optimization Group, particularly in the deficient area, will invoke non-automatic procedures involving operating and emergency reserves. These efforts will continue until the frequency decline is arrested or until automatic load-shedding devices operate at subnormal frequencies. A deficient Balancing Authority shall only use the assistance provided by the Interconnection's frequency bias for the time needed to implement corrective actions. The Balancing Authority shall not unilaterally adjust generation in an attempt to return Interconnection frequency to normal beyond that supplied through frequency bias action and Interchange Schedule changes. Such unilateral adjustment may overload transmission facilities. At 59.75 Hz, the Company will suspend Automatic Generation Control (AGC) and notify Interruptible Customers to drop load.

If at any time the decline in area frequency is arrested below 59.5 Hz, the Company will evaluate whether the area should manually shed an additional 5% of its initial load. If, after five minutes, shedding 5% of load has not returned the area frequency to 59.5 Hz or above, the area shall manually shed an additional 5% of its remaining load and continue to repeat in five-minute intervals until 59.5 Hz is reached. These steps must be completed within the time constraints imposed upon the operation of generating units that are discussed in the EOP subsection titled, "Isolation of Coal-fired Generating Units."

Automatic Load Shedding Program details are located in Section IV of the Company's EOP.

*Continued on Sheet 3-2*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-2 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 3-2 T

**CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)**

If at any time the decline in area frequency is arrested below 59.5 Hz, the Company will evaluate whether the area should manually shed an additional 5% of its initial load. If, after five minutes, shedding 5% of load has not returned the area frequency to 59.5 Hz or above, the area shall manually shed an additional 5% of its remaining load and continue to repeat in five-minute intervals until 59.5 Hz is reached. These steps must be completed within the time constraints imposed upon the operation of generating units that are discussed in the EOP subsection titled, "Isolation of Coal-fired Generating Units."

Automatic Load Shedding Program details are located in Section IV of the Company's EOP.

**II. CAPACITY DEFICIENCY PROGRAM (EOP Section III)**

**A. PURPOSE**

The purpose of the Capacity Deficiency Program is to provide a plan for full utilization of emergency capacity resources and for orderly reduction in the aggregate customer demand on the American Electric Power (AEP) East/PJM Eastern System in the event of a capacity deficiency. A capacity deficiency is a shortage of generation versus load and can be caused by generating unit outages and/or extreme internal load requirements.

**B. AEP EAST/PJM PROCEDURES**

There are three general levels of emergency actions for capacity deficiencies:

- **Alerts** – issued in advance of the operating day for elevated awareness and to give time for advanced preparations
- **Warnings** – issued real time, typically preceding, and with an estimated time/window for a potential future ACTION.
- **Actions** – issued real time and requires PJM and/or Member response. PJM actions are consistent with NERC and RFC EOP standards.

The Company may also issue an Advisory, one or more days in advance of the operating day during which a capacity deficiency may occur, that are general in nature and are for elevated awareness only. No preparations or actions are required in response to an Advisory.

**Alerts**

**Voluntary Customer Load Curtailment Alert**

The purpose of the Voluntary Customer Load Curtailment Alert is to alert members of the probable future need to implement a voluntary customer load curtailment. It is implemented whenever the estimated operating reserve capacity indicates a probable future need for voluntary customer load curtailment.

(Cont'd on Sheet 3-3)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 3-2  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-2

**Capacity and Energy Control Program Continued**

**II. Capacity Deficiency Program (EOP Section III)**

**a. Purpose**

The purpose of the Capacity Deficiency Program is to provide a plan for full utilization of emergency capacity resources and for orderly reduction in the aggregate customer demand on the American Electric Power (AEP) East/PJM Eastern System in the event of a capacity deficiency. A capacity deficiency is a shortage of generation versus load and can be caused by generating unit outages and/or extreme internal load requirements.

**b. AEP East/PJM Procedures**

There are three general levels of emergency actions for capacity deficiencies:

- **Alerts** - issued in advance of the operating day for elevated awareness and to give time for advanced preparations.
- **Warnings** - issued real time, typically preceding, and with an estimated time/window for a potential future action.
- **Actions** - issued real time and requires PJM and/or Member response. PJM actions are consistent with NERC and RFC EOP standards.

The Company may also issue an Advisory, one or more days in advance of the operating day during which a capacity deficiency may occur, that are general in nature and are for elevated awareness only. No preparations or actions are required in response to an Advisory.

**Alerts**

**Voluntary Customer Load Curtailment Alert**

The purpose of the Voluntary Customer Load Curtailment Alert is to alert members of the probable future need to implement a voluntary customer load curtailment. It is implemented whenever the estimated operating reserve capacity indicates a probable future need for voluntary customer load curtailment.

**Real Time Emergency Procedures (Warnings and Actions)**

**Warnings**

Warnings are issued in real time during present operations to inform members of actual capacity shortages or contingencies that may jeopardize the reliable operation of the PJM RTO. Generally, a warning precedes an associated action. The intent of warnings is to keep all affected system personnel aware of the forecast and/or actual status of the PJM RTO.

**Actions**

The PJM RTO is normally loaded according to bid prices; however, during periods of reserve deficiencies, other measures must be taken to maintain system reliability. These measures involve:

- loading generation that is restricted for reasons other than cost
- recalling non-capacity backed off-system sales
- purchasing emergency energy from participants / surrounding pools
- load relief measures

The Company's EOP includes a nine-step warning and action procedure during capacity deficiency conditions.

*Continued on Sheet 3-3*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 3-3 T

**CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)**

**Real Time Emergency Procedures (Warnings and Actions)**

**Warnings**

Warnings are issued in real time during present operations to inform members of actual capacity shortages or contingencies that may jeopardize the reliable operation of the PJM RTO. Generally, a warning precedes an associated action. The intent of warnings is to keep all affected system personnel aware of the forecast and/or actual status of the PJM RTO.

**Actions**

The PJM RTO is normally loaded according to bid prices; however, during periods of reserve deficiencies, other measures must be taken to maintain system reliability. These measures involve:

- loading generation that is restricted for reasons other than cost
- recalling non-capacity backed off-system sales
- purchasing emergency energy from participants / surrounding pools
- load relief measures

The Company's EOP includes a nine step warning and action procedure during capacity deficiency conditions.

(Cont'd on Sheet 3-4)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 3-3  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-3

**Capacity and Energy Control Program Continued**

**c. Priority Levels**

For the purpose of these capacity deficiency procedures, the following Priority Levels for loads have been established:

- I. Essential Health and Safety Uses – to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use:
  - a. Hospitals, which shall be limited to institutions providing medical care to patients.
  - b. Life Support Equipment, which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
  - c. Police Stations and Government Detention Institutions, which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.
  - d. Fire Stations, which shall be limited to facilities housing mobile fire-fighting apparatus.
  - e. Communication Services, which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.
  - f. Water and Sewage Services, which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
  - g. Transportation and Defense-related Services, which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential services such as street, highway and signal-lighting.

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. Where the emergency is system-wide in nature, consideration will be given to the use of rotating outages as operationally practicable. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment.

Company maintains lists of customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. Company, lacking knowledge of changes that may occur at any time in Customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be Customer's responsibility to notify Company if Customer has critical needs.

- II. Critical Commercial and Industrial Uses – Except as described in Section C.III below, these uses shall include commercial or industrial operations requiring regimented shutdowns to prevent conditions hazardous to the general population, and to energy utilities and their support facilities critical to the production, transportation, and distribution of service to the general population. Company shall maintain a list of such customers for the purpose of curtailments and service restoration.
- III. Residential Use – Residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.

*Continued on Sheet 3-4*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-4 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 3-4 T

CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)

C. PRIORITY LEVELS

For the purpose of these capacity deficiency procedures, the following Priority Levels for loads have been established:

- I. Essential Health and Safety Uses – to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use:
  - a. Hospitals, which shall be limited to institutions providing medical care to patients.
  - b. Life Support Equipment, which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
  - c. Police Stations and Government Detention Institutions, which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.
  - d. Fire Stations, which shall be limited to facilities housing mobile fire-fighting apparatus.
  - e. Communication Services, which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.
  - f. Water and Sewage Services, which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
  - g. Transportation and Defense-related Services, which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential services such as street, highway and signal-lighting.

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. Where the emergency is system-wide in nature, consideration will be given to the use of rotating outages as operationally practicable. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment.

Company maintains lists of customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. Company, lacking knowledge of changes that may occur at any time in Customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be Customer's responsibility to notify Company if Customer has critical needs.

(Cont'd on Sheet 3-5)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 3-4  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-4

**Capacity and Energy Control Program Continued**

**Priority Levels Continued**

- IV. Non-critical commercial and industrial uses.
- V. Nonessential Uses – The following and similar types of uses of electric energy shall be considered nonessential for all customers:
  - a. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
  - b. General interior lighting levels greater than minimum functional levels.
  - c. Show-window and display lighting.
  - d. Parking lot lighting above minimum functional levels.
  - e. Energy use to lower the temperature below 78 degrees during operation of cooling equipment and above 65 degrees during operation of heating equipment.
  - f. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
  - g. Energy use greater than that which is the minimum required for lighting, heating, or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

Non-jurisdictional customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

d. Curtailment Procedures

In the event Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps may be taken, individually or in combination, in the order necessary as time permits:

1. Customers having their own internal generation capacity will be curtailed, and customers on interruptible contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit Company's rights under the Contract Service – Interruptible Power Tariff or the Alternate Feed Service Rider.
2. Power output will be maximized at Company's generating units.
3. Company use of energy at its generating stations will be reduced to a minimum.
4. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.
5. The Kentucky Public Service Commission will be advised of the situation.
6. An appeal will be made to customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.
7. Customers will be advised through the use of the news media and personal contact that load interruption is imminent.
8. Implement procedures for interruption of selected distribution circuits.

*Continued on Sheet 3-5*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-5 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 3-5 T

**CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)**

**C. PRIORITY LEVELS (Cont'd)**

- II. Critical Commercial and Industrial Uses – Except as described in Section C.III below, these uses shall include commercial or industrial operations requiring regimented shutdowns to prevent conditions hazardous to the general population, and to energy utilities and their support facilities critical to the production, transportation, and distribution of service to the general population. Company shall maintain a list of such customers for the purpose of curtailments and service restoration.
- III. Residential Use – Residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.
- IV. Non-critical commercial and industrial uses.
- V. Nonessential Uses – The following and similar types of uses of electric energy shall be considered nonessential for all customers:
  - a. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
  - b. General interior lighting levels greater than minimum functional levels.
  - c. Show-window and display lighting.
  - d. Parking lot lighting above minimum functional levels.
  - e. Energy use to lower the temperature below 78 degrees during operation of cooling equipment and above 65 degrees during operation of heating equipment.
  - f. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
  - g. Energy use greater than that which is the minimum required for lighting, heating, or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

Non-jurisdictional customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

**D. CURTAILMENT PROCEDURES**

In the event Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps may be taken, individually or in combination, in the order necessary as time permits:

(Cont'd on Sheet 3-6)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 3-5  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-5

**Capacity and Energy Control Program Continued**

**c. Service Restoration Procedures**

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through V as defined under Priority Levels described above. However, because of the varieties of unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, Company will attempt to provide estimates of repair times on its website to aid customers in assessing the need for alternative power sources and temporary relocations.

**III. Energy Emergency Control Program (EOP Section V)**

**a. Introduction**

The purpose of this plan is to provide for the reduction of the consumption of electric energy on the American Electric Power Company System in the event of a severe coal fuel shortage, such as might result from a general strike, or severe weather.

**b. Procedures**

In the event of a potential severe coal shortage, such as one resulting from a general coal strike, the following steps will be implemented. These steps will be carried out to the extent permitted by contractual commitments or by order of the regulatory authorities having jurisdiction. For further information, see EOP Section V.

With regard to mandatory curtailments, the Company proposes to monitor compliance after the fact. A customer exceeding his electric allotment would be warned to curtail his usage or face, upon continuing noncompliance and upon one day's actual written notice, disconnection of electric service for the duration of the energy emergency.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 3-6 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 3-6 T

**CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)**

**D. CURTAILMENT PROCEDURES (Cont'd)**

1. Customers having their own internal generation capacity will be curtailed, and customers on interruptible contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit Company's rights under the Contract Service – Interruptible Power Tariff or the Alternate Feed Service Rider.
2. Power output will be maximized at Company's generating units.
3. Company use of energy at its generating stations will be reduced to a minimum.
4. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.
5. The Kentucky Public Service Commission will be advised of the situation.
6. An appeal will be made to customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.
7. Customers will be advised through the use of the news media and personal contact that load interruption is imminent.
8. Implement procedures for interruption of selected distribution circuits.

**E. SERVICE RESTORATION PROCEDURES**

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through V as defined under Priority Levels described above. However, because of the varieties of unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, Company will attempt to provide estimates of repair times on its website to aid customers in assessing the need for alternative power sources and temporary relocations.

**III. ENERGY EMERGENCY CONTROL PROGRAM (EOP Section V)**

**A. INTRODUCTION**

The purpose of this plan is to provide for the reduction of the consumption of electric energy on the American Electric Power Company System in the event of a severe coal fuel shortage, such as might result from a general strike, or severe weather.

**B. PROCEDURES**

In the event of a potential severe coal shortage, such as one resulting from a general coal strike, the following steps will be implemented. These steps will be carried out to the extent permitted by contractual commitments or by order of the regulatory authorities having jurisdiction. For further information, see EOP Section V.

With regard to mandatory curtailments, the Company proposes to monitor compliance after the fact. A customer exceeding his electric allotment would be warned to curtail his usage or face, upon continuing noncompliance and upon one day's actual written notice, disconnection of electric service for the duration of the energy emergency.

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DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Capacity and Energy Control Program is now contained on  
five pages instead of six pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 4-1 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 4-1 T

**STANDARD NOMINAL VOLTAGES**

The voltage available to any individual customer shall depend upon the voltage of the Company's lines serving the area in which customer is provided service.

Electric service provided under the Company's rate schedules will be 60 hertz alternating current delivered from various load centers at nominal voltages and phases as available in a given location as follows:

**SECONDARY DISTRIBUTION VOLTAGES.**

Residential Service

Single phase 120/240 volts three wire or 120/208 volts three wire on network system.

General Service - All Except Residential

Single-phase 120/240 volts three wire or 120/208 volts three wire on network system. Three-phase 120/208 volts four wire on network system, 120/240 volts four wire, 240 volts three wire, 480 volts three wire and 277/480 volts four wire, Single-phase 480 volts two wire, and Single-phase 240/480 volts three wire.

**PRIMARY DISTRIBUTION VOLTAGES.**

The Company's primary distribution voltage levels at load centers are 2,400; 4,160Y; 7,200; 12,470Y; 19,900 and 34,500Y. T

**SUBTRANSMISSION LINE VOLTAGES.**

The Company's sub transmission voltage levels are 34,500; 46,000; and 69,000. D

**TRANSMISSION LINE VOLTAGES.**

The Company's transmission voltage levels are 138,000; 161,000; 345,000; and 765,000.

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in Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 4-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 4-1

**Standard Nominal Voltages**

The voltage available to any individual customer shall depend upon the voltage of the Company's lines serving the area in which customer is provided service.

Electric service provided under the Company's rate schedules will be 60 hertz alternating current delivered from various load centers at nominal voltages and phases as available in a given location as follows:

**Secondary Distribution Voltages**

Residential Service

Single phase 120/240 volts three wire or 120/208 volts three wire on network system.

General Service - All Except Residential

Single-phase 120/240 volts three wire or 120/208 volts three wire on network system. Three-phase 120/208 volts four wire on network system, 120/240 volts four wire, 240 volts three wire, 480 volts three wire and 277/480 volts four wire, Single-phase 480 volts two wire, and Single-phase 240/480 volts three wire.

**Primary Distribution Voltages**

The Company's primary distribution voltage levels at load centers are 2,400; 4,160Y; 7,200; 12,470Y; 19,900 and 34,500Y.

**Subtransmission Line Voltages**

The Company's sub transmission voltage levels are 34,500; 46,000; and 69,000.

**Transmission Line Voltages**

The Company's transmission voltage levels are 138,000; 161,000; 345,000; and 765,000.

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DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
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in Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 6-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-1

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

**AVAILABILITY OF SERVICE.**

Available for full domestic electric service through 1 (one) meter to individual residential customers including rural residential customers engaged principally in agricultural pursuits.

**RATE.** (Tariff Codes 015, 017, 022)

Service Charge.....\$ 17.50 per month  
Energy Charge: .....10.799¢ per kWh

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**MINIMUM CHARGE.**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

**DUE DATE.**

Bills under this tariff are due and payable within fifteen (15) days of the mailing date.

**VOLUNTEER FIRE DEPARTMENTS** (Tariff Code 024)

Volunteer Fire Departments may qualify pursuant to KRS 278.172 for this tariff but will be required to provide a completed Form 990 and update it annually.

(Cont'd on Sheet No. 6-2)

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In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-1  
CANCELLING P.S.C. KY. NO. 12 2<sup>ND</sup> REVISED SHEET NO. 5-1

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

**Availability of Service**

Available for full domestic electric service through 1 (one) meter to individual residential customers including rural residential customers engaged principally in agricultural pursuits.

**Rate** (Tariff Codes 015, 017, 022)

Service Charge	\$20.00	per month
Energy Charge	12.947¢	per kWh

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**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

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**Volunteer Departments** (Tariff Code 024)

Volunteer Fire Departments may qualify pursuant to KRS 278.172 for this tariff but will be required to provide a completed Form 990 and update it annually.

**Optional Seasonal Provision** (Tariff Code XXX)

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

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

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

Continued on Sheet 5-2

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 6-2  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-2

**TARIFF R.S. (Cont'd)**  
**(Residential Service)**

**STORAGE WATER HEATING PROVISION.**

This provision is withdrawn except for the present installations of current customers receiving service hereunder at premises served prior to April 1, 1997.

If the customer installs a Company approved storage water heating system which consumes electrical energy only during off-peak hours as specified by the Company and stores hot water for use during on-peak hours, the following shall apply:

<u>Tariff Code</u>		R
012	(a) For Minimum Capacity of 80 gallons, the last 300 KWH of use in any month shall be billed at 7.888¢ 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¢ 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¢ per KWH.	

These provisions, however, shall in no event apply to the first 200 KWH used in any month, which shall be billed in accordance with the "Monthly Rate" as set forth above.

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

The Company reserves the right to inspect at all reasonable times the storage water heating system and devices which qualify the residence for service under the storage water heater provision, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds that in its sole judgment the availability conditions of this provision are being violated, it may discontinue billing the Customer under this provision and commence billing under the standard monthly rate.

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

**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¢ per KWH. R

This provision, however, shall in no event apply to the first 200 KWH used in any month, which shall be billed in accordance with the "Monthly Rate" as set forth above.

For the purpose of this provision, 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.

The Company reserves the right to inspect at all reasonable times the load management water-heating system(s) and devices which qualify the residence for service under the Load Management Water-Heating Provision. If the Company finds that, in its sole judgment, the availability conditions of this provision are being violated; it may discontinue billing the Customer under this provision and commence billing under the standard monthly rate.

This provision is subject to the Service Charge, and the adjustment clauses as stated in the Adjustment Clauses section.  
 (Cont'd on Sheet No. 6-3)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-2  
 CANCELLING P.S.C. KY. NO. 12 3<sup>rd</sup> REVISED SHEET NO. 5-2

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

T

**Storage Water Heating Provision**

This provision is withdrawn except for the present installations of current customers receiving service hereunder at premises served prior to April 1, 1997.

If the customer installs a Company approved storage water heating system which consumes electrical energy only during off-peak hours as specified by the Company and stores hot water for use during on-peak hours, the following shall apply:

<u>Tariff Code</u>		I
012	For Minimum Capacity of 80 gallons, the last 300 kWh of use in any month shall be billed at 8.603¢ per kWh	
013	For Minimum Capacity of 100 gallons, the last 400 kWh of use in any month shall be billed at 8.603¢ per kWh	
014	For Minimum Capacity of 120 gallons or greater, the last 500 kWh of use in any month shall be billed at 8.603¢ per kWh	

These provisions, however, shall in no event apply to the first 200 KWH used in any month, which shall be billed in accordance with the "Monthly Rate" as set forth above.

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

The Company reserves the right to inspect at all reasonable times the storage water heating system and devices which qualify the residence for service under the storage water heater provision, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds that in its sole judgment the availability conditions of this provision are being violated, it may discontinue billing the Customer under this provision and commence billing under the standard monthly rate.

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

**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 8.603¢ per kWh. I

This provision, however, shall in no event apply to the first 200 kWh used in any month, which shall be billed in accordance with the "Monthly Rate" as set forth above.

For the purpose of this provision, 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.

The Company reserves the right to inspect at all reasonable times the load management water-heating system(s) and devices which qualify the residence for service under the Load Management Water-Heating Provision. If the Company finds that, in its sole judgment, the availability conditions of this provision are being violated; it may discontinue billing the Customer under this provision and commence billing under the standard monthly rate.

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

*Continued on Sheet 5-3*

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 6-3 T

TARIFF R.S. (Cont'd)  
(Residential Service)

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This service is available to rural domestic customers engaged principally in agricultural pursuits where service is taken through one meter for residential purposes as well as for the usual farm uses outside the home, but it is not extended to operations of a commercial nature or operations such as processing, preparing or distributing products not raised or produced on the farm, unless such operation is incidental to the usual residential and farm uses.

The Company shall have the option of reading meters monthly or bimonthly and rendering bills accordingly. When bills are rendered bimonthly, the minimum charge and the quantity of KWH in each block of the rates shall be multiplied by two.

Pursuant to 807 KAR 5:041, Section 11, paragraph (1), of Public Service Commission Regulations, the Company will make an extension of 1,000 feet or less to its existing distribution line without charge for a prospective permanent residential customer served under this R.S. Tariff. Pursuant to 807 KAR 5:041 Section 12 extensions of up to 150 feet for a mobile home are provided without charge.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement.

(Cont'd. on Sheet No. 6-4)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-3  
CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 5-3

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

T

Special Terms and Conditions

This tariff is subject to the Company's Terms and Conditions of Service.

This service is available to rural domestic customers engaged principally in agricultural pursuits where service is taken through one meter for residential purposes as well as for the usual farm uses outside the home, but it is not extended to operations of a commercial nature or operations such as processing, preparing or distributing products not raised or produced on the farm, unless such operation is incidental to the usual residential and farm uses.

The Company shall have the option of reading meters monthly or bimonthly and rendering bills accordingly. When bills are rendered bimonthly, the minimum charge and the quantity of KWH in each block of the rates shall be multiplied by two.

Pursuant to 807 KAR 5:041, Section 11, paragraph (1), of Public Service Commission Regulations, the Company will make an extension of 1,000 feet or less to its existing distribution line without charge for a prospective permanent residential customer served under this R.S. Tariff. Pursuant to 807 KAR 5:041 Section 12 extensions of up to 150 feet for a mobile home are provided without charge.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement.

Continued on Sheet 5-4

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DATE OF ISSUE: June 29, 2023  
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TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
in Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 6-4  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-4

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

**AVAILABILITY OF SERVICE.**

Available to customers eligible for Tariff R.S. (Residential Service) who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours.

Households eligible to be served under this tariff shall be metered through a multiple-register meter capable of measuring electrical energy consumption during the on-peak and offpeak billing periods.

**RATE.** (Tariff Codes 028, 030, 032, 034)

Service Charge.....	\$ 21.00 per month	
Energy Charge:		
All KWH used during on-peak billing period.....	14.534¢ per KWH	R
All KWH used during offpeak billing period.....	7.888¢ per KWH	R

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 period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

**CONSERVATION AND LOAD MANAGEMENT CREDIT.**

For the combination of an approved electric thermal storagespace heatingsystem and water heater, both of which are designed to consume electrical energy only between the hours of 9:00P.M. and 7:00A.M. for all days of the week, each residence will be credited 0.745¢ per KWH for all energy used during the offpeak billing period, for a total of 60 monthly billing periods following the installation and use of these devices in such residence.

**MINIMUM CHARGE.**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

(Cont'd on Sheet No. 6-5)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-4  
 CANCELLING P.S.C. KY. NO. SHEET NO. X-X

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

**Availability of Service**

Available to customers eligible for Tariff R.S. (Residential Service) who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours.

Households eligible to be served under this tariff shall be metered through a multiple-register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods.

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

Service Charge	\$23.00	per month
Energy Charge		
All kWh used during on-peak billing period	18.646¢	per kWh
All kWh used during off-peak billing period	8.603¢	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 period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

**Conservation and Load Management Credit**

For the combination of an approved electric thermal storage space heating system and water heater, both of which are designed to consume electrical energy only between the hours of 9:00P.M. and 7:00A.M. for all days of the week, each residence will be credited 0.745¢ per KWH for all energy used during the off-peak billing period, for a total of 60 monthly billing periods following the installation and use of these devices in such residence.

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

Continued on Sheet 5-5

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 In Case No. 2023-00159 Dated XXXXXX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-5 T

CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 6-5 T

TARIFF RS.-L.M.-T.O.D.

(Residential Service Load Management Time-of-Day)

DUE DATE

Bills under this tariff are due and payable within fifteen (15) days of the mailing date.

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 \$4.30 per month.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service. Existing customers may initially choose to take service under this tariff without satisfying any requirements to remain on their current tariff for at least 12 months.

The Company reserves the right to inspect at all reasonable times the energy storage and load management devices which qualify the residence for service and for conservation and load management credits under this tariff, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds, that in its sole judgment, the availability conditions of this tariff are being violated; it may discontinue billing the Customer under this tariff and commence billing under the appropriate Residential Service Tariff.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

(Cont'd. on Sheet 6-6)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-5  
CANCELLING P.S.C. KY. NO. SHEET NO. X-X

**Tariff RS.-L.M.-T.O.D. Continued**  
**(Residential Service Load Management Time of Day)**

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 \$4.30 per month.

Separate Terms and Conditions

This tariff is subject to the Company's Terms and Conditions of Service. Existing customers may initially choose to take service under this tariff without satisfying any requirements to remain on their current tariff for at least 12 months.

The Company reserves the right to inspect at all reasonable times the energy storage and load management devices which qualify the residence for service and for conservation and load management credits under this tariff, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds, that in its sole judgment, the availability conditions of this tariff are being violated; it may discontinue billing the Customer under this tariff and commence billing under the appropriate Residential Service Tariff.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

Continued on Sheet 5-6

DATE OF ISSUE: June 29, 2023

DATE EFFECTIVE: January 1, 2024

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of an Order of the Public Service Commission

In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 6-6  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-6

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

**AVAILABILITY OF SERVICE.**

Available for residential electric service through a multiple-register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods to individual residential customers, including residential customers engaged principally in agricultural pursuits. Availability is limited to the first 1,000 customers applying for service under this tariff.

**RATE.** (Tariff Code 036)

Service Charge.....	\$ 21.00 per month	
Energy Charge:		
All KWH used during on-peak billing period.....	14.534¢ per KWH	R
All KWH used during off-peak billing period.....	7.888¢ per KWH	R

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

**MINIMUM CHARGE.**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

**DUE DATE.**

Bills under this tariff are due and payable within fifteen (15) days of the mailing date.

(Cont'd on Sheet No. 6-7)

DATE OF ISSUE: August 20, 2021  
 DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-6  
 CANCELLING P.S.C. KY. NO. SHEET NO. X-X

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

**Availability of Service**

Available for residential electric service through a multiple-register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods to individual residential customers, including residential customers engaged principally in agricultural pursuits. Availability is limited to the first 1,000 customers applying for service under this tariff.

**Rate** (Tariff Code 036)

Service Charge	\$23.00	per month
Energy Charge		
All kWh used during on-peak billing period	18.646¢	per kWh
All kWh used during off-peak billing period	8.603¢	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 period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

Continued on Sheet 5-7

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-7 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 6-7 T

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

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP 1 or by special agreement with the Company.

(Cont'd on Sheet 6-8)

Tariff R.S.-T.O.D. is now contained on  
one page instead of two pages.

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 6-8  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-8

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

**AVAILABILITY OF SERVICE**

Available on a voluntary, experimental basis to individual residential customers for residential electric service through a multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

**RATE** (Tariff Code 027)

Service Charge ..... \$21.00 per month  
 Energy Charge:  
 All KWH used during Summer on-peak billing period ..... 18.849¢ per KWH  
 All KWH used during Winter on-peak billing period ..... 16.352¢ per KWH  
 All KWH used during off-peak billing period ..... 9.085¢ per KWH

For the purpose of this tariff, the on-peak and off-peak billing periods shall be defined as follows:

Months	On-Peak	Off-Peak
Approximate Percent (%) Of Annual Hours	16%	84%
<b>Winter Period:</b> November 1 to March 31	7:00 A.M. to 11:00 A.M. 6:00 P.M. to 10:00 P.M.	11:00 AM. to 6:00 P.M. 10:00 P.M. to 7:00 A.M.
<b>Summer Period:</b> May 15 to September 15	Noon to 6:00 P.M.	6:00 P.M. to Noon
<b>All Other Calendar Periods</b>	None	Midnight to Midnight

NOTE: All KWH consumed during Saturday and Sunday are billed at the off-peak level.

**MINIMUM CHARGE**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

(Cont'd on Sheet No. 6-9)

DATE OF ISSUE: August 20, 2021  
 DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority Of an Order of the Public Service Commission  
 In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-7  
 CANCELLING P.S.C. KY. NO. SHEET NO. X-X

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

**Availability of Service**

Available on a voluntary, experimental basis to individual residential customers for residential electric service through a multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

**Rate** (Tariff Code 027)

Service Charge ..... \$23.00 per month  
 Energy Charge:  
 All kWh used during Summer on-peak billing period ..... 18.921¢ per kWh  
 All kWh used during Winter on-peak billing period ..... 13.642¢ per kWh  
 All kWh used during off-peak billing period ..... 12.277¢ per kWh

For the purpose of this tariff, the on-peak and off-peak billing periods shall be defined as follows:

Months	On-Peak	Off-Peak
Approximate Percent (%) of Annual Hours	16%	84%
<b>Winter Period:</b> November 1 to March 31	7:00 AM to 11:00 AM 6:00 PM to 10:00 PM	11:00 AM to 6:00 PM 10:00 PM to 7:00 AM
<b>Summer Period:</b> May 15 to September 15	Noon to 6:00 PM	6:00 PM to Noon
<b>All Other Calendar Periods</b>	None	Midnight to Midnight

Note: All kWh consumed during Saturday and Sunday are billed at the off-peak level.

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

Continued on Sheet 5-8

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-9 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 6-9 T

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

DUE DATE

Bills under this tariff are due and payable within fifteen (15) days of the mailing date.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP 1 or by special agreement with the Company.

(Cont'd on Sheet No. 6-10)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
in Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-8  
CANCELLING P.S.C. KY. NO. SHEET NO. X-X

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

Special Terms and Conditions

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP 1 or by special agreement with the Company.

Continued on Sheet 5-9

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
in Case No. 2023-00159 Dated XXXXXX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 6-10  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-10

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

**AVAILABILITY OF SERVICE.**

Available for residential electric service through one single-phase multiple-register demand meter. Availability is limited to the first 1,000 customers applying for service under this tariff.

**MONTHLY RATE.** (Tariff Code 018)

Service Charge ..... \$21.00 per customer

Energy Charge  
All KWH used during on-peak billing period..... 12.354¢ per KWH  
All KWH used during off-peak billing period..... 7.888¢ per KWH

Demand Charge ..... \$3.90 for each KW of monthly billing demand

For the purpose of this tariff, the on-peak billing period is defined as follows:  
Months of October – May.....7:00 A.M to 11:00 A.M for all weekdays  
Months of June – September .....4:00 P.M to 9:00 P.M for all weekdays  
The off-peak billing period is defined as all weekday hours not defined above as on-peak hours and all hours of Saturday and Sunday.

**MINIMUM CHARGE.**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

**MONTHLY BILLING DEMAND.**

Customer's demand will be taken monthly to be the highest registration of a 60 minute integrating demand meter or indicator during the on-peak period.

**DUE DATE.**

Bills under this tariff are due and payable within fifteen (15) days of the mailing date.  
(Cont'd on Sheet No. 6-11)

DATE OF ISSUE: August 20, 2021  
DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 5-9  
CANCELLING P.S.C. KY. NO. SHEET NO. X-X

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

**Availability of Service**

Available for residential electric service through one single-phase multiple-register demand meter. Availability is limited to the first 1,000 customers applying for service under this tariff.

**Monthly Rate** (Tariff Code 018)

<u>Service Charge</u>	\$23.00	per customer
<u>Energy Charge</u>		
All KWH used during on-peak billing period	11.843¢	per kWh
All KWH used during off-peak billing period	8.603¢	per kWh
<u>Demand Charge</u>	\$6.77	for each kW of monthly billing demand

For the purpose of this tariff, the on-peak billing period is defined as follows:  
Months of October – May: 7:00 AM to 11:00 AM for all weekdays  
Months of June – September 4:00 PM to 9:00 PM for all weekdays  
The off-peak billing period is defined as all weekday hours not defined above as on-peak and all hours of Saturday and Sunday

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

**Monthly Billing Demand**

Customer's demand will be taken monthly to be the highest registration of a 60 minute integrating demand meter or indicator during the on-peak period.

**Special Terms and Conditions**

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the tariff under which the customer takes service, including all payment provisions. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-11 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 6-11 T

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

SPECIAL TERMS AND CONDITIONS.

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the tariff under which the customer takes service, including all payment provisions. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Tariff R.S.D. is now contained on  
one page instead of two pages.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 7-1

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

**AVAILABILITY OF SERVICE.**

Available for general service customers. Customers may continue to qualify for service under this tariff until their average maximum demand exceeds 100 kW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

**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	10.907	10.201	25.00	RR
217, 220	Primary	6.01	9.574	8.993	100.00	RR
236	Subtransmission	4.68	8.663	8.141	400.00	RR

The Demand Charge shall apply to all monthly billing demand in excess of 10 kW.

**MINIMUM CHARGE.**

This tariff is subject to a minimum charge equal to the sum of the service charge plus the demand charge multiplied by the monthly billing demand in excess of 10 kW.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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
Kentucky Economic Development Surcharge	Sheet No. 24
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

**DELAYED PAYMENT CHARGE.**

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(Cont'd on Sheet No. 7-2)

DATE OF ISSUE: August 20, 2021  
 DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 6-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 6-1

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

**Availability of Service**

Available for general service customers. Customers may continue to qualify for service under this tariff until their average maximum demand exceeds 100 kW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

**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	8.82	12.292	10.813	28.00
217, 220	Primary	8.03	10.790	9.533	120.00
236	Subtransmission	6.38	9.763	8.629	460.00

The Demand Charge shall apply to all monthly billing demand in excess of 10 kW.

**Minimum Charge**

This tariff is subject to a minimum charge equal to the sum of the service charge plus the demand charge multiplied by the monthly billing demand in excess of 10 kW.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

**Metered Voltage**

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

Continued on Sheet 6-2

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-2  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 7-2

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

**METERED VOLTAGE.**

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**MONTHLY BILLING DEMAND.**

Energy supplied hereunder will be delivered through not more than one single phase and/or polyphase meter. Customer's demand will be taken monthly to be the highest registration of a 15-minute integrating demand meter or indicator, or the highest registration of a thermal type demand meter. The monthly billing demand shall be the greater of: (1) Customer's metered kW demand, (2) 60% of the Customer's contract capacity in excess of 100 kW, or (3) 60% of the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

The Company reserves the right to install a demand meter on any customer receiving service under this tariff. A demand meter will be installed by the Company for customers with monthly kWh usage of 4,450 kWh or greater.

**RECREATIONAL LIGHTING SERVICE PROVISION.**

Available for service to customers with demands of 5 KW or greater and who own and maintain outdoor lighting facilities and associated equipment utilized at baseball diamonds, football stadiums, parks and other similar recreational areas. This service is available only during the hours between sunset and sunrise. Daytime use of energy under this rate is strictly forbidden except for the sole purpose of testing and maintaining the lighting system. All Terms and Conditions of Service applicable to Tariff G.S. customers will also apply to recreational lighting customers except for the Availability of Service.

**RATE.** (Tariff Code 214)

Service Charge .....	\$25.00 per month
Energy Charge .....	10.838¢ per KWH

(Cont'd on Sheet No. 7-3)

DATE OF ISSUE: August 20, 2021  
 DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 6-2  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 6-2

**Tariff G.S. Continued  
 (General Service)**

**Monthly Billing Demand**

Energy supplied hereunder will be delivered through not more than one single phase and/or polyphase meter. Customer's demand will be taken monthly to be the highest registration of a 15-minute integrating demand meter or indicator, or the highest registration of a thermal type demand meter. The monthly billing demand shall be the greater of: (1) Customer's metered kW demand, (2) 60% of the Customer's contract capacity in excess of 100 kW, or (3) 60% of the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

The Company reserves the right to install a demand meter on any customer receiving service under this tariff. A demand meter will be installed by the Company for customers with monthly kWh usage of 4,450 kWh or greater.

**Recreational Lighting Service Provision**

Available for service to customers with demands of 5 KW or greater and who own and maintain outdoor lighting facilities and associated equipment utilized at baseball diamonds, football stadiums, parks and other similar recreational areas. This service is available only during the hours between sunset and sunrise. Daytime use of energy under this rate is strictly forbidden except for the sole purpose of testing and maintaining the lighting system. All Terms and Conditions of Service applicable to Tariff G.S. customers will also apply to recreational lighting customers except for the Availability of Service.

**Rate** (Tariff Code 214)

Service Charge	\$28.00	per month
Energy Charge	13.336¢	per kWh

**Load Management Time of Day Provision**

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements. This provision is also available for electric vehicle charging if separately metered.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

**Rate** (Tariff Codes 223 and 225)

Service Charge	\$28.00	per month
Energy Charge		
All kWh used during on-peak billing period	18.567¢	per kWh
All kWh used during off-peak billing period	8.558¢	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.

Continued on Sheet 6-3

DATE OF ISSUE: June 29, 2023  
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 ISSUED BY: /s/ Brian K. West  
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In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-3  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 7-3

**TARIFF G.S.  
 (General Service) (Cont'd)**

**LOAD MANAGEMENT TIME-OF-DAY PROVISION.** (Tariff Code 223 and 225)

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements. This provision is also available for electric vehicle charging if separately metered.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

**RATE.**

Service Charge.....	\$25.00 per month	
Energy Charge:		
All KWH used during on-peak billing period .....	15.908¢ per KWH	R
All KWH used during off-peak billing period .....	7.915¢ per KWH	R

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.

**OPTIONAL UNMETERED SERVICE PROVISION.**

Available to customers who qualify for Tariff G.S., have a demand of less than 10 KW, and use the Company's service for commercial purposes consisting of small fixed electric loads such as traffic signals and signboards which can be served by a standard service drop from the Company's existing secondary distribution system. This service will be furnished at the option of the Company.

Each separate service delivery point shall be considered a contract location and shall be separately billed under the service contract. In the event one Customer has several accounts for like service, the Company may meter one account to determine the appropriate kilowatt-hour usage applicable for each of the accounts.

The Customer shall furnish switching equipment satisfactory to the Company. The Customer shall notify the Company in advance of every change in connected load, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of an increase in load, the Company reserves the right to refuse to serve the contract location thereafter under this provision, and shall be entitled to bill the customer retroactively on the basis of the increased load for the full period such load was connected or the earliest date allowed by Kentucky statute whichever is applicable.

Calculated energy use per month shall be equal to the contract capacity specified at the contract location times the number of days in the billing period times the specified hours of operation. Such calculated energy shall then be billed at the following rates:

(Cont'd on Sheet No. 7-4)

DATE OF ISSUE: August 20, 2021  
 DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 6-3  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-3

**Tariff G.S. Continued  
 (General Service)**

**Optional Unmetered Service Provision**

Available to customers who qualify for Tariff G.S., have a demand of less than 10 KW, and use the Company's service for commercial purposes consisting of small fixed electric loads such as traffic signals and signboards which can be served by a standard service drop from the Company's existing secondary distribution system. This service will be furnished at the option of the Company.

Each separate service delivery point shall be considered a contract location and shall be separately billed under the service contract. In the event one Customer has several accounts for like service, the Company may meter one account to determine the appropriate kilowatt-hour usage applicable for each of the accounts.

The Customer shall furnish switching equipment satisfactory to the Company. The Customer shall notify the Company in advance of every change in connected load, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of an increase in load, the Company reserves the right to refuse to serve the contract location thereafter under this provision, and shall be entitled to bill the customer retroactively on the basis of the increased load for the full period such load was connected or the earliest date allowed by Kentucky statute whichever is applicable.

Calculated energy use per month shall be equal to the contract capacity specified at the contract location times the number of days in the billing period times the specified hours of operation. Such calculated energy shall then be billed at the following rates:

**Rate (Tariff Codes 204 (Metered) and 213 (Unmetered))**

Customer Charge	\$15.00	per month
Energy Charge		
First 4,450 kWh per month	12.292¢	per kWh
All Over 4,450 kWh per month	10.813¢	per kWh

**Term of Contract**

Contracts under this tariff may be required of customers. Contracts under this tariff will be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for periods of longer than 1 (one) year.

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum demand in KW which the Company might be required to furnish, but no less than 10 KW. The Company shall not be obligated to supply demands in excess of that contracted for. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point of both their power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

Continued on Sheet 6-4

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
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In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-4  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 7-4

**TARIFF G.S.  
(General Service) (Cont'd)**

**RATE** (Tariff Codes 204 (Metered), 213 (Unmetered))

Customer Charge..... \$15.00 per month  
Energy Charge:  
First 4,450 KWH per month.....10.907¢ per KWH  
All Over 4,450 KWH per month.....10.201¢ per KWH

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**TERM OF CONTRACT:**

Contracts under this tariff may be required of customers. Contracts under this tariff will be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for periods of longer than 1 (one) year.

**SPECIAL TERMS AND CONDITIONS:**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum demand in KW which the Company might be required to furnish, but no less than 10 KW. The Company shall not be obligated to supply demands in excess of that contracted for. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point of both their power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

(Cont'd on Sheet No. 7-5)

DATE OF ISSUE: August 20, 2021  
DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

Tariff G.S. is now contained on  
three pages instead of four pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-5  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 7-5

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

**AVAILABILITY OF SERVICE.**

Available on a voluntary, basis for general service to customers being served at secondary distribution voltage with one single-phase, multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

Customers not meeting the requirements for availability under this tariff will be permitted to continue service under this tariff only for continuous service at the premises occupied on or prior to June 30, 2015.

**RATE.** (Tariff Code 227)

Service Charge .....	\$25.00 per month
Energy Charge:	
All KWH used during Summer on-peak billing period .....	20.846¢ per KWH
All KWH used during Winter on-peak billing period .....	18.172¢ per KWH
All KWH used during off-peak billing period .....	11.279¢ per KWH

For the purpose of this tariff, the on-peak and off-peak billing periods shall be defined as follows:

<u>Months</u>	On-Peak	Off-Peak
Approximate Percent (%) Of Annual Hours	16%	84%
<u>Winter Period:</u> November 1 to March 31	7:00 A.M. to 11:00 A.M. 6:00 P.M. to 10:00 P.M.	11:00 A.M. to 6:00 P.M. 10:00 P.M. to 7:00 A.M.
<u>Summer Period:</u> May 15 to September 15	Noon to 6:00 P.M.	6:00 P.M. to Noon
<u>All Other Calendar Periods</u>	None	Midnight to Midnight

NOTE: All KWH consumed during weekends are billed at the off-peak level.

**MINIMUM CHARGE.**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management	Sheet No. 22
Federal Tax Cut Tariff	Sheet No. 23
Kentucky Economic Development Surcharge	Sheet No. 24
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

(Cont'd on Sheet No. 7-6)

DATE OF ISSUE: August 20, 2021

DATE EFFECTIVE: Service Rendered On And After August 1, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority Of an Order of the Public Service Commission

In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 6-4  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 6-4

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

**Availability of Service**

Available on a voluntary, basis for general service to customers being served at secondary distribution voltage with one single-phase, multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

Customers not meeting the requirements for availability under this tariff will be permitted to continue service under this tariff only for continuous service at the premises occupied on or prior to June 30, 2015.

**Rate** (Tariff Code 227)

Service Charge .....	\$28.00	per month
Energy Charge:		
All kWh used during Summer on-peak billing period .....	19.545¢	per kWh
All kWh used during Winter on-peak billing period .....	13.784¢	per kWh
All kWh used during off-peak billing period .....	12.349¢	per kWh

For the purpose of this tariff, the on-peak and off-peak billing periods shall be defined as follows:

<u>Months</u> Approximate Percent (%) of Annual Hours	On-Peak 16%	Off-Peak 84%
Winter Period: November 1 to March 31	7:00 AM to 11:00 AM 6:00 PM to 10:00 PM	11:00 AM to 6:00 PM 10:00 PM to 7:00 AM
Summer Period: May 15 to September 15	Noon to 6:00 PM	6:00 PM to Noon
All Other Calendar Periods	None	Midnight to Midnight

Note: All kWh consumed during weekends are billed at the off-peak level.

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

Continued on Sheet 6-5

DATE OF ISSUE: June 29, 2023

DATE EFFECTIVE: January 1, 2024

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of an Order of the Public Service Commission

In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 7-6 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 7-6 T

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

**DELAYED PAYMENT CHARGE.**

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

**SPECIAL TERMS AND CONDITIONS.**

This tariff is subject to the Company's Terms and Conditions of Service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power productions facilities shall take service under Tariff COGEN/SPP 1 or by special agreement with the Company.

(Cont'd on Sheet No. 7-7)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 6-5  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-5

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

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power productions facilities shall take service under Tariff COGEN/SPP 1 or by special agreement with the Company.

*Continue on Sheet 6-6*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-7  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 7-7

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

**AVAILABILITY OF SERVICE.**

Available for general service to customers with average maximum demands greater than 10 KW but not more than 100 KW being served by a multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

**RATE:** (Tariff Code 229)

Service Charge .....	\$ 25.00 per month	
Energy Charge: All KWH used during on-peak billing period .....	15.908¢ per KWH	
All KWH used during off-peak billing period .....	7.915¢ 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.

**MINIMUM CHARGE.**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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
Kentucky Economic Development Surcharge	Sheet No. 24
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

**DELAYED PAYMENT CHARGE.**

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

(Cont'd on Sheet No. 7-8)

DATE OF ISSUE: August 20, 2021  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 6-6  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 6-6

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

**Availability of Service**

Available for general service to customers with average maximum demands greater than 10 KW but not more than 100 KW being served by a multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

**Rate (Tariff Code 229)**

Service Charge .....	\$28.00	per month
Energy Charge		
All kWh used during on-peak billing period	18.567¢	per kWh
All kWh used during off-peak billing period	8.5.8¢	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.

**Minimum Charge**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

**Metered Voltage**

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

*Continued on Sheet 6-7*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 7-8 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 7-8 T

**TARIFF M.G.S.-T.O.D. (Cont'd) (Medium  
General Service Time-of-Day)**

**METERED VOLTAGE.**

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**SPECIAL TERMS AND CONDITIONS.**

This tariff is subject to the Company's Terms and Conditions of Service. Existing customers may initially choose to take service under this tariff without satisfying any requirements to remain on their current tariff for at least 12 months.

Customers with PURPA Section 210 qualifying cogeneration and/or small power productions facilities shall take service under Tariff COGEN/SPP 1 or by special agreement with the Company.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 6-7  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 6-7

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

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service. Existing customers may initially choose to take service under this tariff without satisfying any requirements to remain on their current tariff for at least 12 months.

Customers with PURPA Section 210 qualifying cogeneration and/or small power productions facilities shall take service under Tariff COGEN/SPP 1 or by special agreement with the Company.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 9-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 9-1

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

**AVAILABILITY OF SERVICE.**

Available for general service to customers with average maximum demands greater than 100 KW but not more than 1,000 KW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

**RATE.**

	Service Voltage				
	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	\$ 8.77	\$ 7.90	\$ 6.61	\$ 6.16	
Excess Reactive Charge per KVA	\$ 3.46	\$ 3.46	\$ 3.46	\$ 3.46	
Energy Charge per KWH	8.432¢	7.356¢	5.230¢	5.085¢	RRRR

**MINIMUM CHARGE.**

Bills computed under the above rate are subject to a monthly minimum charge comprised of the sum of the service charge and the minimum demand charge. The minimum demand charge is the product of the demand charge per KW and the monthly billing demand.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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
Kentucky Economic Development Surcharge	Sheet No. 24
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

**DELAYED PAYMENT CHARGE.**

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(Cont'd. On Sheet No. 9-2)

DATE OF ISSUE: August 20, 2021  
 DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 7-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-1

**Tariff L.G.S.**  
 (Large General Service)

**Availability of Service**

Available for general service to customers with average maximum demands greater than 100 KW but not more than 1,000 KW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

**Rate**

Tariff Code	Service Voltage			
	Secondary	Primary	Subtransmission	Transmission
240, 242, 260	244, 246, 264	248, 268	250, 270	
Service Charge per Month	\$97.00	\$145.00	\$750.00	\$750.00
Demand Charge per kW	\$10.39	\$8.95	\$5.39	\$5.25
Excess Reactive Charge per KVA	\$3.46	\$3.46	\$3.46	\$3.46
Energy Charge per kWh	8.796¢	7.867¢	5.975¢	5.874¢

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**Minimum Charge**

Bills computed under the above rate are subject to a monthly minimum charge comprised of the sum of the service charge and the minimum demand charge. The minimum demand charge is the product of the demand charge per KW and the monthly billing demand.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

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**Metered Voltage**

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

Continued on Sheet 7-2

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 9-2  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 9-2

**TARIFF L.G.S (Cont'd)**  
**(Large General Service)**

**METERED VOLTAGE.**

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**MONTHLY BILLING DEMAND.**

Billing demand in KW shall be taken each month as the highest 15-minute integrated peak in kilowatts as registered during the month by a 15-minute integrating demand meter or indicator, or at the Company's option as the highest registration of a thermal type demand meter or indicator. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer's contract capacity or (b) the customer's highest previously established monthly billing demand during the past 11 months.

**DETERMINATION OF EXCESS KILOVOLT-AMPERE (KVA) DEMAND.**

The maximum KVA demand shall be determined by the use of a multiplier equal to the reciprocal of the average power factor recorded during the billing month, leading or lagging, applied to the metered demand. The excess KVA demand, if any, shall be the amount by which the maximum KVA demand established during the billing period exceeds 115% of the kilowatts of metered demand.

**LOAD MANAGEMENT TIME-OF-DAY PROVISION.**

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during offpeak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements. This provision is also available for electric vehicle charging if separately metered.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

**RATE.** (Tariff Code 251)

Service Charge .....	\$ 85.00 per month	
Energy Charge:		
All KWH used during on-peak billing period .....	14.426¢ per KWH	R
All KWH used during offpeak billing period .....	7.888¢ per KWH	R

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.

(Cont'd on Sheet No. 9-3)

DATE OF ISSUE: August 20, 2021  
 DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
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 In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 7-2  
 CANCELLING P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 7-2

**Tariff L.G.S. Continued**  
**(Large General Service)**

**Monthly Billing Demand**

Billing demand in KW shall be taken each month as the highest 15-minute integrated peak in kilowatts as registered during the month by a 15-minute integrating demand meter or indicator, or at the Company's option as the highest registration of a thermal type demand meter or indicator. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer's contract capacity or (b) the customer's highest previously established monthly billing demand during the past 11 months.

**Determination of Excess Kilovolt-Ampere (KVA) Demand**

The maximum KVA demand shall be determined by the use of a multiplier equal to the reciprocal of the average power factor recorded during the billing month, leading or lagging, applied to the metered demand. The excess KVA demand, if any, shall be the amount by which the maximum KVA demand established during the billing period exceeds 115% of the kilowatts of metered demand.

**Load Management Time of Day Provision**

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements. This provision is also available for electric vehicle charging if separately metered.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

**Rate** (Tariff Code 251)

Service Charge .....	\$97.00	per month
Energy Charge:		
All kWh used during on-peak billing period .....	14.934¢	per kWh
All kWh used during offpeak billing period .....	8.695¢	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.

**Term of Contract**

Contracts under this tariff will be made for customers requiring an average maximum monthly demand between 500 KW and 1,000 KW and be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts or periods greater than 1 (one) year. For customers with demands less than 500 KW, a contract may, at the Company's option, be required.

Where new Company facilities are required, the Company reserves the right to require initial contracts for periods greater than one year for all customers served under this tariff.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

**Contract Capacity**

The Customer shall set forth the amount of capacity contracted for (the "contract capacity") in an amount up to 1,000 KW. Contracts will be made in multiples of 25 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

*Continued on Sheet 7-3*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 9-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 9-3 T

**TARIFF L.G.S (Cont'd)**  
**(Large General Service)**

TERM OF CONTRACT.

Contracts under this tariff will be made for customers requiring a average maximum monthly demand between 500 KW and 1,000 KW and be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts or periods greater than 1 (one) year. For customers with demands less than 500 KW, a contract may, at the Company's option, be required. T

Where new Company facilities are required, the Company reserves the right to require initial contracts for periods greater than one year for all customers served under this tariff.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

CONTRACT CAPACITY.

The Customer shall set forth the amount of capacity contracted for (the "contract capacity") in an amount up to 1,000 KW. Contracts will be made in multiples of 25 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW, which the Company might be required to furnish, but not less than 100 KW nor more than 1,000 KW. The Company shall not be obligated to supply demands in excess of the contract capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billings periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

(Cont'd on Sheet No. 9-4)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 7-3  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-3

**Tariff L.G.S. Continued**  
**(Large General Service)**

Special Terms and Conditions

This tariff is subject to the Company's Terms and Conditions of Service. T

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW, which the Company might be required to furnish, but not less than 100 KW nor more than 1,000 KW. The Company shall not be obligated to supply demands in excess of the contract capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billings periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company. T

Continued on Sheet 7-4

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 9-4  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 9-4

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

**AVAILABILITY OF SERVICE.**

Available for general service customers with average maximum demands of 100 KW or greater. Customers may continue to qualify for service under this tariff until their 12-month average demand exceeds 1,000 KW. Availability is limited to the first 500 customers applying for service under this tariff.

**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	\$ 10.92	\$ 8.17	\$ 1.77	\$ 1.75
Excessive Reactive Charge per KVA	\$ 3.46	\$ 3.46	\$ 3.46	\$ 3.46
On-Peak Energy Charge per KWH	10.284¢	10.142¢	10.055¢	9.969¢ RRRR
Off-Peak Energy Charge per KWH	5.360¢	5.318¢	5.293¢	5.267¢ RRRR

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 CHARGE.**

Bills computed under the above rate are subject to a monthly minimum charge comprised of the sum of the service charge and the minimum demand charge. The minimum demand charge is the product of the demand charge per KW and the monthly billing demand.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management	Sheet No. 22
Federal Tax Cut Tariff	Sheet No. 23
Kentucky Economic Development Surcharge	Sheet No. 24
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

**DELAYED PAYMENT CHARGE.**

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date additional charge of 5% of the unpaid portion will be made.

(Cont'd on Sheet No. 9-5)

DATE OF ISSUE: August 20, 2021  
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 ISSUED BY: /s/ Brian K. West  
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By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 7-4  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-4

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

**Availability of Service**

Available for general service customers with average maximum demands of 100 KW or greater. Customers may continue to qualify for service under this tariff until their 12-month average demand exceeds 1,000 KW. Availability is limited to the first 500 customers applying for service under this tariff.

**Rate**

<u>Tariff Code</u>	<u>Service Voltage</u>			
	<u>Secondary</u>	<u>Primary</u>	<u>Subtransmission</u>	<u>Transmission</u>
	256	257	258	259
Service Charge per Month	\$97.00	\$145.00	\$750.00	\$750.00
Demand Charge per KW	\$9.13	\$7.76	\$4.40	\$4.33
Excess Reactive Charge per KVA	\$3.46	\$3.46	\$3.46	\$3.46
On-Peak Energy Charge per kWh	11.793¢	11.238¢	11.075¢	10.938¢
Off-Peak Energy Charge per kWh	6.194¢	6.021¢	5.970¢	5.927¢

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 Charge**

Bills computed under the above rate are subject to a monthly minimum charge comprised of the sum of the service charge and the minimum demand charge. The minimum demand charge is the product of the demand charge per KW and the monthly billing demand.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

**Metered Voltage**

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

Continued on Sheet 7-5

DATE OF ISSUE: June 29, 2023  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 9-5 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 9-5 T

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

**METERED VOLTAGE.**

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**MONTHLY BILLING DEMAND.**

Billing demand in KW shall be taken each month as the highest 15-minute integrated peak in kilowatts as registered during the month by a 15-minute integrating demand meter or indicator, or at the Company's option as the highest registration of a thermal type demand meter or indicator. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer's contract capacity or (b) the customer's highest previously established monthly billing demand during the past 11 months.

**DETERMINATION OF EXCESS KILOVOLT-AMPERE (KVA) DEMAND.**

The maximum KVA demand shall be determined by the use of a multiplier equal to the reciprocal of the average power factor recorded during the billing month, leading or lagging, applied to the metered demand. The excess KVA demand, if any, shall be the amount by which the maximum KVA demand established during the billing period exceeds 115% of the kilowatts of metered demand.

**TERM OF CONTRACT.**

Contracts under this tariff will be made for customers requiring an average maximum monthly demand between 500 KW and 1,000 KW and be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts or periods greater than 1 (one) year. For customers with demands less than 500 KW, a contract may, at the Company's option, be required.

Where new Company facilities are required, the Company reserves the right to require initial contracts for periods greater than one year for all customers served under this tariff.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

**CONTRACT CAPACITY.**

The Customer shall set forth the amount of capacity contracted for (the "contract capacity") in an amount up to 1,000 KW. Contracts will be made in multiples of 25 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

(Cont'd on Sheet 9-6)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 7-5  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 7-5

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

**Monthly Billing Demand**

Billing demand in KW shall be taken each month as the highest 15-minute integrated peak in kilowatts as registered during the month by a 15-minute integrating demand meter or indicator, or at the Company's option as the highest registration of a thermal type demand meter or indicator. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer's contract capacity or (b) the customer's highest previously established monthly billing demand during the past 11 months.

**Determination of Excess Kilovolt-Ampere (KVA) Demand**

The maximum KVA demand shall be determined by the use of a multiplier equal to the reciprocal of the average power factor recorded during the billing month, leading or lagging, applied to the metered demand. The excess KVA demand, if any, shall be the amount by which the maximum KVA demand established during the billing period exceeds 115% of the kilowatts of metered demand.

**Term of Contract**

Contracts under this tariff will be made for customers requiring an average maximum monthly demand between 500 KW and 1,000 KW and be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts or periods greater than 1 (one) year. For customers with demands less than 500 KW, a contract may, at the Company's option, be required.

Where new Company facilities are required, the Company reserves the right to require initial contracts for periods greater than one year for all customers served under this tariff.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

**Contract Capacity**

The Customer shall set forth the amount of capacity contracted for (the "contract capacity") in an amount up to 1,000 KW. Contracts will be made in multiples of 25 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW, which the Company might be required to furnish, but not less than 100 KW nor more than 1,000 KW. The Company shall not be obligated to supply demands in excess of the contract capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billings periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 9-6 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 9-6 T

TARIFF L.G.S. – T.O.D. (Cont'd)  
(Large General Service – Time of Day)

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW, which the Company might be required to furnish, but not less than 100 KW nor more than 1,000 KW. The Company shall not be obligated to supply demands in excess of the contract capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billings periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Tariff L.G.S.-T.O.D. is now contained on  
five pages instead of six pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 10-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 10-1

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

**AVAILABILITY OF SERVICE.**

Available for commercial and industrial customers with contract demands of at least 1,000 KW. Customers shall contract for a definite amount of electrical capacity in kilowatts, which shall be sufficient to meet average maximum requirements.

**RATE.**

**Service Voltage**

	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	\$22.96	\$16.33	\$16.08	
Of monthly off-peak billing demand	\$ 1.80	\$ 1.78	\$ 1.76	\$ 1.75	
Energy Charge per KWH	2.698¢	2.660¢	2.635¢	2.612¢	RRRR
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 AM to 9:00 PM for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM 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:

Secondary	Primary	Subtransmission	Transmission
\$28.77/KW	\$25.81/KW	\$19.17/KW	\$18.88/kw

The minimum billing demand shall be the greater of 60% of the contract capacity set forth on the contract for electric service or 60% of the highest billing demand, on-peak or off peak, recorded during the previous eleven months.

**MINIMUM CHARGE.**

This tariff is subject to a minimum charge equal to the Service Charge plus the Minimum Demand Charge.

(Cont'd. on Sheet No. 10-2)

DATE OF ISSUE: August 20, 2021  
 DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 8-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 8-1

**Tariff I.G.S.  
 (Industrial General Service)**

**Availability of Service**

Available for commercial and industrial customers with contract demands of at least 1,000 KW. Customers shall contract for a definite amount of electrical capacity in kilowatts, which shall be sufficient to meet average maximum requirements.

**Rate**

Tariff Code	Service Voltage			
	Secondary	Primary	Subtransmission	Transmission
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	\$27.32	\$25.31	\$17.89	\$17.52
Of monthly off-peak billing demand	\$1.84	\$1.78	\$1.75	\$1.73
Energy Charge per kWh	3.214¢	3.063¢	3.018¢	2.981¢

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 AM to 9:00 PM for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM 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:

Secondary	Primary	Subtransmission	Transmission
\$26.01 / kW	\$24.05 / kW	\$16.64 / kW	\$16.29 / kW

The minimum billing demand shall be the greater of 60% of the contract capacity set forth on the contract for electric service or 60% of the highest billing demand, on-peak or off-peak, recorded during the previous eleven months.

**Minimum Charge**

This tariff is subject to a minimum charge equal to the Service Charge plus the Minimum Demand Charge.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

Continued on Sheet 8-2

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 10-2 T  
 CANCELLING P.S.C. KY. NO. 11 1<sup>ST</sup> REVISED SHEET NO. 10-2 T

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

ADJUSTMENT CLAUSES.

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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	
Kentucky Economic Development Surcharge	Sheet No. 24	
Environmental Surcharge	Sheet No. 29	T
Capacity Charge	Sheet No. 30	T
School Tax	Sheet No. 33	
Purchase Power Adjustment	Sheet No. 35	
Decommissioning Rider	Sheet No. 38	

DELAYED PAYMENT CHARGE.

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KVA values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- 1) Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
- 2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

MONTHLY BILLING DEMAND.

The monthly on-peak and off-peak billing demands in KW shall be taken each month as the highest single 15-minute integrated peak in KW as registered by a demand meter during the on-peak and off-peak billing periods, respectively.

The reactive demand in KVARs shall be taken each month as the highest single 15-minute integrated peak in KVARs as registered during the month by a demand meter or indicator.

TERM OF CONTRACT.

Contracts under this tariff will be made for an initial period of not less than two years and shall remain in effect thereafter until either party shall give at least 12 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than two years.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

(Cont'd on Sheet No. 10-3)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 in Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 8-2  
 CANCELLING P.S.C. KY. NO. SHEET NO. X-X

**Tariff I.G.S. Continued**  
 (Industrial General Service)

Metered Voltage

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KVA values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

Monthly Billing Demand

The monthly on-peak and off-peak billing demands in KW shall be taken each month as the highest single 15-minute integrated peak in KW as registered by a demand meter during the on-peak and off-peak billing periods, respectively.

The reactive demand in KVARs shall be taken each month as the highest single 15-minute integrated peak in KVARs as registered during the month by a demand meter or indicator.

Term of Contract

Contracts under this tariff will be made for an initial period of not less than two years and shall remain in effect thereafter until either party shall give at least 12 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than two years.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

Contract Capacity

The Customer shall set forth the amount of capacity contracted for ("the contract capacity") in an amount equal to or greater than 1,000 KW in multiples of 100 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

Special Terms and Conditions

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for resale service to mining and industrial Customers who furnish service to Customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point for both the power and camp requirements.

This tariff is also available to Customers having other sources of energy supply, but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum amount of demand in KW which the Company might be required to furnish, but not less than 1,000 KW. The Company shall not be obligated to supply demands in excess of that contracted capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

A Customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the Customer's system irrespective of contrary provisions in Terms and Conditions of Service.

Customer with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 in Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 10-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 10-3 T

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

**CONTRACT CAPACITY**

The Customer shall set forth the amount of capacity contracted for ("the contract capacity") in an amount equal to or greater than 1,000 KW in multiples of 100 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

**SPECIAL TERMS AND CONDITIONS.**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for resale service to mining and industrial Customers who furnish service to Customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point for both the power and camp requirements.

This tariff is also available to Customers having other sources of energy supply, but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum amount of demand in KW which the Company might be required to furnish, but not less than 1,000 KW. The Company shall not be obligated to supply demands in excess of that contracted capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

A Customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the Customer's system irrespective of contrary provisions in Terms and Conditions of Service.

Customer with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Tariff I.G.S. is now contained on  
two pages instead of three pages.



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 13-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 13-1

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

**AVAILABILITY OF SERVICE.**

Available only to incorporated cities and towns and authorized water districts and to utility companies operating under the jurisdiction of Public Service Commission of Kentucky for the supply of electric energy to waterworks systems and sewage disposal systems served under this tariff on September 1, 1982, and only for continuous service at the premises occupied by the Customer on this date. If service hereunder is discontinued, it shall not again be available.

Customer shall contract with the Company for a reservation in capacity in kilovolt-amperes sufficient to meet with the maximum load, which the Company may be required to furnish.

**RATE.** (Tariff Code 540)

Service Charge .....	\$ 25.00 per month	
Energy Charge:		
All KWH Used Per Month .....	9.800¢ per KWH	R

**MINIMUM CHARGE.**

This tariff is subject to a minimum monthly charge equal to the sum of the service charge plus \$9.78 per KVA as determined from 1 customer's total connected load.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management	Sheet No. 22
Federal Tax Cut Tariff	Sheet No. 23
Kentucky Economic Development Surcharge	Sheet No. 24
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

**PAYMENT.**

Bills will be rendered monthly and will be due and payable on or before the due date stated on the bill.

**DELAYED PAYMENT CHARGE.**

Bills under this tariff are due and payable within fifteen (15) days after their 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 portion will be made.

(Cont'd on Sheet No. 13-2)

DATE OF ISSUE: August 20, 2021  
DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 9-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 9-1

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

**Availability of Service**

Available only to incorporated cities and towns and authorized water districts and to utility companies operating under the jurisdiction of Public Service Commission of Kentucky for the supply of electric energy to waterworks systems and sewage disposal systems served under this tariff on September 1, 1982, and only for continuous service at the premises occupied by the Customer on this date. If service hereunder is discontinued, it shall not again be available.

Customer shall contract with the Company for a reservation in capacity in kilovolt-amperes sufficient to meet with the maximum load, which the Company may be required to furnish.

**Rate** (Tariff Code 540)

Service Charge	\$28.00	per month	I
Energy Charge			
All kWh used per month	10.506¢	per kWh	I

**Minimum Charge**

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

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Kentucky Economic Development Surcharge	Sheet No. 27	T
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	D
Decommissioning Rider	Sheet No. 33	
Distribution Reliability Rider	Sheet No. 34	N
Securitization Financing Rider	Sheet No. 35	N
Federal Tax Change Tariff	Sheet No. 36	
City's Franchise Fee	Sheet No. 37	
School Tax	Sheet No. 38	D

**Term of Contract**

Contracts under this tariff will be made for not less than (1) one year with self-renewal provisions for successive periods of (1) one year each until either party shall give at least 60 days' written notice to the other of the intention to discontinue at the end of any yearly period. The Company will have the right to require contracts for periods of longer than (1) one year. T

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is not available to customers having other sources of energy supply.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 13-2 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 13-2 T

TARIFF M.W. (Cont'd)  
(Municipal Waterworks)

TERM OF CONTRACT.

Contracts under this tariff will be made for not less than (1) one year with self-renewal provisions for successive periods of (1) one year each until either party shall give at least 60 days' written notice to the other of the intention to discontinue at the end of any yearly period. The Company will have the right to require contracts for periods of longer than (1) one year.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is not available to customers having other sources of energy supply.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Tariff M.W. is now contained on  
one page instead of two pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 14-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 14-1

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

**AVAILABILITY OF SERVICE.**

Available for outdoor lighting to individual customers in locations where municipal street lighting is not applicable. New installations of High Pressure Sodium, Mercury Vapor and Metal Halide lamps shall cease on January 14, 2021.

**BASE FUEL RATE.**

Customers receiving service under this tariff will receive bills calculated using per lamp and base fuel charge. The base fuel charge will be calculated each month as shown below by multiplying the approved base fuel amount set forth in the Company's Fuel Adjustment Clause tariff by the relevant monthly kWh value set forth in the monthly kWh table included below in the Adjustment Clauses section of this tariff.

**RATE.**

A. OVERHEAD LIGHTING SERVICE

Tariff Code

1. High Pressure Sodium			
094	100 watts ( 9,500 Lumens)...	\$ 9.06	per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
113	150 watts ( 16,000 Lumens)...	\$ 10.33	per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
097	200 watts ( 22,000 Lumens)...	\$ 12.52	per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
103	250 watts ( 28,000 Lumens)...	\$ 17.84	per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
098	400 watts ( 50,000 Lumens)...	\$ 19.78	per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff

Tariff Code

2. Mercury Vapor			
093	175 watts ( 7,000 Lumens)...	\$ 11.55	per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
095	400 watts (20,000 Lumens)...	\$ 19.88	per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff

Tariff Code

3. LED			
150	6,000 – 8,500 Lumens	\$6.62	per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff

Company will provide lamp, photo-electric relay control equipment, luminaries and upsweep arm not over six feet in length, and will mount same on an existing pole carrying secondary circuits.

(Cont'd on Sheet No. 14-2)

DATE OF ISSUE: November 24, 2021  
 DATE EFFECTIVE: Service Rendered On And After December 30, 2021  
 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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 10-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 10-1

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

**Availability of Service**

Available for outdoor lighting to individual customers in locations where municipal street lighting is not applicable provided the lighting location designated by the Customer is reasonably accessible to the Company's service vehicles without causing damage to the Customer's or other's property. New installations of High Pressure Sodium, Mercury Vapor and Metal Halide lamps shall cease on January 14, 2021.

**Base Fuel Rate**

Customers receiving service under this tariff will receive bills calculated using per lamp and base fuel charge. The base fuel charge will be calculated each month as shown below by multiplying the approved base fuel amount set forth in the Company's Fuel Adjustment Clause tariff by the relevant monthly kWh value set forth in the monthly kWh table included below in the Adjustment Clauses section of this tariff.

**Rate**

A. Overhead Lighting Service

	Tariff Code	Watts	Rate	
	<b>High Pressure Sodium</b>	094	100 (9,500 Lumens)	\$10.53
	113	150 (16,000 Lumens)	\$12.01	per lamp + 0.02612 x kWh in Sheet No. 10-4
	097	200 (22,000 Lumens)	\$14.55	per lamp + 0.02612 x kWh in Sheet No. 10-4
	103	250 (28,000 Lumens)	\$20.74	per lamp + 0.02612 x kWh in Sheet No. 10-4
	098	400 (50,000 Lumens)	\$22.99	per lamp + 0.02612 x kWh in Sheet No. 10-4

	Tariff Code	Watts	Rate	
	<b>Mercury Vapor</b>	093	175 (7,000 Lumens)	\$13.43
	095	400 (20,000 Lumens)	\$23.11	per lamp + 0.02612 x kWh in Sheet No. 10-4

Tariff Code	Lumens	Rate	
<b>LED</b>	150	6,000-10,000	\$7.70 per lamp + 0.02612 x kWh in Sheet No. 10-4

Company will provide lamp, photo-electric relay control equipment, luminaries and upsweep arm not over six feet in length, and will mount same on an existing pole carrying secondary circuits.

B. Post-Top Lighting Service

	Tariff Code	Watts	Rate	
	<b>High Pressure Sodium</b>	111	100 (9,500 Lumens)	\$19.09
	122	150 (16,000 Lumens)	\$30.03	per lamp + 0.02612 x kWh in Sheet No. 10-4
	120	250 (19,000 Lumens)	\$34.96	per lamp + 0.02612 x kWh in Sheet No. 10-4
	126	400 (40,000 Lumens)	\$45.88	per lamp + 0.02612 x kWh in Sheet No. 10-4

	Tariff Code	Watts	Rate	
	<b>Mercury Vapor</b>	099	175 (7,000 Lumens)	\$15.40

Continued on Sheet 10-2

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 14-2  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 14-2

**TARIFF O.L. (Cont'd.)  
 (Outdoor Lighting)**

**RATE. (Cont'd.)**

**B. POST-TOP LIGHTING SERVICE**

1. High Pressure Sodium			
Tariff Code	111	100 watts ( 9,500 Lumens)...	\$ 16.42 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
	122	150 watts (16,000 Lumens)...	\$ 25.83 per lamp + 0.02612 x kWh in Sheet No. 14-5 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 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
	126	400 watts (40,000 Lumens)...	\$ 39.47 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
2. Mercury Vapor			
Tariff Code	099	175 watts ( 7,000 Lumens)...	\$ 13.25 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
3. LED			
Tariff Code	160	4,300 – 6,300 Lumens	\$19.05 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff

Company will provide lamp photo-electric relay control equipment, luminaries, post, and installation including underground wiring for a distance of thirty feet from the Company's existing secondary circuits. Incremental costs of installation beyond thirty feet shall be the responsibility of the customer.

**C. FLOOD LIGHTING SERVICE**

1. High Pressure Sodium			
Tariff Code	107	200 watts (22,000 Lumens)...	\$ 14.38 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
	109	400 watts (50,000 Lumens)...	\$ 21.00 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
2. Metal Halide			
Tariff Code	110	250 watts (20,500 Lumens)...	\$ 17.45 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
	116	400 watts (36,000 Lumens)...	\$ 21.98 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
	131	1000 watts (110,000 Lumens)...	\$ 40.01 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
	130	250 watts Mongoose (20,500 Lumens)...	\$ 22.76 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
	136	400 watts Mongoose (36,000 Lumens)...	\$ 27.78 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff

(Cont'd on Sheet No. 14-3)

DATE OF ISSUE: November 24, 2021  
 DATE EFFECTIVE: Service Rendered On And After December 30, 2021  
 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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 10-2  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 10-2

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

**Post-Top Lighting Service Continued**

Tariff Code	Lumens	Rate
LED	160	6,000-10,000
		\$22.15 per lamp + 0.02612 x kWh in Sheet No. 10-4

Company will provide lamp photo-electric relay control equipment, luminaries, post, and installation including underground wiring for a distance of thirty feet from the Company's existing secondary circuits. Incremental costs of installation beyond thirty feet shall be the responsibility of the customer.

**C. Flood Lighting Service**

Tariff Code	Watts	Rate
High Pressure Sodium	107	200 (22,000 Lumens)
		\$16.72 per lamp + 0.02612 x kWh in Sheet No. 10-4
	109	400 (50,000 Lumens)
		\$24.41 per lamp + 0.02612 x kWh in Sheet No. 10-4

Tariff Code	Watts	Rate
Metal Halide	110	250 (20,500 Lumens)
		\$20.29 per lamp + 0.02612 x kWh in Sheet No. 10-4
	116	400 (36,000 Lumens)
		\$25.55 per lamp + 0.02612 x kWh in Sheet No. 10-4
	131	1,000 (110,000 Lumens)
	\$46.51 per lamp + 0.02612 x kWh in Sheet No. 10-4	
130	250 Mongoose (20,500 Lumens)	
	\$26.46 per lamp + 0.02612 x kWh in Sheet No. 10-4	
136	400 Mongoose (36,000 Lumens)	
	\$32.29 per lamp + 0.02612 x kWh in Sheet No. 10-4	

Tariff Code	Lumens	Rate
LED	165	17,500-22,500
		\$28.77 per lamp + 0.02612 x kWh in Sheet No. 10-4
	166	42,500-47,500
		\$35.34 per lamp + 0.02612 x kWh in Sheet No. 10-4

Company will provide lamp, photoelectric relay control equipment, luminaries, mounting bracket, and mount same on an existing pole carrying secondary circuits.

**D. LED Lamp Conversion Charge**

Existing outdoor lighting customers that wish to convert from non-LED lamps to new LED fixtures 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	\$4.20	per month
Overhead wire span not over 150 feet	\$2.33	per month
Underground wire lateral not over 50 feet	\$7.87	per month

(Price includes pole riser and connections)

Continued on Sheet 10-3

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 14-3  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 14-3

<u>RATE</u> (Cont'd.)	<u>TARIFF O.L. (Cont'd.)</u> (Outdoor Lighting)
3. LED	
165 19,500 – 21,500 Lumens	\$24.75 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff
166 36,500 – 38,500 Lumens	\$30.40 per lamp + 0.02612 x kWh in Sheet No. 14-5 in Company's tariff

Company will provide lamp, photoelectric relay control equipment, luminaries, mounting bracket, and mount same on an existing pole carrying secondary circuits.

D. LED Lamp Conversion Charge

Existing outdoor lighting customers that wish to convert from non-LED lamps to new LED fixtures 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.....	\$ 3.61 per month
Over head wire span not over 150 feet.....	\$ 2.00 per month
Underground wire lateral not over 50 feet.....	\$ 6.77 per month
(Price includes pole riser and connections)	

E. FLEXIBLE LIGHTING OPTION (Tariff Code 175 for Unmetered and Tariff Code 201 for Metered)

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.

(Cont'd on Sheet No. 14-4)

DATE OF ISSUE: November 24, 2021  
 DATE EFFECTIVE: Service Rendered On And After December 30, 2021  
 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

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 10-3  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 10-3

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

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

**Rate**

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 \$0.80 per lamp per month  
 Monthly non-fuel charge is .08698 \$/kWh  
 Base fuel charge is 0.02612 \$/kWh

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

\*Customers may pay a portion of the installed cost upfront to reduce the monthly lamp charge component of the rate.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

For adjustments calculated on a per kWh basis the following kWh values will be used in the calculation:

*Continued on Sheet 10-4*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 14-4  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 14-4

**TARIFF O.L. (Cont'd.)  
 (Outdoor Lighting)**

**RATE. (Cont'd.)**

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 1.36% 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 .05519 \$/kWh  
 Base fuel charge is 0.02612 \$/kWh

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

\*Customers may pay a portion of the installed cost upfront to reduce the monthly lamp charge component of the rate.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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	Sheet No. 30
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

For adjustments calculated on a per kWh basis, including those calculated under the Fuel Adjustment Clause, System Sales Clause, and the Capacity Charge tariffs, the following kWh values will be used in the calculation:

(Cont'd on Sheet No. 14-5)

DATE OF ISSUE: August 20, 2021  
 DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 10-4  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

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

	Metal Halide			Mercury Vapor		High Pressure Sodium				
	250 Watts	400 Watts	1,000 Watts	175 Watts	400 Watts	100 Watts	150 Watts	200 Watts	250 Watts	400 Watts
Jan	127	199	477	91	199	51	74	106	130	210
Feb	106	167	400	76	167	43	62	89	109	176
Mar	106	167	400	76	167	43	62	89	109	176
Apr	90	142	340	65	142	36	53	76	93	150
May	81	127	304	58	127	32	47	68	83	134
Jun	72	114	272	52	114	29	42	61	74	120
Jul	77	121	291	55	121	31	45	65	79	128
Aug	88	138	331	63	138	35	51	74	90	146
Sep	96	152	363	69	152	39	57	81	99	160
Oct	113	178	427	81	178	45	66	95	116	188
Nov	119	188	449	86	188	48	70	100	122	198
Dec	129	203	486	92	203	52	75	108	132	214
<b>Total</b>	1,204	1,896	4,540	864	1,896	484	704	1,012	1,236	2,000

	Light Emitting Diode (LED)			
	150 Tariff Code 6,000-10,000 Lumens	160 Tariff Code 6,000-10,000 Lumens	165 Tariff Code 17,500-22,500 Lumens	166 Tariff Code 42,500-47,500 Lumens
Jan	28	33	75	154
Feb	24	28	63	129
Mar	24	28	63	129
Apr	20	24	53	109
May	18	21	48	96
Jun	16	19	43	87
Jul	17	20	46	93
Aug	19	23	52	105
Sep	22	26	58	118
Oct	25	30	67	136
Nov	27	32	71	145
Dec	29	33	77	156
<b>Total</b>	269	317	716	1,457

Continued on Sheet 10-5

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 14-5  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 14-5

**TARIFF O.L. (Cont'd.)  
 (Outdoor Lighting)**

	METAL HALIDE			MERCURY VAPOR			HIGH PRESSURE SODIUM			
	250 WATTS	400 WATTS	1000 WATTS	175 WATTS	400 WATTS	100 WATTS	150 WATTS	200 WATTS	250 WATTS	400 WATTS
JAN	127	199	477	91	199	51	74	106	130	210
FEB	106	167	400	76	167	43	62	89	109	176
MAR	106	167	400	76	167	43	62	89	109	176
APR	90	142	340	65	142	36	53	76	93	150
MAY	81	127	304	58	127	32	47	68	83	134
JUN	72	114	272	52	114	29	42	61	74	120
JUL	77	121	291	55	121	31	45	65	79	128
AUG	88	138	331	63	138	35	51	74	90	146
SEP	96	152	363	69	152	39	57	81	99	160
OCT	113	178	427	81	178	45	66	95	116	188
NOV	119	188	449	86	188	48	70	100	122	198
DEC	129	203	486	92	203	52	75	108	132	214
TOTAL	1204	1896	4540	864	1896	484	704	1012	1236	2000

**LIGHT EMITTING DIODE**

	150		160		165		166	
	Tariff Code		Tariff Code		Tariff Code		Tariff Code	
	6000-8500	LUMENS	4300-6300	LUMENS	19,500-21,500	LUMENS	36,500-38,500	LUMENS
JAN	28	28	33	33	75	75	154	154
FEB	24	24	28	28	63	63	129	129
MAR	24	24	28	28	63	63	129	129
APR	20	20	24	24	53	53	109	109
MAY	18	18	21	21	48	48	96	96
JUN	16	16	19	19	43	43	87	87
JUL	17	17	20	20	46	46	93	93
AUG	19	19	23	23	52	52	105	105
SEP	22	22	26	26	58	58	118	118
OCT	25	25	30	30	67	67	136	136
NOV	27	27	32	32	71	71	145	145
DEC	29	29	33	33	77	77	156	156
TOTAL	269	269	317	317	716	716	1457	1457

(Cont'd on Sheet No. 14-6)

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 10-5  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

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

**Hours of Lighting**

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise every night and all night, burning approximately 4,000 hours per annum.

**Ownership of Facilities**

All facilities necessary for service including fixtures, controls, poles, transformers, secondaries, lamps and other appurtenances shall be owned and maintained by the Company. All service and necessary maintenance will be performed only during the regular scheduled working hours of the Company.

The Company shall be allowed 3 working days after notification by the customer to replace all burned-out lamps.

**Term of Initial Service**

Term of initial service shall be required for a period of one year. If early termination is requested or service is terminated during the initial 12 month period, the customer will be billed for the remainder of the 12 month period on the final bill.

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

The Company shall have the option of rendering monthly or bimonthly bills.

Customer's account balance must be current prior to installation of new or additional lights.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

DATE OF ISSUE: November 24, 2021  
 DATE EFFECTIVE: Service Rendered On And After December 30, 2021  
 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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 14-6 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 14-6 T

**TARIFF O.L. (Cont'd.)  
(Outdoor Lighting)**

**DELAYED PAYMENT CHARGE.**

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made. Residential customers taking service under this tariff will not be subject to the delayed payment charge.

N

**HOURS OF LIGHTING.**

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise every night and all night, burning approximately 4,000 hours per annum.

**OWNERSHIP OF FACILITIES.**

All facilities necessary for service including fixtures, controls, poles, transformers, secondaries, lamps and other appurtenances shall be owned and maintained by the Company. All service and necessary maintenance will be performed only during the regular scheduled working hours of the Company.

The Company shall be allowed 3 working days after notification by the customer to replace all burned-out lamps.

**TERM OF INITIAL SERVICE.**

Term of initial service shall be required for a period of one year. If early termination is requested or service is terminated during the initial 12 month period, the customer will be billed for the remainder of the 12 month period on the final bill.

**SPECIAL TERMS AND CONDITIONS.**

This tariff is subject to the Company's Terms and Conditions of Service.

The Company shall have the option of rendering monthly or bimonthly bills.

Customer's account balance must be current prior to installation of new or additional lights.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Tariff O.L. is now contained on  
five pages instead of six pages.



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 15-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 15-1

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

**AVAILABILITY OF SERVICE.**

Available for lighting service for all the lighting of public streets, public highways and other public outdoor areas in municipalities, counties, and other governmental subdivisions where such service can be supplied from the existing general distribution systems. New installations of High Pressure Sodium lamps shall cease on January 14, 2021.

**BASE FUEL RATE.**

Customers receiving service under this tariff will receive bills calculated using per lamp and base fuel charge. The base fuel charge will be calculated each month as shown below by multiplying the approved base fuel amount set forth in the Company's Fuel Adjustment Clause tariff by the relevant monthly kWh value set forth in the monthly kWh table included below in the Adjustment Clauses section of this tariff.

**RATE.** (Tariff Code 528)

A. Overhead Service on Existing Distribution Poles

1. High Pressure Sodium	
100 watts ( 9,500 Lumens)...	\$ 7.61 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
150 watts (16,000 Lumens)...	\$ 8.36 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
200 watts (22,000 Lumens)...	\$ 9.90 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
400 watts (50,000 Lumens)...	\$ 13.00 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
2. LED	
7,900 – 9,900 Lumens...	\$ 8.71 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
10,500 – 12,500 Lumens...	\$ 11.19 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
24,000 – 26,000 Lumens...	\$ 13.34 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
Post Top 4,300 – 6,300 Lumens...	\$ 9.05 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
Post Top 7,300 – 9,300 Lumens...	\$ 20.07 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
Flood 19,500 – 21,500 Lumens...	\$ 14.69 per lamp + 0.02612 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)...	\$ 11.90 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
150 watts ( 16,000 Lumens)...	\$ 12.75 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
200 watts ( 22,000 Lumens)...	\$ 14.30 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
400 watts ( 50,000 Lumens)...	\$ 18.35 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff

(Cont'd on Sheet No. 15-2)

DATE OF ISSUE: November 24, 2021  
 DATE EFFECTIVE: Service Rendered On And After December 30, 2021  
 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

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 11-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 11-1

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

**Availability of Service**

Available for lighting service for all the lighting of public streets, public highways and other public outdoor areas in municipalities, counties, and other governmental subdivisions where such service can be supplied from the existing general distribution systems provided the lighting location designated by the Customer is reasonably accessible to the Company's service vehicles without causing damage to the Customer's or other's property. New installations of High Pressure Sodium lamps shall cease on January 14, 2021.

**Base Fuel Rate**

Customers receiving service under this tariff will receive bills calculated using per lamp and base fuel charge. The base fuel charge will be calculated each month as shown below by multiplying the approved base fuel amount set forth in the Company's Fuel Adjustment Clause tariff by the relevant monthly kWh value set forth in the monthly kWh table included below in the Adjustment Clauses section of this tariff.

**Rate** (Tariff Code 528)

A. Overhead Service on Existing Distribution Poles

	Watts	Rate	
High Pressure Sodium	100 (9,500 Lumens)	\$8.49	per lamp + 0.02612 x kWh in Sheet No. 11-3
	150 (16,000 Lumens)	\$9.32	per lamp + 0.02612 x kWh in Sheet No. 11-3
	200 (22,000 Lumens)	\$11.04	per lamp + 0.02612 x kWh in Sheet No. 11-3
	400 (50,000 Lumens)	\$14.50	per lamp + 0.02612 x kWh in Sheet No. 11-3

	Lumens	Rate	
LED	8,000-11,000	\$9.71	per lamp + 0.02612 x kWh in Sheet No. 11-3
	10,000-14,000	\$12.48	per lamp + 0.02612 x kWh in Sheet No. 11-3
	24,000-30,000	\$14.87	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Post Top 6,000-10,000	\$10.09	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Post Top 8,000-12,000	\$22.38	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Flood 17,500-22,500	\$16.38	per lamp + 0.02612 x kWh in Sheet No. 11-3

B. Service on New Wood Distribution Poles

	Watts	Rate	
High Pressure Sodium	100 (9,500 Lumens)	\$13.27	per lamp + 0.02612 x kWh in Sheet No. 11-3
	150 (16,000 Lumens)	\$14.22	per lamp + 0.02612 x kWh in Sheet No. 11-3
	200 (22,000 Lumens)	\$15.94	per lamp + 0.02612 x kWh in Sheet No. 11-3
	400 (50,000 Lumens)	\$20.46	per lamp + 0.02612 x kWh in Sheet No. 11-3

	Lumens	Rate	
LED	8,000-11,000	\$16.01	per lamp + 0.02612 x kWh in Sheet No. 11-3
	10,000-14,000	\$18.79	per lamp + 0.02612 x kWh in Sheet No. 11-3
	24,000-30,000	\$21.19	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Post Top 6,000-10,000	\$16.39	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Post Top 8,000-12,000	\$28.69	per lamp + 0.02612 x kWh in Sheet No. 11-3
	Flood 17,500-22,500	\$22.69	per lamp + 0.02612 x kWh in Sheet No. 11-3

Continued on Sheet 11-2

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 15-2  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 15-2

**TARIFFS.L. (Cont'd.)  
 (Street Lighting)**

2. LED	
7,900 – 9,900 Lumens...	\$ 14.36 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
10,500 – 12,500 Lumens...	\$ 16.85 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
24,000 – 26,000 Lumens...	\$ 19.00 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
Post Top 4,300 – 6,300 Lumens...	\$ 14.70 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
Post Top 7,300 – 9,300 Lumens...	\$ 25.73 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
Flood 19,500 – 21,500 Lumens...	\$ 20.35 per lamp + 0.02612 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)...	\$ 24.80 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
150 watts ( 16,000 Lumens)...	\$ 25.70 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
200 watts ( 22,000 Lumens)...	\$ 27.25 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
400 watts ( 50,000 Lumens)...	\$ 30.35 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff

**2. LED**

7,900 – 9,900 Lumens...	\$ 25.10 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
10,500 – 12,500 Lumens...	\$ 26.78 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
24,000 – 26,000 Lumens...	\$ 28.11 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
Post Top 4,300 – 6,300 Lumens...	\$ 25.85 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
Post Top 7,300 – 9,300 Lumens...	\$ 36.74 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff
Flood 19,500 – 21,500 Lumens...	\$ 29.42 per lamp + 0.02612 x kWh in Sheet No. 15-4 in Company's tariff

\*Effective June 29, 2010 and thereafter these lamps are not available for new installations

**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.

Lumen rating is based on manufacturer's rated lumen output for new lamps and may vary.

**E. FLEXIBLE LIGHTING OPTION (Tariff Code 525 for Unmetered and Tariff Code 526 for Metered)**

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.

(Cont'd on Sheet No. 15-3)

DATE OF ISSUE: November 24, 2021  
 DATE EFFECTIVE: Service Rendered On And After December 30, 2021  
 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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 11-2  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

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

**C. Service on New Metal or Concrete Poles\***

High Pressure Sodium	Watts	Rate	
	100 (9,500 Lumens)	\$27.65	per lamp + 0.02612 x kWh in Sheet No. 11-3
150 (16,000 Lumens)	\$28.66	per lamp + 0.02612 x kWh in Sheet No. 11-3	
200 (22,000 Lumens)	\$30.38	per lamp + 0.02612 x kWh in Sheet No. 11-3	
400 (50,000 Lumens)	\$33.84	per lamp + 0.02612 x kWh in Sheet No. 11-3	

LED	Lumens	Rate	
	8,000-11,000	\$27.99	per lamp + 0.02612 x kWh in Sheet No. 11-3
10,000-14,000	\$29.86	per lamp + 0.02612 x kWh in Sheet No. 11-3	
24,000-30,000	\$31.34	per lamp + 0.02612 x kWh in Sheet No. 11-3	
Post Top 6,000-10,000	\$28.82	per lamp + 0.02612 x kWh in Sheet No. 11-3	
Post Top 8,000-12,000	\$40.97	per lamp + 0.02612 x kWh in Sheet No. 11-3	
Flood 17,500-22,500	\$32.80	per lamp + 0.02612 x kWh in Sheet No. 11-3	

\* Effective June 29, 2010 and thereafter these lamps are not available for new installations

**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.

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

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

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.

**Rate**

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 1.04% 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 .05261 \$/kWh

Base fuel charge is 0.02612 \$/kWh

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

\*Customers may pay a portion of the installed cost upfront to reduce the monthly lamp charge component of the rate.

Continued on Sheet 11-3

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 15-3  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 15-3

**TARIFFS.L. (Cont'd.)  
 (Street Lighting)**

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 0.97% 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 .04393 \$/kWh  
 Base fuel charge is 0.02612 \$/kWh

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

\*Customers may pay a portion of the installed cost upfront to reduce the monthly lamp charge component of the rate.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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	Sheet No. 30
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

For adjustments calculated on a per kWh basis, including those calculated under the Fuel Adjustment Clause, System Sales Clause, and the Capacity Charge tariffs, the following kWh values will be used in the calculation:

(Cont'd on Sheet No. 15-4)

DATE OF ISSUE: August 20, 2021  
 DATE EFFECTIVE: Service Rendered On And After August 1, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2021-00053 Dated August 2, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 11-3  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

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

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

For adjustments calculated on a per kWh basis the following kWh values will be used in the calculation:

	High Pressure Sodium				Light Emitting Diode (LED)					
	100 Watts	150 Watts	200 Watts	400 Watts	8,000- 11,000 Lumens	10,000- 14,000 Lumens	24,000- 30,000 Lumens	Post Top 6,000- 10,000 Lumens	Post Top 8,000- 12,000 Lumens	Flood 17,500- 22,500 Lumens
Jan	51	74	106	210	35	49	98	33	48	75
Feb	43	62	89	176	30	40	83	28	41	63
Mar	43	62	89	176	30	40	83	28	41	63
Apr	36	53	76	150	25	34	70	24	34	53
May	32	47	68	134	22	30	62	21	31	48
Jun	29	42	61	120	20	27	56	19	27	43
Jul	31	45	65	128	21	29	60	20	29	46
Aug	35	51	74	146	23	33	68	23	32	52
Sep	39	57	81	160	27	37	75	26	37	58
Oct	45	66	95	188	31	43	87	30	43	67
Nov	48	70	100	198	33	46	93	32	45	71
Dec	52	75	108	214	36	50	100	33	50	77
<b>Total</b>	484	704	1,012	2,000	333	458	935	317	458	716

**Special Facilities**

When a customer requests street lighting service which requires special poles or fixtures, underground street lighting, or a line extension of more than one span of approximately 150 feet, the customer will be required to pay, in advance, an aid-to-construction in the amount of the installed cost of such special facilities.

Continued on Sheet 11-4

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 15-4  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 15-4

**TARIFF S.L. (Cont'd.)  
 (Street Lighting)**

**HIGH PRESSURE SODIUM**

MONTH	100	150	200	400
	WATTS	WATTS	WATTS	WATTS
JAN	51	74	106	210
FEB	43	62	89	176
MAR	43	62	89	176
APR	36	53	76	150
MAY	32	47	68	134
JUN	29	42	61	120
JUL	31	45	65	128
AUG	35	51	74	146
SEP	39	57	81	160
OCT	45	66	95	188
NOV	48	70	100	198
DEC	52	75	108	214
TOTAL	484	704	1012	2000

**LIGHT EMITTING DIODE**

	7,900-9,900		10,500-12,500	24,000-26,000	Post Top 4,300-6,300	Post Top 7,300-9,300	Flood 19,500-21,500
	LUMENS	LUMENS	LUMENS	LUMENS	LUMENS	LUMENS	LUMENS
JAN	35	49	98	33	48	75	
FEB	30	40	83	28	41	63	
MAR	30	40	83	28	41	63	
APR	25	34	70	24	34	53	
MAY	22	30	62	21	31	48	
JUN	20	27	56	19	27	43	
JUL	21	29	60	20	29	46	
AUG	23	33	68	23	32	52	
SEP	27	37	75	26	37	58	
OCT	31	43	87	30	43	67	
NOV	33	46	93	32	45	71	
DEC	36	50	100	33	50	77	
TOTAL	333	458	935	317	458	716	

**SPECIAL FACILITIES**

When a customer requests street lighting service which requires special poles or fixtures, underground street lighting or a line extension of more than one span of approximately 150 feet, the customer will be required to pay, in advance, an aid to construction in the amount of the installed cost of such special facilities

(Cont'd on Sheet No. 15-5)

DATE OF ISSUE: November 24, 2021  
 DATE EFFECTIVE: Service Rendered On And After December 30, 2021  
 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

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 11-4  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

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

**Hours of Lighting**

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise every night and all night, burning approximately 4,000 hours per annum.

**Term of Contract**

Contracts under this tariff will ordinarily be made for an initial term of one year with self-renewal provisions for successive periods of one year each until either party shall give at least 60 days' notice to the other of the intention to discontinue at the end of the initial term or any yearly period. The Company may have the right to require contracts for periods of longer than one year if new or additional facilities are required.

**Special Terms and Conditions**

A customer's account balances must be current prior to installation of new or additional lights.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 15-5 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 15-5 |

**TARIFF S.L. (Cont'd.)  
(Street Lighting)**

**PAYMENT.**

Bills are due and payable within ten (10) days of the mailing date.

**HOURS OF LIGHTING.**

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise every night and all night, burning approximately 4,000 hours per annum.

**TERM OF CONTRACT.**

Contracts under this tariff will ordinarily be made for an initial term of one year with self-renewal provisions for successive periods of one year each until either party shall give at least 60 days' notice to the other of the intention to discontinue at the end of the initial term or any yearly period. The Company may have the right to require contracts for periods of longer than one year if new or additional facilities are required.

**SPECIAL TERMS AND CONDITIONS.**

A customer's account balances must be current prior to installation of new or additional lights.

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Tariff S.L. is now contained on  
four pages instead of five pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1ST REVISED SHEET NO. 16-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-1

**TARIFF P.A.**  
**(Pole Attachments)**

**1. AVAILABILITY OF SERVICE.**

Available to broadband internet providers, cable television system operators, governmental units and telecommunications carriers that provide service within the operating area of Kentucky Power Company (Company). This Tariff is not available to: (1) the Attachments of utilities, including local exchange carriers (LECs), that have joint use agreements with Company; or (2) macro cell facilities. Nothing in this Tariff expands the right to attach to Company's facilities beyond the rights otherwise conveyed by law.

**2. DEFINITIONS**

Unless stated otherwise, the terms used in this Tariff shall have the same meaning as the terms expressly defined in Section 1 of 807 KAR 5:015.

"Approved Contractor" means a contractor approved by Company for a particular purpose.

"Attachment" means a Wireline Facility or Wireless Facility and all associated equipment, including without limitation, any overlashed cable or fiber, guying, small splice panels and vertical overhead to underground risers but shall not include power supplies, equipment cabinets, meter bases or other equipment that impedes accessibility or otherwise conflicts with Company's standards. For billing purposes, the term "Attachment" also includes: (1) a Service Drop affixed to a pole that is located more than one (1) vertical foot away from the point at which the messenger strand is attached to the pole; and (2) a Service Drop located on a dedicated service, drop or lift pole.

"Communications Space" means the area on a pole below the Communications Worker Safety Zone and above the point on the pole necessary to meet NESC clearance, department of transportation or other governmental requirements, and Company's construction standards.

"Facility" means any Company Distribution Pole, right-of-way, conduit or duct normally used by Company to support or protect its electric conductors. The term "Facility" does not include any Transmission Pole.

"Distribution Pole" means a utility pole supporting electric supply facilities, all of which operate at less than 69kV, but does not include a pole used primarily to support outdoor lighting.

"NESC" means the National Electrical Safety Code.

"Larger Order" means an application, or multiple applications submitted within thirty (30) days of one another, seeking to make Attachments to more than three hundred (300) poles.

"Operator" means a broadband internet provider, cable television system operator, governmental unit or telecommunications carrier.

"Overlashing" means the practice whereby an entity, whether Operator or a third party, physically connects or attaches, through lashing or otherwise, new fiber optic or coaxial cable, or any other type of cable, to an existing Wireline Attachment on a Distribution Pole.

"Service Drop" means a Wireline Facility, attached to a pole with a J-hook or other similar hardware, that connects the trunk line to an end user's premises, and extends directly from the trunk line to a drop/lift pole or into an end user's premises.

"Transmission Pole" means any utility pole or tower supporting electric supply facilities designed to operate at 69kV or greater.

(Cont'd on Sheet No. 16-2)

DATE OF ISSUE: January 17, 2023  
DATE EFFECTIVE: Service Rendered On And After December 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. 2022-00105 Dated December 28, 2022  
807 KAR 5:015, eff. 2-1-2022

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 12-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 12-1

**Tariff P.A.**  
**(Pole Attachments)**

**1. Availability of Service**

Available to broadband internet providers, cable television system operators, governmental units and telecommunications carriers that provide service within the operating area of Kentucky Power Company (Company). This Tariff is not available to: (1) the Attachments of utilities, including local exchange carriers (LECs), that have joint use agreements with Company; or (2) macro cell facilities. Nothing in this Tariff expands the right to attach to Company's facilities beyond the rights otherwise conveyed by law.

**2. Definitions**

Unless stated otherwise, the terms used in this Tariff shall have the same meaning as the terms expressly defined in Section 1 of 807 KAR 5:015.

"Approved Contractor" means a contractor approved by Company for a particular purpose.

"Attachment" means a Wireline Facility or Wireless Facility and all associated equipment, including without limitation, any overlashed cable or fiber, guying, small splice panels and vertical overhead to underground risers but shall not include power supplies, equipment cabinets, meter bases or other equipment that impedes accessibility or otherwise conflicts with Company's standards. For billing purposes, the term "Attachment" also includes: (1) a Service Drop affixed to a pole that is located more than one (1) vertical foot away from the point at which the messenger strand is attached to the pole; and (2) a Service Drop located on a dedicated service, drop or lift pole.

"Communications Space" means the area on a pole below the Communications Worker Safety Zone and above the point on the pole necessary to meet NESC clearance, department of transportation or other governmental requirements, and Company's construction standards.

"Facility" means any Company Distribution Pole, right-of-way, conduit or duct normally used by Company to support or protect its electric conductors. The term "Facility" does not include any Transmission Pole.

"Distribution Pole" means a utility pole supporting electric supply facilities, all of which operate at less than 69kV, but does not include a pole used primarily to support outdoor lighting.

"NESC" means the National Electrical Safety Code.

"Larger Order" means an application, or multiple applications submitted within thirty (30) days of one another, seeking to make Attachments to more than three hundred (300) poles.

"Operator" means a broadband internet provider, cable television system operator, governmental unit or telecommunications carrier.

"Overlashing" means the practice whereby an entity, whether Operator or a third party, physically connects or attaches, through lashing or otherwise, new fiber optic or coaxial cable, or any other type of cable, to an existing Wireline Attachment on a Distribution Pole.

"Service Drop" means a Wireline Facility, attached to a pole with a J-hook or other similar hardware, that connects the trunk line to an end user's premises, and extends directly from the trunk line to a drop/lift pole or into an end user's premises.

"Transmission Pole" means any utility pole or tower supporting electric supply facilities designed to operate at 69kV or greater.

"Wireline Facility" means fiber optic or coaxial cable, or any other type of cable, as well as any messenger wire or support strand.

Continued on Sheet 12-2

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
in Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 16-2  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-2

**TARIFF P.A. (Cont'd.)  
 (Pole Attachments)**

"Wireline Facility" means fiber optic or coaxial cable, or any other type of cable, as well as any messenger wire or support strand.

"Wireless Facility" means, without limitation, antennas, risers, transmitters, receivers, and all other associated equipment used in connection with Operator's provision of wireless communications services and the transmission and reception of radiofrequency signals, but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or that conflicts with Company's standards. The term "Wireless Facility" does not include any strand-mounted antennas or macro cell facilities.

**3. RATE**

Charge for Wireline Facility on a two-user pole ..... \$ 10.82 per attachment per year  
 Charge for Wireline Facility on a three-user pole ..... \$ 6.71 per attachment per year

The above rate was calculated in accordance with the following formula:

$$\frac{\text{Weighted Average Bare Pole Cost}}{\text{Usage Factor}} \times \text{Carrying Charge} = \text{Rate Per Pole}$$

A two-user pole is a pole being used, by actual occupation or reservation, by the Operator and the Company. A three-user pole is a pole being used by actual occupation or reservation, by the Operator, the Company, and a third party.

Charge for Attachments within ducts or conduit ..... \$2.70 per linear foot per year  
 Charge for attachment of Wireless Facility to top of Distribution Pole ..... \$150 per attachment per year  
 Charge for attachment of Wireless Facility within Communications Space of Distribution Pole ..... \$75 per attachment per year

The above rates are subject to revision from time to time as approved by the Commission.

**4. COMPANY FACILITIES SUBJECT TO ATTACHMENT.**

Pursuant to 807 KAR 5:015 and the terms and conditions of this Tariff, Attachments to Company Facilities that do not interfere with Company's electric service requirements shall be permitted. Company may deny access to any Company Facility on a non-discriminatory basis where there is insufficient capacity or for reasons of safety, reliability, and generally applicable engineering purposes.

All Company Facilities covered by this Tariff remain the property of Company regardless of any payment by Operator toward their cost. No use, however extended, of Company Facilities or payment of any fee or charge required hereunder shall create or vest in Operator any claim or right, possession, title, interest or ownership in such Facilities. Nothing in this Tariff shall be construed to obligate Company to construct, reconstruct, retain, extend, repair, place, replace or maintain any Facility which, in Company's sole discretion, is not needed for Company's own purposes. Company and its successors and assigns shall have the right to operate, relocate and maintain Company Facilities in such a manner as will best enable Company, in its sole discretion, to fulfill its service requirements.

**5. COMPANY'S POLE ATTACHMENT POLICY HANDBOOK**

Operator is expected to follow the processes and guidelines set forth in Company's Pole Attachment Policy handbook, as well as any amendments thereto, but only to the extent that such processes and guidelines do not conflict with 807 KAR 5:015 or this Tariff.  
 (Cont'd on Sheet No. 16-3)

DATE OF ISSUE: January 17, 2023  
 DATE EFFECTIVE: Service Rendered On And After December 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. 2022-00105 Dated December 28, 2022  
 807 KAR 5:015, eff.2-1-2022

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 12-2  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 12-2

**Tariff P.A. Continued  
 (Pole Attachments)**

"Wireless Facility" means, without limitation, antennas, risers, transmitters, receivers, and all other associated equipment used in connection with Operator's provision of wireless communications services and the transmission and reception of radiofrequency signals, but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or that conflicts with Company's standards. The term "Wireless Facility" does not include any strand-mounted antennas or macro cell facilities.

**3. Rate**

Charge for Wireline Facility on a two-user pole ..... \$10.82 per attachment per year  
 Charge for Wireline Facility on a three-user pole ..... \$ 6.71 per attachment per year

The above rate was calculated in accordance with the following formula:

$$\frac{\text{Weighted Average Bare Pole Cost}}{\text{Usage Factor}} \times \text{Carrying Charge} = \text{Rate Per Pole}$$

A two-user pole is a pole being used, by actual occupation or reservation, by the Operator and the Company. A three-user pole is a pole being used by actual occupation or reservation, by the Operator, the Company, and a third party.

Charge for Attachments within ducts or conduits ..... \$2.70 per linear foot per year  
 Charge for attachment of Wireless Facility to top of Distribution Pole ..... \$150 per attachment per year  
 Charge for attachment of Wireless Facility within Communications Space of Distribution Pole ..... \$75 per attachment per year

The above rates are subject to revision from time to time as approved by the Commission.

**4. Company Facilities Subject to Attachment**

Pursuant to 807 KAR 5:015 and the terms and conditions of this Tariff, Attachments to Company Facilities that do not interfere with Company's electric service requirements shall be permitted. Company may deny access to any Company Facility on a non-discriminatory basis where there is insufficient capacity or for reasons of safety, reliability, and generally applicable engineering purposes.

All Company Facilities covered by this Tariff remain the property of Company regardless of any payment by Operator toward their cost. No use, however extended, of Company Facilities or payment of any fee or charge required hereunder shall create or vest in Operator any claim or right, possession, title, interest or ownership in such Facilities. Nothing in this Tariff shall be construed to obligate Company to construct, reconstruct, retain, extend, repair, place, replace or maintain any Facility which, in Company's sole discretion, is not needed for Company's own purposes. Company and its successors and assigns shall have the right to operate, relocate and maintain Company Facilities in such a manner as will best enable Company, in its sole discretion, to fulfill its service requirements.

**5. Company's Pole Attachment Policy Handbook**

Operator is expected to follow the processes and guidelines set forth in Company's Pole Attachment Policy handbook, as well as any amendments thereto, but only to the extent that such processes and guidelines do not conflict with 807 KAR 5:015 or this Tariff.

*Continued on Sheet 12-3*

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 16-3  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-3

**TARIFF P.A. (Cont'd.)  
(Pole Attachments)**

**6. APPLICATIONS**

When Operator proposes to furnish service within Company's operating area and desires to make Attachments to Company Facilities, Operator shall make written application to install such Attachments, in the format required by Company, that specifies the location of each Facility in question, the character of its proposed Attachments, and any other information necessary to calculate the transverse and vertical load placed upon the pole as a result of the proposed Attachment and any other attachments or equipment attached to the Facility. If Operator's application qualifies as a Larger Order, Operator shall provide Company at least sixty (60) days' advance written notice before submission to Company. Company will notify Operator, within ten (10) days of receipt of an application, if the application is incomplete. If the application is incomplete, Operator shall provide the additional information required by Company prior to Company's review of the application on its merits.

If Operator is only seeking to make Wireline Attachments to Distribution Poles, Company shall complete a make-ready survey within forty-five (45) days (or within sixty (60) days in the case of a Larger Order) of receipt of a complete application. Company may, in its sole discretion, require prepayment for a make-ready survey. The current per pole estimate for a make-ready survey is \$275. If the actual cost of performing the make-ready survey exceeds the amount of Operator's prepayment, then Operator shall reimburse Company for any difference upon receipt of an invoice for such amount. If the actual cost of performing the make-ready survey is less than the amount of Operator's prepayment, then Company shall issue Operator a refund for the difference. Company shall use commercially reasonable efforts to provide at least five (5) days advance notice of a field inspection to Operator and any other affected third party. If Operator submits a make-ready survey with an application, Company may elect to utilize the survey by: (1) notifying the affected third parties of its intent to use the make-ready survey performed by Operator; and (2) providing the affected third parties with a copy of the make-ready survey within the deadline set forth above for completing a make-ready survey.

Within forty-five (45) days (or within sixty (60) days in the case of Larger Orders) after receipt of a complete application, Company shall notify Operator whether and to what extent any special conditions will be required to permit the use by Operator of each such pole. Within fourteen (14) days of providing such notice, Company shall provide Operator with a statement of the costs for any necessary Company make-ready work, including the cost of rearranging Company's electric supply facilities or pole changeouts. Operator shall indicate its approval of the make-ready cost statement by submitting payment to Company within fourteen (14) days of receipt of the make-ready cost statement. If payment is not received by Company within fourteen (14) days, then Company's make-ready cost statement shall be deemed withdrawn. Within seven (7) days of receipt of Operator's payment, Company shall notify, in a manner consistent with applicable law, all third parties whose attachments might be affected by the make-ready, and thereafter provide Operator with the contact information for, and copies of the notices sent to, such third parties. Thereafter, Operator shall be responsible for coordinating the rearrangement or transfer of any third-party attachment and shall pay the costs related thereto.

Operator shall reimburse Company for any expenses incurred in reviewing Operator's written applications for attachment. Operator shall have a non-exclusive right to use such Facilities of Company as may be used or reserved for use by Operator and any other Facilities of Company when brought hereunder in accordance with the procedure hereinafter provided. Company shall have the right to grant to others, by contract or otherwise, rights or privileges to use any Facilities of Company and Company shall have the right to continue and extend any such rights or privileges heretofore granted.

(Cont'd on Sheet No. 16-4)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 12-3  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 12-3

**Tariff P.A. Continued  
(Pole Attachments)**

**6. Applications**

When Operator proposes to furnish service within Company's operating area and desires to make Attachments to Company Facilities, Operator shall make written application to install such Attachments, in the format required by Company, that specifies the location of each Facility in question, the character of its proposed Attachments, and any other information necessary to calculate the transverse and vertical load placed upon the pole as a result of the proposed Attachment and any other attachments or equipment attached to the Facility. If Operator's application qualifies as a Larger Order, Operator shall provide Company at least sixty (60) days' advance written notice before submission to Company. Company will notify Operator, within ten (10) days of receipt of an application, if the application is incomplete. If the application is incomplete, Operator shall provide the additional information required by Company prior to Company's review of the application on its merits.

If Operator is only seeking to make Wireline Attachments to Distribution Poles, Company shall complete a make-ready survey within forty-five (45) days (or within sixty (60) days in the case of a Larger Order) of receipt of a complete application. Company may, in its sole discretion, require prepayment for a make-ready survey. The current per pole estimate for a make-ready survey is \$275. If the actual cost of performing the make-ready survey exceeds the amount of Operator's prepayment, then Operator shall reimburse Company for any difference upon receipt of an invoice for such amount. If the actual cost of performing the make-ready survey is less than the amount of Operator's prepayment, then Company shall issue Operator a refund for the difference. Company shall use commercially reasonable efforts to provide at least five (5) days advance notice of a field inspection to Operator and any other affected third party. If Operator submits a make-ready survey with an application, Company may elect to utilize the survey by: (1) notifying the affected third parties of its intent to use the make-ready survey performed by Operator; and (2) providing the affected third parties with a copy of the make-ready survey within the deadline set forth above for completing a make-ready survey.

Within forty-five (45) days (or within sixty (60) days in the case of Larger Orders) after receipt of a complete application, Company shall notify Operator whether and to what extent any special conditions will be required to permit the use by Operator of each such pole. Within fourteen (14) days of providing such notice, Company shall provide Operator with a statement of the costs for any necessary Company make-ready work, including the cost of rearranging Company's electric supply facilities or pole changeouts. Operator shall indicate its approval of the make-ready cost statement by submitting payment to Company within fourteen (14) days of receipt of the make-ready cost statement. If payment is not received by Company within fourteen (14) days, then Company's make-ready cost statement shall be deemed withdrawn. Within seven (7) days of receipt of Operator's payment, Company shall notify, in a manner consistent with applicable law, all third parties whose attachments might be affected by the make-ready, and thereafter provide Operator with the contact information for, and copies of the notices sent to, such third parties. Thereafter, Operator shall be responsible for coordinating the rearrangement or transfer of any third-party attachment and shall pay the costs related thereto.

Operator shall reimburse Company for any expenses incurred in reviewing Operator's written applications for attachment. Operator shall have a non-exclusive right to use such Facilities of Company as may be used or reserved for use by Operator and any other Facilities of Company when brought hereunder in accordance with the procedure hereinafter provided. Company shall have the right to grant to others, by contract or otherwise, rights or privileges to use any Facilities of Company and Company shall have the right to continue and extend any such rights or privileges heretofore granted.

Continued on Sheet 12-4

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 16-4  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-4

**TARIFF P.A. (Cont'd.)  
(Pole Attachments)**

**7. STANDARDS FOR INSTALLATION**

All Attachments and associated equipment of Operator shall be installed in a manner satisfactory to Company and so as not to interfere with the present or any future use which Company may desire to make of the Facilities covered by this Tariff. All such Attachments and equipment shall be installed and at all times maintained by Operator so as to comply with the standards set forth in Company's Pole Attachment Policy handbook, the National Electrical Safety Code and any other applicable regulations or codes promulgated by state, local or other governmental authority having jurisdiction thereover. In the event of a conflict, the more stringent standard shall apply. Operator shall take necessary precautions by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of Operator's attachments.

Operator shall complete the installation of its Attachments within thirty (30) days of Company's approval of the application for such Attachments, or if make-ready is required to accommodate the Attachments, the completion date of such make-ready. Operator shall, within seven (7) days after completing the installation of its Attachments, provide Company with written notice of such completion, and Company shall have the right to perform a post-inspection on such Attachments, at Operator's sole expense, within ninety (90) days of receipt of Operator's notice of completion. If Company's inspection reveals that Operator's installation resulted in any property damage or code violations, Company may either: (1) complete any necessary remedial work and bill Operator for the costs related to fixing the damage or correcting the code violations; or (2) require Operator to fix the damage or code violations at its own expense within fourteen (14) days' notice from Company.

**8. TAGGING REQUIREMENT**

Operator shall identify each of its Attachments with a tag, approved in advance by Company, that includes Operator's name, 24-hour contact telephone number, and such other information as Company may require. Operator shall tag an Attachment at the time of construction. Any untagged Attachment existing as December 28, 2022 shall be tagged by Operator by no later than December 31, 2024.

**9. OVERLASHING**

Operator shall provide Company with at least thirty (30) days' advance written notice before Overlapping, or allowing a third party to overlap, Operator's existing Wireline Facilities. Operator is responsible for all Overlapping performed on its Wireline Facilities, including any Overlapping by a third party, and shall ensure that all Overlapping complies with Company's standards, the applicable provisions of the NESC, and any other applicable law or code. If Overlapping of Operator's Wireline Facilities results in any damage to the pole, Company equipment or existing Attachments, or if any Overlapping causes a safety or engineering standard violation, Operator shall be responsible, at its expense, for any necessary repairs or corrections.

Operator shall notify Company within fifteen (15) days of completion of an overlap on a particular pole. Within ninety (90) days of receiving such notice, Company will perform an inspection at Operator's expense to determine whether the overlap caused any damage to Company property or resulted in any code violations. Company shall notify Operator of any damage to Company property or code violations within fourteen (14) days after completion of the inspection. At Company's discretion, Company may either: (1) complete any necessary remedial work and bill Operator for the costs related to fixing the damage or correcting the code violations; or (2) require Operator to fix the damage or code violations at its own expense within fourteen (14) days' notice from Company.

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 12-4  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff P.A. Continued  
(Pole Attachments)**

**7. Standards for Installation**

All Attachments and associated equipment of Operator shall be installed in a manner satisfactory to Company and so as not to interfere with the present or any future use which Company may desire to make of the Facilities covered by this Tariff. All such Attachments and equipment shall be installed and at all times maintained by Operator so as to comply with the standards set forth in Company's Pole Attachment Policy handbook, the National Electrical Safety Code and any other applicable regulations or codes promulgated by state, local or other governmental authority having jurisdiction thereover. In the event of a conflict, the more stringent standard shall apply. Operator shall take necessary precautions by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of Operator's attachments.

Operator shall complete the installation of its Attachments within thirty (30) days of Company's approval of the application for such Attachments, or if make-ready is required to accommodate the Attachments, the completion date of such make-ready. Operator shall, within seven (7) days after completing the installation of its Attachments, provide Company with written notice of such completion, and Company shall have the right to perform a post-inspection on such Attachments, at Operator's sole expense, within ninety (90) days of receipt of Operator's notice of completion. If Company's inspection reveals that Operator's installation resulted in any property damage or code violations, Company may either: (1) complete any necessary remedial work and bill Operator for the costs related to fixing the damage or correcting the code violations; or (2) require Operator to fix the damage or code violations at its own expense within fourteen (14) days' notice from Company.

**8. Tagging Requirement**

Operator shall identify each of its Attachments with a tag, approved in advance by Company, that includes Operator's name, 24-hour contact telephone number, and such other information as Company may require. Operator shall tag an Attachment at the time of construction. Any untagged Attachment existing as December 28, 2022 shall be tagged by Operator by no later than December 31, 2024.

**9. Overlapping**

Operator shall provide Company with at least thirty (30) days' advance written notice before Overlapping, or allowing a third party to overlap, Operator's existing Wireline Facilities. Operator is responsible for all Overlapping performed on its Wireline Facilities, including any Overlapping by a third party, and shall ensure that all Overlapping complies with Company's standards, the applicable provisions of the NESC, and any other applicable law or code. If Overlapping of Operator's Wireline Facilities results in any damage to the pole, Company equipment or existing Attachments, or if any Overlapping causes a safety or engineering standard violation, Operator shall be responsible, at its expense, for any necessary repairs or corrections.

Operator shall notify Company within fifteen (15) days of completion of an overlap on a particular pole. Within ninety (90) days of receiving such notice, Company will perform an inspection at Operator's expense to determine whether the overlap caused any damage to Company property or resulted in any code violations. Company shall notify Operator of any damage to Company property or code violations within fourteen (14) days after completion of the inspection. At Company's discretion, Company may either: (1) complete any necessary remedial work and bill Operator for the costs related to fixing the damage or correcting the code violations; or (2) require Operator to fix the damage or code violations at its own expense within fourteen (14) days' notice from Company.

Continued on Sheet 12-5

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 16-5  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-5

**TARIFF P.A. (Cont'd.)  
(Pole Attachments)**

**10. POLE INSTALLATION OR REPLACEMENT; REARRANGEMENTS; GUYING.**

In any case Operator proposes to install Attachments on a pole to be erected by Company in a new location, and to provide adequate space or strength to accommodate such Attachments such pole must, in Company's judgment, be taller and/or stronger than would be necessary to accommodate the facilities of Company and of other persons who have previously indicated that they desire to make attachments on such pole or with whom Company has an agreement providing for joint or shared ownership of poles, the cost of such extra height and/or strength shall be paid to Company by Operator. Such cost shall be the difference between the cost in place of the new pole and the current cost in place of a pole considered by Company to be adequate for the facilities of Company and the attachments of such other persons.

Where in Company's judgment a new pole must be erected to replace an existing pole solely to adequately provide for Operator's proposed Attachments, Operator agrees to pay Company for the entire cost of the new pole necessary to accommodate the existing facilities on the pole and Operator's proposed Attachments, plus the cost of removal of the in-place pole, minus the salvage value, if any, of the removed pole. Operator shall also pay to Company and to any other owner of existing attachments on the pole the cost of transferring each of their respective facilities or attachments to the newly-installed pole.

If Operator's desired Attachments can be accommodated on existing poles of Company by rearranging facilities of Company thereon or of any other person, or if because of Operator's proposed Attachments it is necessary for Company to rearrange its facilities on any pole not owned by it, then in any such case, Operator shall reimburse Company and any such other person for the respective expense incurred in making such rearrangement.

If because of the requirements of its business, Company intends to replace an existing pole on which Operator has any Attachment, or Company intends to change the arrangements of its facilities on any such pole in such manner as to necessitate a rearrangement of Operator's Attachment, or if as a result of any inspection of Operator's Attachments Company determines that any such Attachments are not in accordance with Company's standards, applicable codes or the provisions of this Tariff or are otherwise hazards Company shall give Operator not less than sixty (60) days' notice of such proposed replacement or change, or any such violation or hazard; provided, however, that the sixty (60) day notice requirement shall not apply to: (1) make-ready notices pursuant to Section 4 of 807 KAR 5:015; (2) routine maintenance by Company; or (3) a replacement or change made by Company in response to an emergency. In such event, Operator shall at its expense relocate, rearrange or modify its Attachments at the time specified by Company. If Operator fails to do so, or if any such emergency makes notice impractical, Company shall perform such relocation or rearrangement and Operator shall reimburse Company for the reasonable cost thereof.

Any additional guying or anchors required by reason of the Attachments of Operator shall be provided at the expense of Operator and shall meet the requirements of all applicable codes or regulations and Company's generally applicable guying standards.

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KENTUCKY POWER COMPANY

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**Tariff P.A. Continued  
(Pole Attachments)**

**10. Pole Installation or Replacement; Rearrangements; Guying**

In any case Operator proposes to install Attachments on a pole to be erected by Company in a new location, and to provide adequate space or strength to accommodate such Attachments such pole must, in Company's judgment, be taller and/or stronger than would be necessary to accommodate the facilities of Company and of other persons who have previously indicated that they desire to make attachments on such pole or with whom Company has an agreement providing for joint or shared ownership of poles, the cost of such extra height and/or strength shall be paid to Company by Operator. Such cost shall be the difference between the cost in place of the new pole and the current cost in place of a pole considered by Company to be adequate for the facilities of Company and the attachments of such other persons.

Where in Company's judgment a new pole must be erected to replace an existing pole solely to adequately provide for Operator's proposed Attachments, Operator agrees to pay Company for the entire cost of the new pole necessary to accommodate the existing facilities on the pole and Operator's proposed Attachments, plus the cost of removal of the in-place pole, minus the salvage value, if any, of the removed pole. Operator shall also pay to Company and to any other owner of existing attachments on the pole the cost of transferring each of their respective facilities or attachments to the newly-installed pole.

If Operator's desired Attachments can be accommodated on existing poles of Company by rearranging facilities of Company thereon or of any other person, or if because of Operator's proposed Attachments it is necessary for Company to rearrange its facilities on any pole not owned by it, then in any such case, Operator shall reimburse Company and any such other person for the respective expense incurred in making such rearrangement.

If because of the requirements of its business, Company intends to replace an existing pole on which Operator has any Attachment, or Company intends to change the arrangements of its facilities on any such pole in such manner as to necessitate a rearrangement of Operator's Attachment, or if as a result of any inspection of Operator's Attachments Company determines that any such Attachments are not in accordance with Company's standards, applicable codes or the provisions of this Tariff or are otherwise hazards Company shall give Operator not less than sixty (60) days' notice of such proposed replacement or change, or any such violation or hazard; provided, however, that the sixty (60) day notice requirement shall not apply to: (1) make-ready notices pursuant to Section 4 of 807 KAR 5:015; (2) routine maintenance by Company; or (3) a replacement or change made by Company in response to an emergency. In such event, Operator shall at its expense relocate, rearrange or modify its Attachments at the time specified by Company. If Operator fails to do so, or if any such emergency makes notice impractical, Company shall perform such relocation or rearrangement and Operator shall reimburse Company for the reasonable cost thereof.

Any additional guying or anchors required by reason of the Attachments of Operator shall be provided at the expense of Operator and shall meet the requirements of all applicable codes or regulations and Company's generally applicable guying standards.

**11. Self-Help Remedy**

If Company is unable to meet the timelines in 807 KAR 5:015 for completing a survey or completing make-ready work above the Communications Space, and if Company lacks good and sufficient cause to deviate from such timelines, Operator may perform such work at its own expense using an Approved Contractor. Operator shall refer to Company's Pole Attachment Policy on Company's website for a list of Approved Contractors for specified purposes. Self-Help is not available for pole replacements or for surveys or make-ready related to ducts. Operator shall provide written notice to Company at least one (1) week prior to performing surveys or make-ready above the Communications Space. Operator shall notify Company immediately if a survey or make-ready causes any property damage or an outage that is reasonably likely to interrupt Company's services.

*Continued on Sheet 12-6*

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KENTUCKY POWER COMPANY

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**TARIFF P.A. (Cont'd.)  
(Pole Attachments)**

**11. SELF-HELP REMEDY.**

If Company is unable to meet the timelines in 807 KAR 5:015 for completing a survey or completing make-ready work above the Communications Space, and if Company lacks good and sufficient cause to deviate from such timelines, Operator may perform such work at its own expense using an Approved Contractor. Operator shall refer to Company's Pole Attachment Policy on Company's website for a list of Approved Contractors for specified purposes. Self-help is not available for pole replacements or for surveys or make-ready related to ducts. Operator shall provide written notice to Company at least one (1) week prior to performing surveys or make-ready above the Communications Space. Operator shall notify Company immediately if a survey or make-ready causes any property damage or an outage that is reasonably likely to interrupt Company's services.

**12. ONE-TOUCH MAKE-READY.**

For Attachments to Distribution Poles that require only "simple make-ready," as that term is defined in 807 KAR 5:015, Operator may elect to proceed with the one-touch make-ready (OTMR) process established in this Section 12, as opposed to the standard process set forth in Section 6 of this Tariff. To elect OTMR, Operator must clearly indicate in its application that it is electing the OTMR process. Operator shall not combine requests for "simple make-ready" and "complex make-ready," as those terms are defined in 807 KAR 5:015, within an OTMR application. Operator's OTMR application shall identify the "simple make-ready" that it intends to perform.

Company shall, within ten (10) days of receipt, determine whether Operator's OTMR application is complete. Upon receipt of a complete OTMR application, Company shall review such application on the merits within the timelines established by 807 KAR 5:015. If Company denies an OTMR application on the merits, Company will provide Operator with an explanation of its denial, along with information and documentation supporting Company's decision.

Operator shall be responsible for all surveys required as part of the OTMR process. Any survey performed under the OTMR process shall be conducted by an Approved Contractor. Operator shall provide Company, as well as any third parties with attachments on Distribution Poles subject to an OTMR application, at least five (5) days' advance written notice of any field inspection, and such notice shall: provide the date, time and location of the field inspection; and state the name of the Approved Contractor that will be performing the field inspection. Operator shall allow Company and affected third parties to be present for any field inspection it performs under the OTMR process.

If Operator's OTMR application is approved, Operator may, after providing fifteen (15) days' advance written notice to Company and affected third parties, proceed with the make-ready. Operator's notice shall: provide the date, time and location of the make-ready; describe the make-ready involved; and identify the contractor that will be performing the make-ready. Operator shall allow Company and affected third parties to be present during the make-ready. Operator shall complete all make-ready within thirty (30) days of the date on which Company approved Operator's OTMR application (or within seventy-five (75) days in the case of a Larger Order), or Operator's OTMR application will be deemed closed.

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 12-6  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff P.A. Continued  
(Pole Attachments)**

**12. One-Touch Make-Ready**

For Attachments to Distribution Poles that require only "simple make-ready," as that term is defined in 807 KAR 5:015, Operator may elect to proceed with the one-touch make-ready (OTMR) process established in this Section 12, as opposed to the standard process set forth in Section 6 of this Tariff. To elect OTMR, Operator must clearly indicate in its application that it is electing the OTMR process. Operator shall not combine requests for "simple make-ready" and "complex make-ready," as those terms are defined in 807 KAR 5:015, within an OTMR application. Operator's OTMR application shall identify the "simple make-ready" that it intends to perform.

Company shall, within ten (10) days of receipt, determine whether Operator's OTMR application is complete. Upon receipt of a complete OTMR application, Company shall review such application on the merits within the timelines established by 807 KAR 5:015. If Company denies an OTMR application on the merits, Company will provide Operator with an explanation of its denial, along with information and documentation supporting Company's decision.

Operator shall be responsible for all surveys required as part of the OTMR process. Any survey performed under the OTMR process shall be conducted by an Approved Contractor. Operator shall provide Company, as well as any third parties with attachments on Distribution Poles subject to an OTMR application, at least five (5) days' advance written notice of any field inspection, and such notice shall: provide the date, time and location of the field inspection; and state the name of the Approved Contractor that will be performing the field inspection. Operator shall allow Company and affected third parties to be present for any field inspection it performs under the OTMR process.

If Operator's OTMR application is approved, Operator may, after providing fifteen (15) days' advance written notice to Company and affected third parties, proceed with the make-ready. Operator's notice shall: provide the date, time and location of the make-ready; describe the make-ready involved; and identify the contractor that will be performing the make-ready. Operator shall allow Company and affected third parties to be present during the make-ready. Operator shall complete all make-ready within thirty (30) days of the date on which Company approved Operator's OTMR application (or within seventy-five (75) days in the case of a Larger Order), or Operator's OTMR application will be deemed closed.

If Company or Operator determine at any time that make-ready does not qualify as "simple make-ready," Operator shall halt all make-ready on the impacted Distribution Poles. The make-ready on the impacted Distribution Poles shall thereafter be subject to the requirements of Section 6 of this Tariff. Operator shall notify Company and affected third parties within fifteen (15) days of completion of the make-ready identified in the OTMR application.

**13. Pole Inspection**

Company may make periodic inspections, as conditions may warrant, for the purpose of determining compliance with the provisions of this Tariff. Company reserves the right to inspect each new or proposed installation of Operator on Company's Facilities. In addition, Company's right to make any inspections and any inspection made pursuant to such right shall not relieve Operator of any responsibility, obligation or liability assumed under this Tariff.

**14. Transfer of Attachments to New Poles**

Operator shall transfer its Attachments within sixty (60) days of receiving notice from Company (Transfer Period). If Operator fails to transfer its Attachments within the Transfer Period, Company may transfer the Attachments at Operator's sole risk and expense. Company may transfer Operator's Attachments prior to the expiration of the Transfer Period if an expedited transfer is necessary for safety or reliability purposes.

*Continued on Sheet 12-7*

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In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-7  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 16-7

**TARIFF P.A. (Cont'd.)**  
**(Pole Attachments)**

If Company or Operator determine at any time that make-ready does not qualify as "simple make-ready," Operator shall halt all make-ready on the impacted Distribution Poles. The make-ready on the impacted Distribution Poles shall thereafter be subject to the requirements of Section 6 of this Tariff. Operator shall notify Company and affected third parties within fifteen (15) days of completion of the make-ready identified in the OTMR application.

**13. POLE INSPECTION**

Company may make periodic inspections, as conditions may warrant, for the purpose of determining compliance with the provisions of this Tariff. Company reserves the right to inspect each new or proposed installation of Operator on Company's Facilities. In addition, Company's right to make any inspections and any inspection made pursuant to such right shall not relieve Operator of any responsibility, obligation or liability assumed under this Tariff.

**14. TRANSFER OF ATTACHMENTS TO NEW POLES**

Operator shall transfer its Attachments within sixty (60) days of receiving notice from Company (Transfer Period). If Operator fails to transfer its Attachments within the Transfer Period, Company may transfer the Attachments at Operator's sole risk and expense. Company may transfer Operator's Attachments prior to the expiration of the Transfer Period if an expedited transfer is necessary for safety or reliability purposes.

**15. ATTACHMENT INVENTORY**

Owner may conduct a complete field inventory for the purpose of verifying the number and location of Operator's Attachments on Company Facilities. Company shall provide Operator with at least thirty (30) days' prior notice of a field inventory, and Operator shall advise Company whether Operator desires to participate in the field inventory not less than fifteen (15) days prior to the scheduled date of such inventory. Operator shall reimburse Company for the costs Company incurs in performing the field inventory, regardless of whether Operator elects to participate in the inventory; provided, however, Company may not charge Operator for more than one (1) field inventory within a five (5) year period. If Company inspects the Attachments of more than one Operator during a field inventory, then each Operator whose Attachments were inspected by Company during the field inventory shall share pro rata in the costs of such inventory. Upon request, Company shall furnish a summary report for the field inventory within a reasonable time after its completion.

If a field inventory reveals that the number of Operator's Attachments exceeds the number of Attachments shown in Company's existing records, the excess number of Attachments shall be presumed to be unauthorized attachments and handled in accordance with Section 16.

(Cont'd on Sheet No. 16-8)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 12-7  
CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff P.A. Continued**  
**(Pole Attachments)**

**15. Attachment Inventory**

Owner may conduct a complete field inventory for the purpose of verifying the number and location of Operator's Attachments on Company Facilities. Company shall provide Operator with at least thirty (30) days' prior notice of a field inventory, and Operator shall advise Company whether Operator desires to participate in the field inventory not less than fifteen (15) days prior to the scheduled date of such inventory. Operator shall reimburse Company for the costs Company incurs in performing the field inventory, regardless of whether Operator elects to participate in the inventory; provided, however, Company may not charge Operator for more than one (1) field inventory within a five (5) year period. If Company inspects the Attachments of more than one Operator during a field inventory, then each Operator whose Attachments were inspected by Company during the field inventory shall share pro rata in the costs of such inventory. Upon request, Company shall furnish a summary report for the field inventory within a reasonable time after its completion.

If a field inventory reveals that the number of Operator's Attachments exceeds the number of Attachments shown in Company's existing records, the excess number of Attachments shall be presumed to be unauthorized attachments and handled in accordance with Section 16.

**16. Unauthorized Attachments**

If Operator makes an Attachment that requires approval by, or advance notice to, Company under this Tariff, and if Operator fails to comply with such approval or notice requirements, then Operator's Attachment shall be deemed an unauthorized attachment. Unless Operator can demonstrate to Company's reasonable satisfaction that an unauthorized attachment was made more recently, unauthorized attachments are presumed to have existed on Company Facilities for two (2) years. Operator shall be liable for all charges and fees that would have been due under the Tariff for this time period. In addition to charges and fees applicable to the period of unauthorized attachment, Operator shall pay a penalty in the amount of: (1) \$25 for each unauthorized attachment within the Communications Space on a Distribution Pole; (2) \$500 for each unauthorized attachment above the Communications Space on a Distribution Pole; and (3) \$500 for each unauthorized attachment within a duct. Operator shall submit an application for approval of any unauthorized attachment within sixty (60) days of the Attachment's discovery. If Operator fails to submit the required application or to comply with Company's application process, Company may remove the unauthorized attachment at Operator's sole risk and expense.

**17. Abandonment by Operator**

Operator may at any time abandon the use of a Company Facility hereunder by removing therefrom all of its Attachments and by giving written notice thereof, on a form provided by Company, and no Facility shall be considered abandoned until such notice is received. If notice has been given that Attachment(s) have been removed, but the Attachments are later discovered not to have been removed, then such Attachments shall be deemed unauthorized attachments and handled in accordance with Section 16 of this Tariff.

**18. Indemnity**

Operator hereby agrees to indemnify, hold harmless, and defend Company from and against any and all loss, damage, cost or expense which Company may suffer or for which Company may be held liable because of interruption of Operator's service to its subscribers, or by reason of bodily injury, including death, to any person, or damage to or destruction of any property, including loss of use thereof, arising out of or in any manner connected with the attachment, operation, and maintenance of the Attachments and other facilities of Operator on the Facilities of Company under this Tariff, or to any such act or omission of Operator's respective representatives, employees, agents or contractors.

**19. Limitation of Liability**

IN NO EVENT SHALL COMPANY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER THIS TARIFF TO OPERATOR FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH THIS TARIFF, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE; (B) WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. THE LIMITATIONS SET FORTH IN THIS SECTION 19 SHALL NOT APPLY TO DAMAGES OR LIABILITY ARISING FROM THE GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF COMPANY IN PERFORMING ITS OBLIGATIONS UNDER THIS TARIFF.

*Continued on Sheet 12-8*

DATE OF ISSUE: June 29, 2023  
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In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-8  
 CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 16-8

**TARIFF P.A. (Cont'd.)**  
**(Pole Attachments)**

**16. UNAUTHORIZED ATTACHMENTS.**

If Operator makes an Attachment that requires approval by, or advance notice to, Company under this Tariff, and if Operator fails to comply with such approval or notice requirements, then Operator's Attachment shall be deemed an unauthorized attachment. Unless Operator can demonstrate to Company's reasonable satisfaction that an unauthorized attachment was made more recently, unauthorized attachments are presumed to have existed on Company Facilities for two (2) years. Operator shall be liable for all charges and fees that would have been due under the Tariff for this time period. In addition to charges and fees applicable to the period of unauthorized attachment, Operator shall pay a penalty in the amount of: (1) \$25 for each unauthorized attachment within the Communications Space on a Distribution Pole; (2) \$500 for each unauthorized attachment above the Communications Space on a Distribution Pole; and (3) \$500 for each unauthorized attachment within a duct. Operator shall submit an application for approval of any unauthorized attachment within sixty (60) days of the Attachment's discovery. If Operator fails to submit the required application or to comply with Company's application process, Company may remove the unauthorized attachment at Operator's sole risk and expense.

**17. ABANDONMENT BY OPERATOR.**

Operator may at any time abandon the use of a Company Facility hereunder by removing therefrom all of its Attachments and by giving written notice thereof, on a form provided by Company, and no Facility shall be considered abandoned until such notice is received. If notice has been given that Attachment(s) have been removed, but the Attachments are later discovered not to have been removed, then such Attachments shall be deemed unauthorized attachments and handled in accordance with Section 16 of this Tariff.

**18. INDEMNITY.**

Operator hereby agrees to indemnify, hold harmless, and defend Company from and against any and all loss, damage, cost or expense which Company may suffer or for which Company may be held liable because of interruption of Operator's service to its subscribers, or by reason of bodily injury, including death, to any person, or damage to or destruction of any property, including loss of use thereof, arising out of or in any manner connected with the attachment, operation, and maintenance of the Attachments and other facilities of Operator on the Facilities of Company under this Tariff, or to any such act or omission of Operator's respective representatives, employees, agents or contractors.

**19. LIMITATION OF LIABILITY**

IN NO EVENT SHALL COMPANY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER THIS TARIFF TO OPERATOR FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH THIS TARIFF, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE; (B) WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. THE LIMITATIONS SET FORTH IN THIS SECTION 19 SHALL NOT APPLY TO DAMAGES OR LIABILITY ARISING FROM THE GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF COMPANY IN PERFORMING ITS OBLIGATIONS UNDER THIS TARIFF.

(Cont'd on Sheet No. 16-9)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 12-8  
 CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff P.A. Continued**  
**(Pole Attachments)**

**20. Insurance**

Operator agrees to obtain and maintain at all times policies of insurance as follows:

- (a) Comprehensive bodily injury liability insurance in an amount not less than \$5,000,000 for any one occurrence.
- (b) Comprehensive property damage liability insurance in an amount not less than \$5,000,000 for any one occurrence.
- (c) Contractual liability insurance in an amount not less than the foregoing minimums to cover the liability assumed by the Operator under the agreement or indemnity set forth above.

Prior to making Attachments to Company's Facilities, Operator shall furnish to Company two copies of a certificate, from an insurance carrier licensed to do business in Kentucky, stating that policies of insurance have been issued by it to Operator providing for the insurance listed above and that such policies are in force. Such certificate shall state that the insurance carrier will give Company thirty (30) days' prior written notice of any cancellation of or material change in such policies.

**21. Performance Assurance**

Operator shall furnish Performance Assurance in the following amounts to guarantee the payment of any sums which may become due for attachment charges, inspections, or work performed by Company under this Tariff, including the removal of Attachments upon termination of any license hereunder:

Number of Attachments	Amount per Attachment	Maximum Total
1-7,500	\$20	\$150,000
7,501-15,000	\$10	\$225,000
15,001+	\$5	\$1,000,000

The above-stated amounts are incremental. By way of example, 10,000 Attachments would require Performance Assurance in the amount of \$175,000 (\$20 per Attachment for the first 7,500 Attachments; \$10 per Attachment for the next 2,500 Attachments); 20,000 Attachments would require Performance Assurance in the amount of \$250,000 (\$20 per Attachment for the first 7,500 Attachments; \$10 per Attachment for the next 7,500 Attachments; and \$5 per Attachment for the last 5,000 Attachments). The amount of the Performance Assurance shall be calculated by Company annually based on Operator's then-existing number of Attachments. Operator shall provide the Performance Assurance within thirty (30) days of its request by Company. If Operator proposes to attach a Wireless Facilities to Company Facilities, Operator shall post Performance Assurance in the amount of \$1,500 for each Company Facility to which a Wireless Facility is attached. The amount of the Performance Assurance shall not be reduced upon completion of installation or other event.

In the event the Operator provides Performance Assurance in the form of a surety bond or letter of credit, each bond or letter of credit shall contain the provision that it shall not be terminated prior to six (6) months after Company's receipt of written notice of the desire of the bonding or insurance company, or bank, to terminate such bond or letter of credit. Company may waive this requirement if an acceptable replacement is received before the six (6) months has ended. Upon termination of such surety bond or letter of credit, Company shall request Operator to immediately remove its Attachments and all other equipment from Company Facilities. If Operator should fail to complete the removal of all of its Attachments from Company Facilities within sixty (60) days after receipt of such request, then Company may remove Operator's Attachments at Operator's expense and without liability for any damage to Operator's Attachments.

Each surety bond shall be issued by an entity having a minimum A.M. Best rating of A- and/or letter of credit shall be issued by an entity having a minimum Credit Rating of A- by S&P or A3 by Moody's at the time of issuance and at all times the relevant instrument is outstanding.

*Continued on Sheet 12-9*

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In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-9  
 CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 16-9

**TARIFF P.A. (Cont'd.)**  
**(Pole Attachments)**

**20. INSURANCE**

Operator agrees to obtain and maintain at all times policies of insurance as follows:

- (a) Comprehensive bodily injury liability insurance in an amount not less than \$5,000,000 for any one occurrence
- (b) Comprehensive property damage liability insurance in an amount not less than \$5,000,000 for any one occurrence.
- (c) Contractual liability insurance in an amount not less than the foregoing minimums to cover the liability assumed by the Operator under the agreement or indemnity set forth above.

Prior to making Attachments to Company's Facilities, Operator shall furnish to Company two copies of a certificate, from an insurance carrier licensed to do business in Kentucky, stating that policies of insurance have been issued by it to Operator providing for the insurance listed above and that such policies are in force. Such certificate shall state that the insurance carrier will give Company thirty (30) days' prior written notice of any cancellation of or material change in such policies.

**21. PERFORMANCE ASSURANCE**

Operator shall furnish Performance Assurance in the following amounts to guarantee the payment of any sums which may become due for attachment charges, inspections, or work performed by Company under this Tariff, including the removal of Attachments upon termination of any license hereunder:

<u>Number of Attachments</u>	<u>Amount per Attachment</u>	<u>Maximum Total</u>
1-7,500	\$20/Attachment	\$150,000
7,501-15,000	\$10/Attachment	\$225,000
15,001+	\$5/Attachment	\$1,000,000

The above-stated amounts are incremental. By way of example, 10,000 Attachments would require Performance Assurance in the amount of \$175,000 (\$20 per Attachment for the first 7,500 Attachments; \$10 per Attachment for the next 2,500 Attachments); 20,000 Attachments would require Performance Assurance in the amount of \$250,000 (\$20 per Attachment for the first 7,500 Attachments; \$10 per Attachment the next 7,500 Attachments; and \$5 per Attachment for the last 5,000 Attachments).

The amount of the Performance Assurance shall be calculated by Company annually based on Operator's then-existing number of Attachments. Operator shall provide the Performance Assurance within thirty (30) days of its request by Company.

If Operator proposes to attach a Wireless Facilities to Company Facilities, Operator shall post Performance Assurance in the amount of \$1,500 for each Company Facility to which a Wireless Facility is attached. The amount of the Performance Assurance shall not be reduced upon completion of installation or other event.

(Cont'd on Sheet 16-10)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 12-9  
 CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff P.A. Continued**  
**(Pole Attachments)**

**22. Easements**

Operator shall secure any right, license or permit from any governmental body, authority or other person or persons which may be required for the construction or maintenance of Attachments of Operator. Company does not convey nor guarantee any easements, rights-of-way or franchises for the construction and maintenance of said Attachments. Operator hereby agrees to indemnify and save harmless Company from any and all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Operator to secure such right, license, permit or easement for the construction or maintenance of said Attachments on Company's poles.

**23. Charges and Fees**

Operator agrees to pay Company an annual charge per Attachment as set forth in Section 3 of this Tariff in advance, and such other charges as may be provided for herein, for the use of each of Company Facility, any portion of which is occupied by, or reserved at Operator's request for, the Attachments of Operator.

Operator agrees to reimburse Company for all reasonable non-recurring expenses caused by or attributable to Operator's initial Attachments including without limitation the amounts set forth herein before and the expenses of Company in examining poles used but not owned by Company to which Operator proposes to make Attachments.

**24. Fees for Additional Attachments**

For Attachments made to Company Facilities between billing dates, Operator shall be billed a prorated amount of the annual charge effective on the date of attachment in on the Operator's next bill. Company will not reimburse Operator for, or otherwise prorate Operator's next bill for, any Attachments removed from Company Facilities between billing dates.

**25. Payment**

Payment of amounts due hereunder is due on the dates or at the times indicated with respect to each such payment. In the event the time for any payment is not specified, such payment shall be due thirty (30) days from the date of the invoice therefor. All amounts not so paid shall accrue interest at a monthly simple interest rate of 1.5%. Where the provisions of the Tariff require any payment by Operator to the Company other than for attachment charges, Company may, at its option, require that the estimated amount thereof be paid in advance of permission to use any pole or the performance by company of any work. In such a case, Company may, in its sole discretion, invoice any deficiency or refund any excess to Operator after the current amount of such payment has been determined.

**26. Default or Non-Compliance**

If Operator fails to comply with any of the provisions of this Tariff or defaults in the performance of any of its obligations under this Tariff and fails within sixty (60) days, after written notice from Company to correct such default or non-compliance, Company may, in addition to all other remedies under this Tariff, take any one or more of the following actions: terminate the specific permit or permits covering the Company Facilities to which such default or non-compliance is applicable; remove, relocate or rearrange Attachments of Operator to which such default or non-compliance relates, all at Operator's expense; decline to permit additional Attachments hereunder until such default is cured; or in the event of any failure to pay any of the charges, fees or amounts provided in this Tariff or any other substantial default, or of repeated defaults, terminate Operator's right of attachment. Where applicable, Company's written notice of default or non-compliance shall inform Operator of Company's right to remove, relocate or rearrange Attachments of Operator, in the event Operator fails to cure its default or non-compliance within the aforementioned 60-day period. Operator shall remove all Attachments where Company has terminated the right of attachment herein within sixty (60) days of Company providing notice of termination. If Operator fails to remove such Attachments within sixty (60) days, then Company may remove such Attachments at Operator's expense. Company shall have no obligation to store or recover any value for such removed Attachments.

No liability shall be incurred by Company because of any or all such actions except for Company's gross negligence or willful misconduct in any relocation or removal of such equipment. The remedies provided herein are cumulative and in addition to any other remedies available to Company.

*Continued on Sheet 12-10*

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-10  
 CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 16-10

**TARIFF P.A. (Cont'd.)  
 (Pole Attachments)**

In the event the Operator provides Performance Assurance in the form of a surety bond or letter of credit, each bond or letter of credit shall contain the provision that it shall not be terminated prior to six (6) months after Company's receipt of written notice of the desire of the bonding or insurance company, or bank, to terminate such bond or letter of credit. Company may waive this requirement if an acceptable replacement is received before the six (6) months has ended. Upon termination of such surety bond or letter of credit, Company shall request Operator to immediately remove its Attachments and all other equipment from Company Facilities. If Operator should fail to complete the removal of all of its Attachments from Company Facilities within sixty (60) days after receipt of such request, then Company may remove Operator's Attachments at Operator's expense and without liability for any damage to Operator's Attachments.

Each surety bond shall be issued by an entity having a minimum A.M. Best rating of A- and/or letter of credit shall be issued by an entity having a minimum Credit Rating of A- by S&P or A3 by Moody's at the time of issuance and at all times the relevant instrument is outstanding.

**22. EASEMENTS.**

Operator shall secure any right, license or permit from any governmental body, authority or other person or persons which may be required for the construction or maintenance of Attachments of Operator. Company does not convey nor guarantee any easements, rights-of-way or franchises for the construction and maintenance of said Attachments. Operator hereby agrees to indemnify and save harmless Company from any and all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Operator to secure such right, license, permit or easement for the construction or maintenance of said Attachments on Company's poles.

**23. CHARGES AND FEES.**

Operator agrees to pay Company an annual charge per Attachment as set forth in Section 3 of this Tariff in advance, and such other charges as may be provided for herein, for the use of each of Company Facility, any portion of which is occupied by, or reserved at Operator's request for, the Attachments of Operator.

Operator agrees to reimburse Company for all reasonable non-recurring expenses caused by or attributable to Operator's initial Attachments including without limitation the amounts set forth herein before and the expenses of Company in examining poles used but not owned by Company to which Operator proposes to make Attachments.

**24. FEES FOR ADDITIONAL ATTACHMENTS.**

For Attachments made to Company Facilities between billing dates, Operator shall be billed a prorated amount of the annual charge effective on the date of attachment in on the Operator's next bill. Company will not reimburse Operator for, or otherwise prorate Operator's next bill for, any Attachments removed from Company Facilities between billing dates.

(Cont'd on Sheet 16-11)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 12-10  
 CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff P.A. Continued  
 (Pole Attachments)**

**27. Notices**

Any notice required by this Tariff shall be deemed properly given if sent to Company's or Operator's authorized representative using any of the following methods: (1) overnight delivery by nationally recognized courier; (2) certified U.S. mail, return receipt requested, postage prepaid; (3) electronically via telecopier or electronic mail; or (4) sent in the manner expressly required herein or by Company's standards. Operators shall, within thirty (30) days of the effective date of this Tariff, or if service is taken for the first time following the effective date of this Tariff, prior to submitting any applications for Attachments, provide Company with the following information for each of their authorized representatives: name, title, mailing address and electronic mailing address. The designation of an authorized representative, as well as the contact information for an existing authorized representative, may be changed at any time by similar notice. Operators are required to maintain current contact information with Company for each of their authorized representatives.

**28. Prior Agreements**

This Tariff, as of the effective date, terminates, supersedes and replaces any previous agreement or license affecting Company's Facilities and Operator's Attachments covered herein.

**29. Assignment**

This Tariff shall be binding upon and inure to the benefits of the parties hereto, their respective successors and/or assigns, but Operator shall not assign, transfer or sublet any of the rights hereby granted without the prior written consent of Company, which shall not be unreasonably withheld, and any such purported assignment, transfer or subletting without such consent shall be void.

**30. Performance Waiver**

Neither party shall be considered in default in the performance of its obligations herein, or any of them, to the extent that performance is delayed or prevented due to causes beyond the control of said party, including but not limited to, Acts of God or the public enemy, war, revolution, civil commotion, blockade or embargo, acts of government, any law, order, proclamation, regulation, ordinance, demand, or requirement of any government, fires, explosions, cyclones, floods, unavoidable casualties, quarantine, restrictions, strikes, labor disputes, lock-outs, and other causes beyond the reasonable control of either of the parties.

**31. Preservation of Remedies**

No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Company shall impair or affect its right thereafter to exercise the same.

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-11  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 16-11

**TARIFF P.A. (Cont'd.)**  
**(Pole Attachments)**

**25. PAYMENT**

Payment of amounts due hereunder is due on the dates or at the times indicated with respect to each such payment. In the event the time for any payment is not specified, such payment shall be due thirty (30) days from the date of the invoice therefor. All amounts not so paid shall accrue interest at a monthly simple interest rate of 1.5%. Where the provisions of the Tariff require any payment by Operator to the Company other than for attachment charges, Company may, at its option, require that the estimated amount thereof be paid in advance of permission to use any pole or the performance by company of any work. In such a case, Company may, in its sole discretion, invoice any deficiency or refund any excess to Operator after the current amount of such payment has been determined.

**26. DEFAULT OR NON-COMPLIANCE**

If Operator fails to comply with any of the provisions of this Tariff or defaults in the performance of any of its obligations under this Tariff and fails within sixty (60) days, after written notice from Company to correct such default or non-compliance, Company may, in addition to all other remedies under this Tariff, take any one or more of the following actions: terminate the specific permit or permits covering the Company Facilities to which such default or non-compliance is applicable; remove, relocate or rearrange Attachments of Operator to which such default or non-compliance relates, all at Operator's expense; decline to permit additional Attachments hereunder until such default is cured; or in the event of any failure to pay any of the charges, fees or amounts provided in this Tariff or any other substantial default, or of repeated defaults, terminate Operator's right of attachment. Where applicable, Company's written notice of default or non-compliance shall inform Operator of Company's right to remove, relocate or rearrange Attachments of Operator, in the event Operator fails to cure its default or non-compliance within the aforementioned 60-day period. Operator shall remove all Attachments where Company has terminated the right of attachment herein within sixty (60) days of Company providing notice of termination. If Operator fails to remove such Attachments within sixty (60) days, then Company may remove such Attachments at Operator's expense. Company shall have no obligation to store or recover any value for such removed Attachments.

No liability shall be incurred by Company because of any or all such actions except for Company's gross negligence or willful misconduct in any relocation or removal of such equipment. The remedies provided herein are cumulative and in addition to any other remedies available to Company.

**27. NOTICES**

Any notice required by this Tariff shall be deemed properly given if sent to Company's or Operator's authorized representative using any of the following methods: (1) overnight delivery by nationally recognized courier; (2) certified U.S. mail, return receipt requested, postage prepaid; (3) electronically via telecopier or electronic mail; or (4) sent in the manner expressly required herein or by Company's standards. Operators shall, within thirty (30) days of the effective date of this Tariff, or if service is taken for the first time following the effective date of this Tariff, prior to submitting any applications for Attachments, provide Company with the following information for each of their authorized representatives: name, title, mailing address and electronic mailing address. The designation of an authorized representative, as well as the contact information for an existing authorized representative, may be changed at any time by similar notice. Operators are required to maintain current contact information with Company for each of their authorized representatives.

**28. PRIOR AGREEMENTS**

This Tariff, as of the effective date, terminates, supersedes and replaces any previous agreement or license affecting Company's Facilities and Operator's Attachments covered herein.

(Cont'd on Sheet 16-12)

DATE OF ISSUE: January 17, 2023  
DATE EFFECTIVE: Service Rendered On And After December 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. 2022-00105 Dated December 28, 2022  
807 KAR 5:015, eff. 2-1-2022

Tariff P.A. is now contained on ten pages instead of twelve pages.



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 16-12  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 16-12

**TARIFF P.A. (Cont'd.)**  
**(Pole Attachments)**

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**29. ASSIGNMENT.**

This Tariff shall be binding upon and inure to the benefits of the parties hereto, their respective successors and/or assigns, but Operator shall not assign, transfer or sublet any of the rights hereby granted without the prior written consent of Company, which shall not be unreasonably withheld, and any such purported assignment, transfer or subletting without such consent shall be void.

**30. PERFORMANCE WAIVER.**

Neither party shall be considered in default in the performance of its obligations herein, or any of them, to the extent that performance is delayed or prevented due to causes beyond the control of said party, including but not limited to, Acts of God or the public enemy, war, revolution, civil commotion, blockade or embargo, acts of government, any law, order, proclamation, regulation, ordinance, demand, or requirement of any government, fires, explosions, cyclones, floods, unavoidable casualties, quarantine, restrictions, strikes, labor disputes, lock-outs, and other causes beyond the reasonable control of either of the parties.

**31. PRESERVATION OF REMEDIES.**

No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Company shall impair or affect its right thereafter to exercise the same.

Tariff P.A. is now contained on  
ten pages instead of twelve pages.

DATE OF ISSUE: January 17, 2023  
DATE EFFECTIVE: Service Rendered On And After December 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. 2022-00105 Dated December 28, 2022  
807 KAR 5:015, eff 2-1-2022

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 21-1 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 21-1 T

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

**AVAILABILITY OF SERVICE.**

Where capacity is available, Company will install service for temporary lighting and power service to customers who have demonstrated to the Company's satisfaction that the requested temporary service will be temporary in nature. Residential customers will be supplied with 100 amp single phase service. All other customer classes will be supplied at voltage levels applicable to the class of business.

**RATE.** (Tariff Code 019)

Temporary service will be supplied under any published tariff applicable to the class of business of the Customer, when the Company has available unsold capacity of lines, transforming and generating equipment, with an additional charge of the total cost of installation, connection, disconnection and removal of service. T

**CHARGES.**

The same minimum charge as provided for in any applicable tariff shall be applicable to such temporary service and for not less than one full monthly minimum.

Customer's requesting temporary service will be charged a minimum temporary service installation charge, payable in advance, based on the Company's actual cost of installation, connection, disconnection, and removal of the required facilities to provide temporary service.

**DELAYED PAYMENT CHARGE.** N

Bills under this tariff are due and payable within fifteen (15) days after their 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.

**TERMS OF SERVICE.**

Temporary Service will be in effect for a period of 180 days from the date of installation. The Company may grant extensions based on customer's demonstration of continued need for temporary service.

The Company may discontinue temporary service at the end of the 180 days, or at the end of any extended period of time after the initial 180 days.

**SPECIAL TERMS AND CONDITIONS.**

A deposit equal to the full estimated amount of the bill and/or construction costs under this tariff may be required. This tariff is not available to customers permanently located, whose energy requirements are of a seasonal nature. See Terms and Conditions of Service.

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 13-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 13-1

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

**Availability of Service**

Where capacity is available, Company will install service for temporary lighting and power service to customers who have demonstrated to the Company's satisfaction that the requested temporary service will be temporary in nature. Residential customers will be supplied with 100 amp single phase service. All other customer classes will be supplied at voltage levels applicable to the class of business.

**Rate** (Tariff Code 019)

Temporary service will be supplied under any published tariff applicable to the class of business of the Customer, when the Company has available unsold capacity of lines, transforming and generating equipment, with an additional charge of the total cost of installation, connection, disconnection and removal of service.

**Charges**

The same minimum charge as provided for in any applicable tariff shall be applicable to such temporary service and for not less than one full monthly minimum.

Customer's requesting temporary service will be charged a minimum temporary service installation charge, payable in advance, based on the Company's actual cost of installation, connection, disconnection, and removal of the required facilities to provide temporary service. D

**Terms of Service**

Temporary Service will be in effect for a period of 180 days from the date of installation. The Company may grant extensions based on customer's demonstration of continued need for temporary service.

The Company may discontinue temporary service at the end of the 180 days, or at the end of any extended period of time after the initial 180 days.

**Special Terms and Conditions**

A deposit equal to the full estimated amount of the bill and/or construction costs under this tariff may be required. This tariff is not available to customers permanently located, whose energy requirements are of a seasonal nature. See Terms and Conditions of Service.

DATE OF ISSUE: June 29, 2023

DATE EFFECTIVE: January 1, 2024

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of an Order of the Public Service Commission

In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 40-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 40-1

**TARIFF U.D.C.  
(UNDERGROUND DIFFERENTIAL COST SCHEDULE)**

**UNDERGROUND SERVICE PLAN FOR RESIDENTIAL SUBDIVISIONS  
AND RESIDENTIAL SERVICE LATERALS**

**APPLICABLE.**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D. 2, and R.S.D.

**RATE.**

**PRIMARY AND SECONDARY DISTRIBUTION SYSTEM**

Charge: \$ 65.29 per foot of lot width (average x number of lots) when Company performs trenching, conduit installation, and backfilling to Company specifications.

Charge: \$ 31.95 per foot of lot width (average x number of lots) when Customer performs trenching, conduit installation, and backfilling to Company specifications.

**SERVICE LATERALS**

**FROM OVERHEAD FACILITIES**

Charge: \$ 29.67 per foot of trench length from Overhead Facilities when Company performs trenching, conduit installation, and backfilling to Company

Charge: \$ 11.04 per foot of trench length from Overhead Facilities when Customer performs trenching, conduit installation, and backfilling to Company

**FROM UNDERGROUND FACILITIES**

Charge: \$ 23.83 per foot of trench length from Underground Facilities when Company performs trenching, conduit installation, and backfilling to Company

Charge: \$ 5.70 per foot of trench length from Underground Facilities when Customer performs trenching, conduit installation, and backfilling to Company

**REPLACEMENT OF USEFUL OVERHEAD SERVICE DROP**

Charge: \$ 200.00 for each removal in addition to any underground differential costs

DATE OF ISSUE: January 9, 2023  
DATE EFFECTIVE: Service Rendered On And After February 9, 2023  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
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In Case No. XXXX-XXXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 14-1  
CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 14-1

**Tariff U.D.C.  
(Underground Differential Cost Schedule)**

**Underground Service Plan for Residential Subdivisions and Residential Service Laterals**

**Applicable**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D. 2, and R.S.D.

**Rate**

**PRIMARY AND SECONDARY DISTRIBUTION SYSTEM**

Charge: \$ 65.29 per foot of lot width (average x number of lots) when Company performs trenching, conduit installation, and backfilling to Company specifications.

Charge: \$ 31.95 per foot of lot width (average x number of lots) when Customer performs trenching, conduit installation, and backfilling to Company specifications.

**SERVICE LATERALS**

**FROM OVERHEAD FACILITIES**

Charge: \$ 29.67 per foot of trench length from Overhead Facilities when Company performs trenching, conduit installation, and backfilling to Company

Charge: \$ 11.04 per foot of trench length from Overhead Facilities when Customer performs trenching, conduit installation, and backfilling to Company

**FROM UNDERGROUND FACILITIES**

Charge: \$ 23.83 per foot of trench length from Underground Facilities when Company performs trenching, conduit installation, and backfilling to Company

Charge: \$ 5.70 per foot of trench length from Underground Facilities when Customer performs trenching, conduit installation, and backfilling to Company

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DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 32-1 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 32-1 T  
RIDER A.F.S.  
(Alternate Feed Service Rider)

**AVAILABILITY OF SERVICE.**

Standard Alternate Feed Service (AFS) is a premium service providing a redundant distribution service provided through a redundant distribution line and distribution station transformer, with automatic or manual switch-over and recovery, which provides increased reliability for distribution service. Rider AFS applies to those customers requesting new or upgraded AFS after the effective date of this rider. Rider AFS also applies to existing customers that desire to maintain redundant service when the Company must make expenditures in order to continue providing such service.

Rider AFS is available to customers who request a primary voltage alternate feed and who normally take service under Tariffs M.G.S.-TOD, L.G.S., L.G.S.-TOD, I.G.S., or M.W. for their basic service requirements, provided that the Company has adequate capacity in existing distribution facilities, as determined by the Company, or if changes can be made to make capacity available. AFS provided under this rider may not be available at all times, including emergency situations.

**SYSTEM IMPACT STUDY CHARGE.**

The Company shall charge the customer for the actual cost incurred by the Company to conduct a system impact study for each site reviewed. The study will consist of, but is not limited to, the following: (1) identification of customer load requirements, (2) identification of the potential facilities needed to provide the AFS, (3) determination of the impact of AFS loading on all electrical facilities under review, (4) evaluation of the impact of the AFS on system protection and coordination issues including the review of the transfer switch, (5) evaluation of the impact of the AFS request on system reliability indices and power quality, (6) development of cost estimates for any required system improvements or enhancements required by the AFS, and (7) documentation of the results of the study. The Company will provide to the customer an estimate of charges for this study.

**EQUIPMENT AND INSTALLATION CHARGE.**

The customer shall pay, in advance of construction, a nonrefundable amount for all equipment and installation costs for all dedicated and/or local facilities provided by the Company required to furnish either a new or upgraded AFS. The payments shall be grossed-up for federal and state taxes, assessment fees and gross receipts taxes. The customer will not acquire any title in said facilities by reason of such payment. The equipment and installation charge shall be determined by the Company and shall include, but not be limited to, the following: (1) all costs associated with the AFS dedicated and/or local facilities provided by the Company and (2) any costs or modifications to the customer's basic service facilities.

The customer is responsible for all costs associated with providing and maintaining phone service for use with metering to notify the Company of a transfer of service to the AFS or return to basic service.

**TRANSFER SWITCH PROVISION.**

In the event the customer receives basic service at primary voltage, the customer shall install, own, maintain, test, inspect, operate and replace the transfer switch. Customer-owned switches are required to be at primary voltage and must meet the Company's engineering, operational and maintenance specifications. The Company reserves the right to inspect the customer-owned switches periodically and to disconnect the AFS for adverse impacts on reliability or safety.

(Cont'd on Sheet No. 32-2)

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 15-1  
CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 15-1

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

**Availability of Service**

Standard Alternate Feed Service (AFS) is a premium service providing a redundant distribution service provided through a redundant distribution line and distribution station transformer, with automatic or manual switch-over and recovery, which provides increased reliability for distribution service. Rider AFS applies to those customers requesting new or upgraded AFS after the effective date of this rider. Rider AFS also applies to existing customers that desire to maintain redundant service when the Company must make expenditures in order to continue providing such service.

Rider AFS is available to customers who request a primary voltage alternate feed and who normally take service under Tariffs M.G.S.-TOD, L.G.S., L.G.S.-TOD, I.G.S., or M.W. for their basic service requirements, provided that the Company has adequate capacity in existing distribution facilities, as determined by the Company, or if changes can be made to make capacity available. AFS provided under this rider may not be available at all times, including emergency situations.

**System Impact Study Charge**

The Company shall charge the customer for the actual cost incurred by the Company to conduct a system impact study for each site reviewed. The study will consist of, but is not limited to, the following: (1) identification of customer load requirements, (2) identification of the potential facilities needed to provide the AFS, (3) determination of the impact of AFS loading on all electrical facilities under review, (4) evaluation of the impact of the AFS on system protection and coordination issues including the review of the transfer switch, (5) evaluation of the impact of the AFS request on system reliability indices and power quality, (6) development of cost estimates for any required system improvements or enhancements required by the AFS, and (7) documentation of the results of the study. The Company will provide to the customer an estimate of charges for this study.

**Equipment and Installation Charge**

The customer shall pay, in advance of construction, a nonrefundable amount for all equipment and installation costs for all dedicated and/or local facilities provided by the Company required to furnish either a new or upgraded AFS. The payment shall be grossed-up for federal and state taxes, assessment fees and gross receipts taxes. The customer will not acquire any title in said facilities by reason of such payment. The equipment and installation charge shall be determined by the Company and shall include, but not be limited to, the following: (1) all costs associated with the AFS dedicated and/or local facilities provided by the Company and (2) any costs or modifications to the customer's basic service facilities.

The customer is responsible for all costs associated with providing and maintaining phone service for use with metering to notify the Company of a transfer of service to the AFS or return to basic service.

**Transfer Switch Provision**

In the event the customer receives basic service at primary voltage, the customer shall install, own, maintain, test, inspect, operate and replace the transfer switch. Customer-owned switches are required to be at primary voltage and must meet the Company's engineering, operational and maintenance specifications. The Company reserves the right to inspect the customer-owned switches periodically and to disconnect the AFS for adverse impacts on reliability or safety.

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 \$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.

Continued on Sheet 15-2

DATE OF ISSUE: June 29, 2023

DATE EFFECTIVE: January 1, 2024

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of an Order of the Public Service Commission

In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 32-2 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 32-2 T

**RIDER A.F.S. (Cont'd)** T  
**(Alternate Feed Service Rider)**

**TRANSFER SWITCH PROVISION (CONTINUED)**

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 \$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.

In the event a customer receives basic service at secondary voltage and requests AFS, the Company will provide the AFS at primary voltage. The Company will install, own, maintain, test, inspect and operate the transfer switch and control module. The customer shall pay the Company a nonrefundable amount for all costs associated with the transfer switch installation. The payment shall be grossed-up for federal and state taxes, assessment fees and gross receipts taxes. In addition, the customer is required to pay the monthly rate for testing and ongoing maintenance costs defined above. When the Company-owned transfer switch and/or control module requires replacement, and the customer desires to continue the AFS, 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.

After a transfer of service to the AFS, a customer utilizing a manual or semi-automatic transfer switch shall return to the basic service within one (1) week or as mutually agreed to by the Company and customer. In the event system constraints require a transfer to be expedited, the Company will endeavor to provide as much advance notice as possible to the customer. However, the customer shall accomplish the transfer back to the basic service within ten minutes if notified by the Company of system constraints. In the event the customer fails to return to basic service within 12 hours, or as mutually agreed to by the Company and customer, or within ten minutes of notification of system constraints, the Company reserves the right to immediately disconnect the customer's load from the AFS source. If the customer does not return to the basic service as agreed to, or as requested by the Company, the Company may also provide 30 days' notice to terminate the AFS agreement with the customer.

The customer shall make a request to the Company for approval three days in advance for any planned switching.

**MONTHLY AFS CAPACITY RESERVATION DEMAND CHARGE**

Monthly AFS charges will be in addition to all monthly basic service charges paid by the customer under the applicable tariff.

The Monthly AFS Capacity Reservation Demand Charge for the reservation of distribution station and primary lines is \$6.38 per kW.

**AFS CAPACITY RESERVATION**

The customer shall reserve a specific amount of AFS capacity equal to, or less than, the customer's average maximum requirements, but in no event shall the customer's AFS capacity reservation under this rider exceed the capacity reservation for the customer's basic service under the appropriate tariff. The Company shall not be required to supply AFS capacity in excess of that reserved except by mutual agreement.

(Cont'd on Sheet No. 32-3)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 15-2  
CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 15-2

**Rider A.F.S. Continued**  
**(Alternate Feed Service Rider)** T

**Transfer Switch Provision Continued** T

In the event a customer receives basic service at secondary voltage and requests AFS, the Company will provide the AFS at primary voltage. The Company will install, own, maintain, test, inspect and operate the transfer switch and control module. The customer shall pay the Company a nonrefundable amount for all costs associated with the transfer switch installation. The payment shall be grossed-up for federal and state taxes, assessment fees and gross receipts taxes. In addition, the customer is required to pay the monthly rate for testing and ongoing maintenance costs defined above. When the Company-owned transfer switch and/or control module requires replacement, and the customer desires to continue the AFS, 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.

After a transfer of service to the AFS, a customer utilizing a manual or semi-automatic transfer switch shall return to the basic service within one (1) week or as mutually agreed to by the Company and customer. In the event system constraints require a transfer to be expedited, the Company will endeavor to provide as much advance notice as possible to the customer. However, the customer shall accomplish the transfer back to the basic service within ten minutes if notified by the Company of system constraints. In the event the customer fails to return to basic service within 12 hours, or as mutually agreed to by the Company and customer, or within ten minutes of notification of system constraints, the Company reserves the right to immediately disconnect the customer's load from the AFS source. If the customer does not return to the basic service as agreed to, or as requested by the Company, the Company may also provide 30 days' notice to terminate the AFS agreement with the customer.

The customer shall make a request to the Company for approval three days in advance for any planned switching.

**Monthly AFS Capacity Reservation Demand Charge**

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The Monthly AFS Capacity Reservation Demand Charge for the reservation of distribution station and primary lines is \$6.38 per kW.

**AFS Capacity Reservation**

The customer shall reserve a specific amount of AFS capacity equal to, or less than, the customer's average maximum requirements, but in no event shall the customer's AFS capacity reservation under this rider exceed the capacity reservation for the customer's basic service under the appropriate tariff. The Company shall not be required to supply AFS capacity in excess of that reserved except by mutual agreement.

If the customer plans to increase the AFS demand at anytime in the future, the customer shall promptly notify the Company of such additional demand requirements. The customer's AFS capacity reservation and billing will be adjusted accordingly. The customer will pay the Company the actual costs of any and all additional dedicated and/or local facilities required to provide AFS in advance of construction and pursuant to an AFS construction agreement. If customer exceeds the agreed upon AFS capacity reservation, the Company reserves the right to disconnect the AFS. If the customer's AFS metered demand exceeds the agreed upon AFS capacity reservation, which jeopardizes company facilities or the electrical service to other customers, the Company reserves the right to disconnect the AFS immediately. If the Company agrees to allow the customer to continue AFS, the customer will be required to sign a new AFS agreement reflecting the new AFS capacity reservation. In addition, the customer will promptly notify Kentucky Power regarding any reduction in the AFS capacity reservation.

The customer may reserve partial-load AFS capacity, which shall be less than the customer's full requirements for basic service subject to the conditions in this provision. Prior to the customer receiving partial-load AFS capacity, the customer shall be required to demonstrate or provide evidence to the Company that they have installed demand-controlling equipment that is capable of curtailing load when a switch has been made from the basic service to the AFS. The Company reserves the right to test and verify the customer's ability to curtail load to meet the agreed upon partial-load AFS capacity reservation.

Continued on Sheet 15-3

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 32-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 32-3 T

RIDER A.F.S. (Cont'd)  
(Alternate Feed Service Rider) T

AFS CAPACITY RESERVATION (continued).

If the customer plans to increase the AFS demand at anytime in the future, the customer shall promptly notify the Company of such additional demand requirements. The customer's AFS capacity reservation and billing will be adjusted accordingly. The customer will pay the Company the actual costs of any and all additional dedicated and/or local facilities required to provide AFS in advance of construction and pursuant to an AFS construction agreement. If customer exceeds the agreed upon AFS capacity reservation, the Company reserves the right to disconnect the AFS. If the customer's AFS metered demand exceeds the agreed upon AFS capacity reservation, which jeopardizes company facilities or the electrical service to other customers, the Company reserves the right to disconnect the AFS immediately. If the Company agrees to allow the customer to continue AFS, the customer will be required to sign a new AFS agreement reflecting the new AFS capacity reservation. In addition, the customer will promptly notify Kentucky Power regarding any reduction in the AFS capacity reservation. T

The customer may reserve partial-load AFS capacity, which shall be less than the customer's full requirements for basic service subject to the conditions in this provision. Prior to the customer receiving partial-load AFS capacity, the customer shall be required to demonstrate or provide evidence to the Company that they have installed demand-controlling equipment that is capable of curtailing load when a switch has been made from the basic service to the AFS. The Company reserves the right to test and verify the customer's ability to curtail load to meet the agreed upon partial-load AFS capacity reservation.

DETERMINATION OF BILLING DEMAND.

Full-Load Requirement:

For customers requesting AFS equal to their load requirement for basic service, the AFS billing demand shall be taken each month as the single-highest 15-minute integrated peak as registered during the month by a demand meter or indicator, but the monthly AFS billing demand so established shall in no event be less than the greater of (a) the customer's AFS capacity reservation, or (b) the customer's highest previously established monthly billing demand on the AFS during the past 11 months, or (c) the customer's basic service capacity reservation, or (d) the customer's highest previously established monthly billing demand on the basic service during the past 11 months.

Partial-Load Requirement:

For customers requesting partial-load AFS capacity reservation that is less than the customer's full requirements for basic service, the AFS billing demand shall be taken each month as the single-highest 15-minute integrated peak on the AFS as registered during the month by a demand meter or indicator, but the monthly AFS billing demand so established shall in no event be less than the greater of (a) the customer's AFS capacity reservation, or (b) the customer's highest previously established monthly metered demand on the partial-load AFS during the past 11 months.

DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(Cont'd on Sheet No. 32-4)

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 15-3  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 15-3

**Rider A.F.S. Continued**  
**(Alternate Feed Service Rider)** T

Determination of Billing Demand

Full-Load Requirement:

For customers requesting AFS equal to their load requirement for basic service, the AFS billing demand shall be taken each month as the single-highest 15-minute integrated peak as registered during the month by a demand meter or indicator, but the monthly AFS billing demand so established shall in no event be less than the greater of (a) the customer's AFS capacity reservation, or (b) the customer's highest previously established monthly billing demand on the AFS during the past 11 months, or (c) the customer's basic service capacity reservation, or (d) the customer's highest previously established monthly billing demand on the basic service during the past 11 months.

Partial-Load Requirement:

For customers requesting partial-load AFS capacity reservation that is less than the customer's full requirements for basic service, the AFS billing demand shall be taken each month as the single-highest 15-minute integrated peak on the AFS as registered during the month by a demand meter or indicator, but the monthly AFS billing demand so established shall in no event be less than the greater of (a) the customer's AFS capacity reservation, or (b) the customer's highest previously established monthly metered demand on the partial-load AFS during the past 11 months.

Terms of Contract

The AFS agreement under this rider will be made for a period of not less than one year and shall remain in effect thereafter until either party shall give at least six months' written notice to the other of the intention to discontinue service under the terms of this rider.

Disconnection of AFS under this rider due to reliability or safety concerns associated with customer-owned transfer switches will not relieve the customer of payments required hereunder for the duration of the agreement term.

Special Terms and Conditions

This rider is subject to the Company's Terms and Conditions of Service.

Upon receipt of a request from the customer for non-standard AFS (AFS which includes unique service characteristics different from standard AFS), the Company will provide the customer with a written estimate of all costs, including system impact study costs, and any applicable unique terms and conditions of service related to the provision of the non-standard AFS. An AFS agreement will be filed with the Commission under the 30-day filing procedures. The AFS agreement shall provide full disclosure of all rates, terms and conditions of service under this rider, and any and all agreements related thereto.

The Company will have sole responsibility for determining the basic service circuit and the AFS circuit.

The Company assumes no liability should the AFS circuit, transfer switch, or other equipment required to provide AFS fail to operate as designed, is unsatisfactory, or is not available for any reason.

DATE OF ISSUE: June 29, 2023

DATE EFFECTIVE: January 1, 2024

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of an Order of the Public Service Commission

In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 32-4 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 32-4 T

RIDER A.F.S. (Cont'd) T  
(Alternate Feed Service Rider)

**TERMS OF CONTRACT.**

The AFS agreement under this rider will be made for a period of not less than one year and shall remain in effect thereafter until either party shall give at least six months' written notice to the other of the intention to discontinue service under the terms of this rider.

Disconnection of AFS under this rider due to reliability or safety concerns associated with customer-owned transfer switches will not relieve the customer of payments required hereunder for the duration of the agreement term.

**SPECIAL TERMS AND CONDITIONS.**

This rider is subject to the Company's Terms and Conditions of Service.

Upon receipt of a request from the customer for non-standard AFS (AFS which includes unique service characteristics different from standard AFS), the Company will provide the customer with a written estimate of all costs, including system impact study costs, and any applicable unique terms and conditions of service related to the provision of the non-standard AFS. An AFS agreement will be filed with the Commission under the 30-day filing procedures. The AFS agreement shall provide full disclosure of all rates, terms and conditions of service under this rider, and any and all agreements related thereto.

The Company will have sole responsibility for determining the basic service circuit and the AFS circuit.

The Company assumes no liability should the AFS circuit, transfer switch, or other equipment required to provide AFS fail to operate as designed, is unsatisfactory, or is not available for any reason.

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Tariff A.F.S. is now contained on  
three pages instead of four pages.



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 31-1 T  
 CANCELLING P.S.C. KY. NO. 11 1<sup>ST</sup> REVISED SHEET NO. 31-1 T

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

**AVAILABILITY OF SERVICE.**

Available to customers taking metered service under the Company's R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D.2, G.S., S.G.S.-T.O.D., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., I.G.S., C.S.-I.R.P. C.S. Coal, and M.W. tariffs.

Participation in this program under Option A may be limited by the ability of the Company to procure renewable energy certificates (RECs) from Renewable Resources. If the total of all kWh under contract under this Rider equals or exceeds the Company's ability to procure RECs, the Company may suspend the availability of this Rider to new participants.

Customers who wish to directly purchase the electrical output and all associated environmental attributes from a renewable energy generator may contract bilaterally with the Company under Option B. Option B is available to customers taking metered service under the Company's I.G.S., and C.S.-I.R.P. tariffs, or multiple L.G.S. tariff accounts with common ownership under a single parent company that can aggregate multiple accounts to exceed 1000 kW of peak demand.

**CONDITIONS OF SERVICE.**

Customers who wish to support the development of electricity generated by Renewable Resources may under Option A contract to purchase each month a specific number of fixed kWh blocks, or choose to cover all of their monthly usage.

Renewable Resources shall be defined as Wind, Solar Photovoltaic, Biomass Co-Firing of Agricultural crops and all energy crops, Hydro (as certified by the Low Impact Hydro Institute), Incremental Improvements in Large Scale Hydro, Coal Mine Methane, Landfill Gas, Biogas Digesters, Biomass Co-Firing of All Woody Waste including mill residue, but excluding painted or treated lumber. All REC's purchased under Option A of this tariff shall be retained or retired by the Company on behalf of customers.

**RATES.**

**Option A:**

In addition to the monthly charges determined according to the Company's tariff under which the customer takes metered service, the customer shall also pay the following rate for the REC option of their choosing. The charge will be applied to the customer's bill as a separate line item.

The Company will provide customers at least 30-days' advance notice of any change in the Rate. At such time, the customer may modify or cancel their automatic monthly purchase agreement. Any cancellation will be effective at the end of the current billing period when notice is provided.

A1. **Solar RECs:**

Block Purchase: Charge (\$ per 100 kWh block): \$ 1.00/month  
 All Usage Purchase: Charge: \$0.010/kWh consumed

(Cont'd on Sheet 31-2)

DATE OF ISSUE: April 9, 2021  
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 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 16-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 16-1

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

**Availability of Service**

Available to customers taking metered service under the Company's 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., and M.W. tariffs.

Participation in this program under Option A may be limited by the ability of the Company to procure renewable energy certificates (RECs) from Renewable Resources. If the total of all kWh under contract under this Rider equals or exceeds the Company's ability to procure RECs, the Company may suspend the availability of this Rider to new participants.

Customers who wish to directly purchase the electrical output and all associated environmental attributes from a renewable energy generator may contract bilaterally with the Company under Option B. Option B is available to customers taking metered service under the Company's I.G.S., and C.S.-I.R.P. tariffs, or multiple L.G.S. tariff accounts with common ownership under a single parent company that can aggregate multiple accounts to exceed 1000 kW of peak demand.

**Conditions of Service**

Customers who wish to support the development of electricity generated by Renewable Resources may under Option A contract to purchase each month a specific number of fixed kWh blocks, or choose to cover all of their monthly usage.

Renewable Resources shall be defined as Wind, Solar Photovoltaic, Biomass Co-Firing of Agricultural crops and all energy crops, Hydro (as certified by the Low Impact Hydro Institute), Incremental Improvements in Large Scale Hydro, Coal Mine Methane, Landfill Gas, Biogas Digesters, Biomass Co-Firing of All Woody Waste including mill residue, but excluding painted or treated lumber. All REC's purchased under Option A of this tariff shall be retained or retired by the Company on behalf of customers.

**Rates**

**Option A**

In addition to the monthly charges determined according to the Company's tariff under which the customer takes metered service, the customer shall also pay the following rate for the REC option of their choosing. The charge will be applied to the customer's bill as a separate line item.

The Company will provide customers at least 30-days' advance notice of any change in the Rate. At such time, the customer may modify or cancel their automatic monthly purchase agreement. Any cancellation will be effective at the end of the current billing period when notice is provided.

	<b>Block Purchase Charge (\$ per 100 kWh block)</b>	<b>All Usage Purchase Charge per kWh consumed</b>
<b>A1. Solar RECs</b>	\$0.50/month	\$0.005
<b>A2. Wind RECs</b>	\$0.50/month	\$0.005
<b>A3. Hydro &amp; Other RECs</b>	\$0.50/month	\$0.005

**Option B**

Charges for service under option B of this Tariff will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the renewable energy resource being directly contracted for by the Customer.

*Continued on Sheet 16-2*

DATE OF ISSUE: June 29, 2023  
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 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No. 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 31-2 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 31-2 T

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

**RATES: (Cont'd)**

A2. Wind RECs:

Block Purchase: Charge (\$ per 100 kWh block): \$ 1.00/month  
All Usage Purchase: Charge: \$0.010/kWh consumed

A3. Hydro & Other RECs:

Block Purchase: Charge (\$ per 100 kWh block): \$ 0.30/month  
All Usage Purchase: Charge: \$0.003/kWh consumed

**Option B:**

Charges for service under option B of this Tariff will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the renewable energy resource being directly contracted for by the Customer.

**TERM:**

This is a voluntary program.

Under Option A Customers may participate through a one-time purchase, or establish an automatic monthly purchase agreement. Any payments under this program are nonrefundable. Customers participating under Option A may terminate service under this Rider by notifying the Company with at least thirty (30) days prior notice.

Under Option B, the term of the agreement will be determined in the written agreement between the Company and the Customer.

**SPECIAL TERMS AND CONDITIONS:**

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the tariff under which the customer takes service, including all payment provisions. The Company may deny or terminate service under this Rider to customers who are delinquent in payment to the Company.

Funds collected under this Renewable Power Option Rider will be used solely to purchase RECs for the program.

DATE OF ISSUE: April 9, 2021

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ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021 and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 16-2  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 16-2

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

**Term**

This is a voluntary program.

Under Option A Customers may participate through a one-time purchase, or establish an automatic monthly purchase agreement. Any payments under this program are nonrefundable. Customers participating under Option A may terminate service under this Rider by notifying the Company with at least thirty (30) days prior notice.

Under Option B, the term of the agreement will be determined in the written agreement between the Company and the Customer.

**Special Terms and Conditions**

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the tariff under which the customer takes service, including all payment provisions. The Company may deny or terminate service under this Rider to customers who are delinquent in payment to the Company.

Funds collected under this Renewable Power Option Rider will be used solely to purchase RECs for the program.

DATE OF ISSUE: June 29, 2023

DATE EFFECTIVE: January 1, 2024

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of an Order of the Public Service Commission

In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 26-1 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 26-1 T

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

**AVAILABILITY OF SERVICE.**

This tariff is applicable to customers with generation facilities which have a total design capacity of over 1,000 kW that intends to schedule, deliver and sell the net electric output of the facility at wholesale, and who require Commissioning Power, Startup Power and/or Station Power service from the Company.

Service to any load that is electrically isolated from the Customer's generator shall be separately metered and provided in accordance with the generally available demand-metered tariff appropriate for such service to the Customer.

This tariff is not available for standby, backup, maintenance, or supplemental service for wholesale or retail loads served by Customer's generator. T

**DEFINITIONS.**

1. **Commissioning Power** - The electrical energy and capacity supplied to the customer prior to the commercial operation of the customer's generator, including initial construction and testing phases.
2. **Station Power** - The electrical energy and capacity supplied to the customer to serve the auxiliary loads at the Customer's generation facilities, usually when the Customer's generator is not operating. Station Power does not include Startup Power. T
3. **Startup Power** - The electrical energy and capacity supplied to the customer following a planned or forced outage of the customer's generator for the purpose of returning the customer's generator to synchronous operation.

**COMMISSIONING POWER SERVICE.**

Customers requiring Commissioning Power shall take service under Tariff T.S. or by special agreement with the Company.

The Customer shall coordinate its construction and testing with the Company to ensure that the customer's operations do not cause any undue interference with the Company's obligations to provide service to its other customers or impose a burden on the Company's system or any system interconnected with the Company.

**STATION POWER SERVICE.**

Customers requiring Station Power shall take service under the generally available demand-metered tariff appropriate for the Customer's Station Power requirements. T

**Station Contract Capacity** – The Customer shall contract for a definite amount of electrical capacity in kW sufficient to meet the maximum Station Power requirements that the Company is expected to supply under the generally available demand-metered tariff appropriate for the customer.

**STARTUP POWER SERVICE.**

Customers requiring Startup Power have the option of contracting for such service under the terms of this tariff or under the generally available demand-metered tariff appropriate for the customer's Startup Power requirements.

**Startup Contract Capacity** – The Customer shall contract for a definite amount of electrical capacity in kW sufficient to meet the maximum Startup Power requirements that the Company is expected to supply.

**Startup Duration** – The Customer shall contract for a definite number of hours sufficient to meet the maximum period of time for which the Company is expected to supply Startup Power.

(Cont'd on Sheet No. 26-2)

DATE OF ISSUE: April 9, 2021  
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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 17-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 17-1

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

**Availability of Service**

This tariff is unavailable to new participants. This tariff is applicable to customers with generation facilities which have a total design capacity of over 1,000 kW that intends to schedule, deliver and sell the net electric output of the facility at wholesale, and who require Station Power service from the Company. N  
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Service to any load that is electrically isolated from the Customer's generator shall be separately metered and provided in accordance with the generally available demand-metered tariff appropriate for such service to the Customer.

This tariff is not available for standby, backup, maintenance, or supplemental service for wholesale or retail loads served by Customer's generator.

**Definitions**

**Station Power** - The electrical energy and capacity supplied to the customer to serve the auxiliary loads at the Customer's generation facilities, usually when the Customer's generator is not operating. Station Power does not include Startup Power. D  
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**Station Power Service**

Customers requiring Station Power shall take service under the generally available demand-metered tariff appropriate for the Customer's Station Power requirements. D  
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**Station Contract Capacity** – The Customer shall contract for a definite amount of electrical capacity in kW sufficient to meet the maximum Station Power requirements that the Company is expected to supply under the generally available demand-metered tariff appropriate for the customer. D  
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**Transmission Service**

**Transmission Provider** - The entity providing transmission service to customers in the Company's service territory. Such entity may be the Company or a regional transmission entity.

Prior to taking service under this tariff, the Customer must have a fully executed Interconnection and Operation Agreement with the Company and/or the Transmission Provider or an unexecuted agreement filed with the Federal Energy Regulatory Commission under applicable procedures.

Transmission Congestion is the condition that exists when market participants seek to dispatch in a pattern that would result in power flows that cannot be physically accommodated by the system. D  
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**Term of Contract**

Contracts under this tariff will be made for an initial period of not less than one year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than one year.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

The Company may not be required to supply capacity in excess of that contracted for except by mutual agreement. Contracts will be made in multiples of 100 kW.

*Continued on Sheet 17-2*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 26-2 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 26-2 T

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

**STARTUP POWER SERVICE. (cont'd)**

**Startup Duration** – The Customer shall contract for a definite number of hours sufficient to meet the maximum period of time for which the Company is expected to supply Startup Power.

**Startup Frequency** – The Customer shall contract for a definite number of startup events sufficient to meet the maximum number of times per year that the Company is expected to supply Startup Power.

**Other Startup Characteristics** – The customer shall provide to the Company other information regarding the customer's Startup Power requirements, including, but not limited to, anticipated time-of-use and seasonal characteristics.

**Notification Requirement** - Whenever Startup Power is needed, the Customer shall provide advance notice to the Company.

Upon receipt of a request from the Customer for Startup Power Service under the terms of this tariff, the Company will provide the Customer a written offer containing the Notification Requirement, generation, transmission and distribution rates (including demand and energy charges) and related terms and conditions of service under which service will be provided by the Company. Such offer shall be based upon the Startup Contract Capacity, Startup Duration, Startup Frequency, and Other Startup Characteristics as specified by the customer. In no event shall the rates be less than the sum of the Tariff I.G.S. Energy Charge, the Fuel Adjustment Clause, the System Sales Clause, the Demand-Side Management Adjustment Clause, Decommissioning Rider, Purchase Power Adjustment, KY Economic Development Surcharge, Environmental Surcharge, and the Capacity Charge.

If the parties reach an agreement based upon the offer provided to the customer by the Company, a contract shall be executed that provides full disclosure of all rates, terms and conditions of service under this tariff, and any and all agreements related thereto.

**DELAYED PAYMENT CHARGE.**

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(Cont'd on Sheet No. 26-3)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 17-2 CANCELLING  
P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 17-2

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

**Special Terms and Conditions**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff shall not obligate the Company to purchase or pay for any capacity or energy produced by the Customer's generator.

Customers desiring to provide Station Power from other generation facilities, owned by the same individual business entity that are not located on the site of the customer's generator (remote self-supply), shall take service under the terms and conditions contained within the applicable Open Access Transmission Tariff as filed with and accepted by the Federal Energy Regulatory Commission.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 26-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 26-3 T

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

**MONTHLY BILLING DEMAND.**

The monthly billing demand in kW shall be taken each month as the highest single 15-minute integrated peak in kW as registered by a demand meter or indicator, less the Station Contract Capacity. The monthly billing demand so established shall in no event be less than the greater of (a) the Startup Contract Capacity or b) the customer's highest previously established monthly billing demand during the past 11 months.

**MONTHLY BILLING ENERGY.**

Interval billing energy shall be measured each 15-minute interval of the month as the total KWH registered by an energy meter or meters less the quotient of the Station Contract Capacity and four (4). In no event shall the interval billing energy be less than zero (0). Monthly billing energy shall be the sum of the interval billing energy for all intervals of the billing month.

**TRANSMISSION SERVICE.**

**Transmission Provider** – The entity providing transmission service to customers in the Company's service territory. Such entity may be the Company or a regional transmission entity.

Prior to taking service under this tariff, the Customer must have a fully executed Interconnection and Operation Agreement with the Company and/or the Transmission Provider or an unexecuted agreement filed with the Federal Energy Regulatory Commission under applicable procedures.

Should the customer's use of Startup Power result in any charges for Transmission Congestion from the Transmission Provider, such charges, including any applicable taxes or assessments, shall be paid by or passed through to the customer without markup. Transmission Congestion is the condition that exists when market participants seek to dispatch in a pattern that would result in power flows that cannot be physically accommodated by the system.

**TERM OF CONTRACT.**

Contracts under this tariff will be made for an initial period of not less than one year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than one year.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

The Company may not be required to supply capacity in excess of that contracted for except by mutual agreement. Contracts will be made in multiples of 100 kW.

**SPECIAL TERMS AND CONDITIONS.**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff shall not obligate the Company to purchase or pay for any capacity or energy produced by the Customer's generator.

Customers desiring to provide Startup and Station Power from other generation facilities, owned by the same individual business entity that are not located on the site of the customer's generator (remote self-supply), shall take service under the terms and conditions contained within the applicable Open Access Transmission Tariff as filed with and accepted by the Federal Energy Regulatory Commission.

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DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

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Tariff N.U.G. is now contained on  
two pages instead of three pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 27-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-1

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

**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.

Eligible electric generating facilities in service before May 15, 2021 shall be entitled to continue to take service under this tariff, as it may be amended from time to time by the Commission, until the earlier of: (i) May 14, 2046; or (ii) the date the customer's modification of the eligible electric generating facility results in a material increase in the eligible electric generating facility's capacity.

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 standard 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.**

Monthly charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to 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. If the customer's net energy is negative during a billing period, the customer shall be credited in the next billing period for the kWh difference. If time-of-day metering is used, energy flows in both directions shall be netted and accounted for at the specific time-of-use in accordance with the provisions of the customer's standard tariff and this Net Metering Service Tariff. When the customer elects to no longer take service under this Net Metering Service Tariff, any unused credit shall revert to the Company. Excess electricity credits are not transferable between customers or locations.

(Cont'd on Sheet No. 27-2)

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TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2020-00174 Dated January 13, 2021; January 15, 2021; February 22, 2021; March 17, 2021; and May 14, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 18-1

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

**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.

Eligible electric generating facilities in service before May 15, 2021 shall be entitled to continue to take service under this tariff, as it may be amended from time to time by the Commission, until the earlier of: (i) May 14, 2046; or (ii) the date the customer's modification of the eligible electric generating facility results in a material increase in the eligible electric generating facility's capacity.

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 standard 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**

Monthly charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to 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. If the customer's net energy is negative during a billing period, the customer shall be credited in the next billing period for the kWh difference. If time-of-day metering is used, energy flows in both directions shall be netted and accounted for at the specific time-of-use in accordance with the provisions of the customer's standard tariff and this Net Metering Service Tariff. When the customer elects to no longer take service under this Net Metering Service Tariff, any unused credit shall revert to the Company. Excess electricity credits are not transferable between customers or locations.

Continued on Sheet 18-2

DATE OF ISSUE: June 29, 2023  
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TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-2 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-2 T

**TARIFF N.M.S. (Cont'd)**  
**(Net Metering Service)**

**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.

(Cont'd on Sheet No. 27-3)

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In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-2  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 18-2

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**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.

*Continued on Sheet 18-3*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
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In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-3 T

**TARIFF N.M.S. (Cont'd)**  
**(Net Metering Service)**

**LEVEL 1, continued**

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.

(Cont'd on Sheet No. 27-4)

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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-3  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 18-3

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**Level 1 Continued**

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.

*Continued on Sheet 18-4*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-4 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-4 T

**TARIFF N.M.S. (Cont'd)**  
**(Net Metering Service)**

**LEVEL 2, continued**

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.**

No application fee or other review, study, or inspection or witness test fees will be charged by the company for Level 1 application.

The Company will require each customer to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$50. 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 up to \$1,000 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.

(Cont'd on Sheet No. 27-5)

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TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-4  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 18-4

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**Application, Inspection and Processing Fees**

No application fee or other review, study, or inspection or witness test fees will be charged by the company for Level 1 application.

The Company will require each customer to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$50. 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 up to \$1,000 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 arc 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 so 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.

*Continued on Sheet 18-5*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-5 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-5 T

**TARIFF N.M.S. (Cont'd)**  
**(Net Metering Service)**

**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 so 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.

(Cont'd on Sheet No. 27-6)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-5  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**Terms and Conditions for Interconnection Continued**

- (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 warning 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 is allowed without approval.

*Continued on Sheet 18-6*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-6 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-6 T

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

**TERMS AND CONDITIONS FOR INTERCONNECTION, continued**

- (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.

(Cont'd on Sheet No. 27-7)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-6  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**Terms and Conditions for Interconnection Continued**

- (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) under 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.

*Continued on Sheet 18-7*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-7 T  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-7 T

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

**TERMS AND CONDITIONS FOR INTERCONNECTION, continued**

- (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 is 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.

[Cont'd on Sheet No. 27-8]

DATE OF ISSUE: April 9, 2021  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-7  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**Application For Interconnection And Net Metering – Level 1**

*Use this Application only for: 1.) a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741, 2.) less than or equal to 45 kW generation capacity and 3.) connecting to Kentucky Power distribution system.*

Submit this Application to:

**D.G. Coordinator**  
**American Electric Power**  
**1 Riverside Plaza**  
**Columbus, Ohio 43215-2373**  
**614-716-4020 Office / 614-716-1414 Fax**  
[dgcoordinator@aep.com](mailto:dgcoordinator@aep.com)

(Contact person listed is subject to change. Please visit our website for up-to date information <http://www.kentuckypower.com>)

Applicant

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

E-mail address: \_\_\_\_\_

Service Location

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: Electric Service

Account Number \_\_\_\_\_

*Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:*

Alternate Contacts

Name	Company	Telephone/Email
_____	_____	_____
_____	_____	_____

Continued on Sheet 18-8

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No. 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-9 T  
 CANCELLING P.S.C. KY. NO. 11 1<sup>ST</sup> REVISED SHEET NO. 27-9 T

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

**Application For Interconnection And Net Metering – Level 1**

*Use this Application only for: 1.) a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741. 2.) less than or equal to 45 kW generation capacity and 3.) connecting to Kentucky Power distribution system.*

Submit this Application to:

**D.G. Coordinator**  
**American Electric Power**  
**1 Riverside Plaza**  
**Columbus, Ohio 43215-2373**  
**614-716-4020 Office / 614-716-1414 Fax**  
[dgcoordinator@aep.com](mailto:dgcoordinator@aep.com)

(Contact person listed is subject to change. Please visit our website for up-to-date information <http://www.kentuckypower.com>)

Applicant

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Phone: ( ) \_\_\_\_\_

E-mail address: \_\_\_\_\_

Service Location

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Electric Service Account Number \_\_\_\_\_

*Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:*

Alternate Contacts

Name	Company	Telephone/Email
_____	_____	_____
_____	_____	_____

(Cont'd on Sheet No. 27-10)

DATE OF ISSUE: April 9, 2021  
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 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-9  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
 (Net Metering Service)

**TERMS AND CONDITIONS FOR LEVEL 1:**

1. Kentucky Power Company (Company) shall provide 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. 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

*Continued on Sheet 18-10*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-10 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-10 T

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

**APPLICATION FOR INTERCONNECTION AND NET METERING,  
LEVEL 1 – CONTINUED**

**Equipment Qualifications**

Energy Source:  Solar  Wind  Hydro  Biogas  Biomass

Inverter Manufacturer: \_\_\_\_\_ Model: \_\_\_\_\_

Inverter Power Rating: \_\_\_\_\_ Voltage Rating: \_\_\_\_\_

Power Rating of Energy Source (i.e., solar panels, wind turbine):

Battery Storage:  Yes  No If Yes, Battery Power Rating: \_\_\_\_\_

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741. T

Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.

Attach single line drawing showing all electrical equipment from the metering location to the energysource including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

Expected Start-up Date: \_\_\_\_\_

(Cont'd on Sheet No. 27-11)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-10  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued  
(Net Metering Service)**

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

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 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 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 is allowed without approval.

*Continued on Sheet 18-11*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-11 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-11 T

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

**TERMS AND CONDITIONS FOR LEVEL 1:**

- 1 Kentucky Power Company (Company) shall provide 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 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

(Cont'd on Sheet No. 27-12)

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TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-11  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued  
(Net Metering Service)**

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

- 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 Level 1 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 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.

Continued on Sheet 18-12

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-12 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-12 T

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

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

- 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 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 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 is allowed without approval.

(Cont'd on Sheet No. 27-13)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-12  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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. I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and Company's Net Metering Tariff.

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**COMPANY APPROVAL SECTION**

When signed below by a Company representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

**Company inspection and witness test: ( ) Required ( ) Waived**

If Company inspection and witness test is required, Customer shall notify the Company within three (3) business days of completion of the generating facility installation and schedule an inspection and witness test with the Company to occur within ten (10) business days of completion of the generating facility installation or as otherwise agreed to by the Company and the Customer. Unless indicated below, the Customer may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Customer may not operate the generating facility until all other terms and conditions in the Application have been met.

Call: \_\_\_\_\_ to schedule an inspection and witness test.

**Pre-inspection operational testing not to exceed two (2) hours: ( ) Allowed ( ) Not Allowed**

If Company inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information: ( ) None ( ) As specified here:

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

*Continued on Sheet 18-13*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-13 T  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-13 T

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

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

- 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 Level 1 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 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.

(Cont'd on Sheet No. 27-14)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-13  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
 (Net Metering Service)

**Application for Interconnection and Net Metering – Level 2**

*Use this Application form for connecting to the Kentucky Power distribution system and: 1.) the generating facility is not inverter based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or 2.) does not meet any of the additional conditions under a Level 1 Application (inverter based and less than or equal to 45KW generation).*

Submit this Application (along with the application fee of \$100) to:

**D.G. Coordinator**  
**American Electric Power**  
**1 Riverside Plaza**  
**Columbus, Ohio 43215-2373**  
**614-716-4020 Office / 614-716-1414 Fax**  
[dgcoordinator@aep.com](mailto:dgcoordinator@aep.com)

(Contact person listed is subject to change. Please visit our website for up-to date information <http://www.kentuckypower.com>)

Applicant

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

E-mail address: \_\_\_\_\_

Service Location

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Electric Service Account Number \_\_\_\_\_

*Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:*

**Alternate Contacts**

Name	Company	Telephone/Email
_____	_____	_____
_____	_____	_____

*Continued on Sheet 18-14*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-14 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-14 T

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

TERMS AND CONDITIONS FOR LEVEL 1, continued

**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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. I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and Company's Net Metering Tariff.

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**COMPANY APPROVAL SECTION**

When signed below by a Company representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

**Company inspection and witness test: ( ) Required ( ) Waived**

If Company inspection and witness test is required, Customer shall notify the Company within three (3) business days of completion of the generating facility installation and schedule an inspection and witness test with the Company to occur within ten (10) business days of completion of the generating facility installation or as otherwise agreed to by the Company and the Customer. Unless indicated below, the Customer may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Customer may not operate the generating facility until all other terms and conditions in the Application have been met.  
Call: \_\_\_\_\_ to schedule an inspection and witness test.

**Pre-Inspection operational testing not to exceed two (2) hours: ( ) Allowed ( ) Not Allowed**

If Company inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information: ( ) None ( ) As specified here:  
\_\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

(Cont'd on Sheet No. 27-15)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-14  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**APPLICATION FOR INTERCONNECTION AND NET METERING,  
LEVEL 2 - CONTINUED**

Equipment  
Qualifications

Total Generating Capacity (kW) of the Generating Facility: \_\_\_\_\_

Type of Generator: ( ) Inverter-Based ( ) Synchronous ( ) Induction

Energy Source: ( ) Solar ( ) Wind ( ) Hydro ( ) Biogas ( ) Biomass

Attach documentation showing that inverter is certified by a nationally recognizes testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.

Attach single line drawing showing all electrical equipment from the metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

Expected Start-up Date: \_\_\_\_\_

Continued on Sheet 18-15

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-15 T  
 CANCELLING P.S.C. KY. NO. 11 1<sup>ST</sup> REVISED SHEET NO. 27-15 T

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

**Application for Interconnection and Net Metering – Level 2**

*Use this Application form for connecting to the Kentucky Power distribution system and: 1.) the generating facility is not inverter based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or 2.) does not meet any of the additional conditions under a Level 1 Application (inverter based and less than or equal to 45kW generation).*

Submit this Application (along with the application fee of \$100) to:

D.G. Coordinator  
 American Electric Power  
 1 Riverside Plaza  
 Columbus, Ohio 43215-2373  
 614-716-4020 Office / 614-716-1414 Fax  
[dgcoordinator@aep.com](mailto:dgcoordinator@aep.com)

(Contact person listed is subject to change. Please visit our website for upto-date information <http://www.kentuckypower.com>)

Applicant

Name: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: ( ) \_\_\_\_\_ Phone: ( ) \_\_\_\_\_  
 E-mail address: \_\_\_\_\_

Service Location

Name: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Electric Service Account Number \_\_\_\_\_

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

**Alternate Contacts**

Name	Company	Telephone/Email
_____	_____	_____
_____	_____	_____

(Cont'd on Sheet No. 27-16)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 in Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-15  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**Interconnection Agreement – Level 2**

This Interconnection Agreement (Agreement) is made and entered into this \_\_\_\_ day of \_\_, 20\_\_, by and between Kentucky Power Company (Company), and \_\_\_\_\_ (Customer). Company and Customer are hereinafter sometimes referred to individually as "Party" or collectively as "Parties"

Witnesseth:

Whereas, Customer is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Company's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: \_\_\_\_\_  
 Generator Size and Type: \_\_\_\_\_

Now, Therefore, in consideration thereof, Customer and Company agree as follows:

Company agrees to allow Customer to interconnect and operate the generating Facility in parallel with the Company's electric system and Customer agrees to abide by Company's Net Metering Tariff and all Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

Continued on Sheet 18-16

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 in Case No.: 2023-00159. Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-16 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-16 T

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

APPLICATION FOR INTERCONNECTION AND NET METERING,  
LEVEL 2 - CONTINUED

Equipment Qualifications

Total Generating Capacity (kW) of the Generating Facility: \_\_\_\_\_

Type of Generator:             Inverter-Based             Synchronous             Induction

Energy Source:             Solar             Wind             Hydro             Biogas             Biomass

*Attach documentation showing that inverter is certified by a nationally recognizes testing laboratory to meet the requirements of UL 1741.*

*Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.*

*Attach single line drawing showing all electrical equipment from the metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.*

Expected Start-up Date: \_\_\_\_\_

(Cont'd on Sheet No. 27-17)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-16  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

TERMS AND CONDITIONS FOR LEVEL 2:

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

1. Company shall provide 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/meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.
2. 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

*Continued on Sheet 18-17*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-17 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-17 T

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

**Interconnection Agreement – Level 2**

This Interconnection Agreement (Agreement) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Kentucky Power Company (Company), and \_\_\_\_\_ (Customer). Company and Customer are hereinafter sometimes referred to individually as "Party" or collectively as "Parties"

**Witnesseth:**

Whereas, Customer is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Company's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: \_\_\_\_\_

Generator Size and Type: \_\_\_\_\_

Now, Therefore, in consideration thereof, Customer and Company agree as follows:

Company agrees to allow Customer to interconnect and operate the generating Facility in parallel with the Company's electric system and Customer agrees to abide by Company's Net Metering Tariff and all Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

(Cont'd on Sheet No. 27-18)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-17  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued  
(Net Metering Service)**

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

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 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 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.

*Continued on Sheet 18-18*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-18 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-18 T

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

**TERMS AND CONDITIONS FOR LEVEL 2:**

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

1. Company shall provide 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/meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.
2. 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

(Cont'd on Sheet No. 27-19)

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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
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In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-18  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

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 not resulting in increases in generating facility capacity is 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). Customer shall 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. 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.

*Continued on Sheet 18-19*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-19 T  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-19 T

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

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

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 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 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.

(Cont'd on Sheet No. 27-20)

DATE OF ISSUE: April 9, 2021  
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 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-19  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued  
 (Net Metering Service)**

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_  
  
 Company Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

*Continued on Sheet 18-20*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-20 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-20 T

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

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

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 not resulting in increases in generating facility capacity is 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). Customer shall 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. 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.

(Cont'd on Sheet No. 27-21)

DATE OF ISSUE: April 9, 2021  
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TITLE: Vice President, Regulatory & Finance  
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In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 18-20  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. Continued**  
**(Net Metering Service)**

**Interconnection Agreement – Level 2**  
**Exhibit A**

- Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.
- When construction of the Company's facilities is required, Exhibit A will also contain a description and associated cost.
- Exhibit A will also specify requirements for a Company inspection and witness test and when limited operation for testing or full operation may begin.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-21 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-21 T

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

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Company Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

(Cont'd on Sheet No. 27-22)

DATE OF ISSUE: April 9, 2021  
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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Tariff N.M.S. is now contained on  
twenty pages instead of twenty-two pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 27-22 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 27-22 T

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

**Interconnection Agreement – Level 2**  
**Exhibit A**

- Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.
- When construction of the Company's facilities is required, Exhibit A will also contain a description and associated cost.
- Exhibit A will also specify requirements for a Company inspection and witness test and when limited operation for testing or full operation may begin.

Tariff N.M.S. is now contained on  
twenty pages instead of twenty-two pages.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 28-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 28-1

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

**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.

Eligible generating facilities may take service, for a period of 25 years after the eligible generating facility is first placed in service, under the two-part rate structure and netting periods of this tariff in effect at the time the eligible electric generating facility is first placed in service.

Customers served under this optional offering will not be eligible for the Company's Equal Payment Plan (Budget) or Average Monthly Payment Plan (AMP).

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 CHARGES.**

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"), accumulated for the billing period, shall be credited at the avoided cost rate of 0.09746 \$/kWh for Residential service and 0.09657 \$/kWh for non-residential service each billing period.

Bill credits to customers for NNE at the avoided cost rate each billing period 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 energy charges, along with any riders that are based on a per kWh charge, during the billing period, the amount in excess will be carried over for use in subsequent billing periods.

(Cont'd on Sheet No. 28-2)

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TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. XXXX-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-1  
CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 19-1

**Tariff N.M.S. II**  
**(Net Metering Service II)**

**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.

Eligible generating facilities may take service, for a period of 25 years after the eligible generating facility is first placed in service, under the two-part rate structure and netting periods of this tariff in effect at the time the eligible electric generating facility is first placed in service.

Customers served under this optional offering will not be eligible for the Company's Equal Payment Plan (Budget) or Average Monthly Payment Plan (AMP).

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 Charges**

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"), accumulated for the billing period, shall be credited at the avoided cost rate of 0.09746 \$/kWh for Residential service and 0.09657 \$/kWh for non-residential service each billing period.

Bill credits to customers for NNE at the avoided cost rate each billing period 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 energy charges, along with any riders that are based on a per kWh charge, during the billing period, the amount in excess will be carried over for use in subsequent billing periods.

Continued on Sheet 19-2

DATE OF ISSUE: June 29, 2023  
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TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-2 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 28-2 T

**TARIFF N.M.S. II (Cont'd)**  
**(Net Metering Service II)**

N

**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.

(Cont'd on Sheet No. 28-3)

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TITLE: Vice President, Regulatory & Finance  
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In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-2  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 19-2

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

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**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.

*Continued on Sheet 19-3*

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T

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-3 T  
CANCELLING P.S.C. KY. NO. XX SHEET NO. 28-3 T

**TARIFF N.M.S.II (Cont'd)**  
**(Net Metering Service II)**

**LEVEL 1, continued**

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.

(Cont'd on Sheet No. 28-4)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-3  
CANCELLING P.S.C. KY. NO. XX SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

**Level 1 Continued**

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.

*Continued on Sheet 19-4*

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 28-4  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-4

**TARIFF N.M.S. II (Cont'd)**  
**(Net Metering Service II)**

**LEVEL 2, continued**

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.**

No application fee or other review, study, or inspection or witness test fees will be charged by the Company for Level 1 applications.

The Company will require each customer to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$100. 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 up to \$1,000 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.

(Cont'd on Sheet No. 28-5)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-4  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

**Level 2 Continued**

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**

No application fee or other review, study, or inspection or witness test fees will be charged by the Company for Level 1 applications.

The Company will require each customer to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$100. 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 up to \$1,000 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 TOU 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.

Continued on Sheet 19-5

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
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in Case No. 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-5 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-5 T

**TARIFF N.M.S. II (Cont'd)**  
**(Net Metering Service II)**

**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 TOU 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 so 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.

(Cont'd on Sheet No. 28-6)

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KENTUCKY POWER COMPANY

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**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

**Terms and Conditions for Interconnection Continued**

- (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 so 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.

Continued on Sheet 19-6

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In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-6 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-6 T

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

**TERMS AND CONDITIONS FOR INTERCONNECTION, continued**

- (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.

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KENTUCKY POWER COMPANY

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CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

**Terms and Conditions for Interconnection Continued**

- (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) in 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.

*Continued on Sheet 19-7*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-7 T  
 CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-7 T

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

**TERMS AND CONDITIONS FOR INTERCONNECTION, continued**

- (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.

[Cont'd on Sheet No. 28-8]

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-7  
 CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
 (Net Metering Service II)

**Application For Interconnection And Net Metering – Level 1**

*Use this Application only for: 1.) a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741, 2.) less than or equal to 45 kW generation capacity, and 3.) connecting to Kentucky Power distribution system.*

Submit this Application to:

**D.G. Coordinator American Electric Power**  
**1 Riverside Plaza**  
**Columbus, OH 43215-2373**  
**614-716-4020 Office / 614-716-1414 Fax**  
[dgcoordinator@aep.com](mailto:dgcoordinator@aep.com)

(Contact person listed is subject to change. Please visit our website for up-to-date information <http://www.kentuckypower.com>)

Applicant

Name: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

E-mail address: \_\_\_\_\_  
 Service Location

Name: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Electric Service Account Number \_\_\_\_\_  
 Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

Alternate Contacts  
 Name \_\_\_\_\_ Company \_\_\_\_\_ Telephone/Email \_\_\_\_\_

Continued on Sheet 19-8

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-8 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-8 T

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

N

**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.

(Cont'd on Sheet No. 28-9)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
in Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-8  
CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

T

**APPLICATION FOR INTERCONNECTION AND NET METERING,**  
**LEVEL 1 – CONTINUED**

T

**Equipment Qualifications**

Energy Source:        ( ) Solar        ( ) Wind        ( ) Hydro        ( ) Biogas        ( ) Biomass  
Inverter Manufacturer: \_\_\_\_\_ Model: \_\_\_\_\_  
Inverter Power Rating: \_\_\_\_\_ Voltage Rating: \_\_\_\_\_  
Power Rating of Energy Source (i.e., solar panels, wind turbine): \_\_\_\_\_  
Battery Storage:        ( ) Yes        ( ) No        If Yes, Battery Power Rating: \_\_\_\_\_

*Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.*

*Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.*

*Attach single line drawing showing all electrical equipment from the metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.*

**Expected Start-up Date:** \_\_\_\_\_

*Continued on Sheet 19-9*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
in Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 28-9  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-9

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

**Application For Interconnection And Net Metering – Level 1**

Use this Application only for: 1.) a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741, 2.) less than or equal to 45 kW generation capacity, and 3.) connecting to Kentucky Power distribution system.

Submit this Application to:

D.G. Coordinator American Electric Power  
 1 Riverside Plaza  
 Columbus, Ohio 43215-2373  
 614-716-4020 Office / 614-716-1414 Fax  
 dgcoordinator@aep.com

(Contract person listed is subject to change. Please visit our website for up-to-date information <http://www.kentuckypower.com>)

Applicant

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

E-mail address: \_\_\_\_\_

Service Location

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Electric Service Account Number

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

**Alternate Contacts**

<u>Name</u>	<u>Company</u>	<u>Telephone/Email</u>
_____	_____	_____
_____	_____	_____

(Cont'd on Sheet No. 28-10)

DATE OF ISSUE: June 3, 2021

DATE EFFECTIVE: Service Rendered On And After May 15, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority Of an Order of the Public Service Commission

In Case No. 2020-00174 Dated January 13, 2021; January 15, 2021; February 22, 2021; March 17, 2021; and May 14, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-9  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
 (Net Metering Service II)

**TERMS AND CONDITIONS FOR LEVEL 1:**

- The Company shall provide 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.
- 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, customer shall demonstrate generating facility compliance.
- 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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.
- 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.
- 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 so 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.
- 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.

Continued on Sheet 19-10

DATE OF ISSUE: June 29, 2023

DATE EFFECTIVE: January 1, 2024

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of an Order of the Public Service Commission

In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-10 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-10 T

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

**APPLICATION FOR INTERCONNECTION AND NET METERING,  
LEVEL 1 – CONTINUED**

Equipment Qualifications

Energy Source:  Solar  Wind  Hydro  Biogas  Biomass  
Inverter Manufacturer: \_\_\_\_\_ Model: \_\_\_\_\_

Inverter Power Rating: \_\_\_\_\_ Voltage Rating: \_\_\_\_\_

Power Rating of Energy Source (i.e., solar panels, wind turbine):

Battery Storage:  Yes  No If Yes, Battery Power Rating: \_\_\_\_\_

*Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.*

*Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.*

*Attach single line drawing showing all electrical equipment from the metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.*

**Expected Start-up Date:** \_\_\_\_\_

(Cont'd on Sheet No. 28-11)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-10  
CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff N.M.S. II Continued  
(Net Metering Service II)**

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

- 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 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 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.

*Continued on Sheet 19-11*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-11 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-11 T

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

**TERMS AND CONDITIONS FOR LEVEL 1:**

- 1 The Company shall provide 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 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

(Cont'd on Sheet No. 28-12)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-11  
CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

- 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 Level 1 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 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.

Continued on Sheet 19-12

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-12 T  
CANCELLING P.S.C. KY. NO. XX SHEET NO. 28-12 T

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

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

- 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 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 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.

(Cont'd on Sheet No. 28-13)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-12  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. II Continued  
(Net Metering Service II)**

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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. I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and Company's Net Metering Tariff.

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**COMPANY APPROVAL SECTION**

When signed below by a Company representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

**Company inspection and witness test: ( ) Required ( ) Waived**

If Company inspection and witness test is required, Customer shall notify the Company within three (3) business days of completion of the generating facility installation and schedule an inspection and witness test with the Company to occur within ten (10) business days of completion of the generating facility installation or as otherwise agreed to by the Company and the Customer. Unless indicated below, the Customer may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Customer may not operate the generating facility until all other terms and conditions in the Application have been met.  
Call: \_\_\_\_\_ to schedule an inspection and witness test.

**Pre-Inspection operational testing not to exceed two (2) hours: ( ) Allowed ( ) Not Allowed**

If Company inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information: ( ) None ( ) As specified here:

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Continued on Sheet 19-13

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-13 T  
 CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-13 T

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

**TERMS AND CONDITIONS FOR LEVEL 1, continued**

- 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 Level 1 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 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.

(Cont'd on Sheet No. 28-14)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-13  
 CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff N.M.S. II Continued  
 (Net Metering Service II)**

**Application for Interconnection and Net Metering – Level 2**

*Use this Application form for connecting to the Kentucky Power distribution system and: 1.) the generating facility is not inverter based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or 2.) does not meet any of the additional conditions under a Level 1 Application (inverter based and less than or equal to 45kW generation).*

Submit this Application (along with the application fee of \$100) to:

**D.G. Coordinator  
 American Electric Power  
 1 Riverside Plaza  
 Columbus, Ohio 43215-2373  
 614-716-4020 Office / 614-716-1414 Fax  
 dgcoordinator@aep.com**

(Contact person listed is subject to change. Please visit our website for up-to date information <http://www.kentucky-power.com>)

Applicant

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Phone: ( ) \_\_\_\_\_

E-mail address: \_\_\_\_\_

Service Location

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Electric Service Account Number \_\_\_\_\_

*Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities.*

Alternate Contacts

Name \_\_\_\_\_ Company \_\_\_\_\_ Telephone/Email \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Continued on Sheet 19-14*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-14 T  
CANCELLING P.S.C. KY. NO. XX SHEET NO. 28-14 T

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

TERMS AND CONDITIONS FOR LEVEL 1, continued

**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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. I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and Company's Net Metering Tariff.

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**COMPANY APPROVAL SECTION**

When signed below by a Company representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

**Company inspection and witness test:**  Required  Waived

If Company inspection and witness test is required, Customer shall notify the Company within three (3) business days of completion of the generating facility installation and schedule an inspection and witness test with the Company to occur within ten (10) business days of completion of the generating facility installation or as otherwise agreed to by the Company and the Customer. Unless indicated below, the Customer may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Customer may not operate the generating facility until all other terms and conditions in the Application have been met.  
Call: \_\_\_\_\_ to schedule an inspection and witness test.

**Pre-Inspection operational testing not to exceed two (2) hours:**  Allowed  Not Allowed

If Company inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information:  None  As specified here:

\_\_\_\_\_

**Approved by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

(Cont'd on Sheet No. 28-15)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-14  
CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

**APPLICATION FOR INTERCONNECTION AND NET METERING,  
LEVEL 2 - CONTINUED**

**Equipment Qualifications**

Total Generating Capacity (kW) of the Generating Facility:

Type of Generator:  Inverter-Based  Synchronous  Induction

Energy Source:  Solar  Wind  Hydro  Biogas  Biomass

*Attach documentation showing that inverter is certified by a nationally recognizes testing laboratory to meet the requirements of UL 1741.*

*Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.*

*Attach single line drawing showing all electrical equipment from the metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.*

**Expected Start-up Date:** \_\_\_\_\_

*Continued on Sheet 19-15*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 28-15  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-15

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

**Application for Interconnection and Net Metering – Level 2**

*Use this Application form for connecting to the Kentucky Power distribution system and: 1.) the generating facility is not inverter based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or 2.) does not meet any of the additional conditions under a Level 1 Application (inverter based and less than or equal to 45kW generation).*

Submit this Application (along with the application fee of \$100) to:

D.G. Coordinator  
 American Electric Power  
 1 Riverside Plaza  
 Columbus, Ohio 43215-2373  
 614-716-4020 Office / 614-716-1414 Fax  
 dgcoordinator@aep.com

(Contact person listed is subject to change. Please visit our website for up-to-date information <http://www.kentuckypower.com>)

Applicant

Name: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: ( ) \_\_\_\_\_ Phone: ( ) \_\_\_\_\_  
 E-mail address: \_\_\_\_\_

Service Location

Name: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Electric Service Account Number \_\_\_\_\_

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

Alternate Contacts

Name	Company	Telephone/Email
_____	_____	_____
_____	_____	_____

(Cont'd on Sheet No. 28-16)

DATE OF ISSUE: June 3, 2021  
 DATE EFFECTIVE: Service Rendered On And After May 15, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2020-00174 Dated January 13, 2021; January 15, 2021; February 22, 2021; March 17, 2021; and May 14, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-15  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

**Interconnection Agreement – Level 2**

This Interconnection Agreement (Agreement) is made and entered into this \_\_\_\_ day of \_\_, 20\_\_, by and between Kentucky Power Company (Company), and \_\_\_\_\_ (Customer). Company and Customer are hereinafter sometimes referred to individually as "Party" or collectively as "Parties"

**Witnesseth:**

**Whereas**, Customer is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Company's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: \_\_\_\_\_

Generator Size and Type: \_\_\_\_\_

**Now, therefore**, in consideration thereof, Customer and Company agree as follows:

Company agrees to allow Customer to interconnect and operate the generating Facility in parallel with the Company's electric system and Customer agrees to abide by Company's Net Metering Tariff and all Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

*Continued on Sheet 19-16*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-16 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-16 T

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

**APPLICATION FOR INTERCONNECTION AND NET METERING,  
LEVEL 2 - CONTINUED**

**Equipment Qualifications**

Total Generating Capacity (kW) of the Generating Facility:

Type of Generator:             Inverter-Based             Synchronous             Induction

Energy Source:             Solar             Wind             Hydro             Biogas             Biomass

*Attach documentation showing that inverter is certified by a nationally recognizes testing laboratory to meet the requirements of UL 1741.*

*Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.*

*Attach single line drawing showing all electrical equipment from the metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.*

Expected Start-up Date: \_\_\_\_\_

(Cont'd on Sheet No. 28-17)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-16  
CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff N.M.S. II Continued  
(Net Metering Service II)**

**TERMS AND CONDITIONS FOR LEVEL 2:**

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

1. Company shall provide 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/meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.
2. 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

*Continued on Sheet 19-17*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-17  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff N.M.S. II Continued  
(Net Metering Service II)**

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

- 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 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 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.

*Continued on Sheet 19-18*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-17 T  
CANCELLING P.S.C. KY. NO. XX SHEET NO. 28-17 T

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

**Interconnection Agreement – Level 2**

This Interconnection Agreement (Agreement) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Kentucky Power Company (Company), and \_\_\_\_\_ (Customer). Company and Customer are hereinafter sometimes referred to individually as "Party" or collectively as "Parties"

**Witnesseth:**

Whereas, Customer is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Company's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: \_\_\_\_\_

Generator Size and Type: \_\_\_\_\_

Now, therefore, in consideration thereof, Customer and Company agree as follows:

Company agrees to allow Customer to interconnect and operate the generating Facility in parallel with the Company's electric system and Customer agrees to abide by Company's Net Metering Tariff and all Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

(Cont'd on Sheet No. 28-18)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-18  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-18 T  
CANCELLING P.S.C. KY. NO. XX SHEET NO. 28-18 T

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

N

**TERMS AND CONDITIONS FOR LEVEL 2:**

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

1. Company shall provide 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/meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.
2. 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, 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 the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (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 so 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.

(Cont'd on Sheet No. 28-19)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

T

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

T

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 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). Customer shall 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. 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.

Continued on Sheet 19-19

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-19 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-19 T

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

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

- 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 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 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.

(Cont'd on Sheet No. 28-20)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-19  
CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Company Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

*Continued on Sheet 19-20*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-20 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-20 T

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

N

TERMS AND CONDITIONS FOR LEVEL 2, continued

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 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). Customer shall 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. 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.

(Cont'd on Sheet No. 28-21)

DATE OF ISSUE: April 9, 2021  
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TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 19-20  
CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

**Tariff N.M.S. II Continued**  
**(Net Metering Service II)**

T

**Interconnection Agreement – Level 2**  
**Exhibit A**

T

- Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.
- When construction of the Company's facilities is required, Exhibit A will also contain a description and associated cost.
- Exhibit A will also specify requirements for a Company inspection and witness test and when limited operation for testing or full operation may begin.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-21 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-21 T

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

N

**TERMS AND CONDITIONS FOR LEVEL 2, continued**

**Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement 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 Agreement 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.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Company Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

[Cont'd on Sheet No. 28-22]

DATE OF ISSUE: April 9, 2021  
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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Tariff N.M.S. II is now contained on  
twenty pages instead of twenty-two pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-22 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 28-22 T

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

N

**Interconnection Agreement – Level 2**  
**Exhibit A**

- Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.
- When construction of the Company's facilities is required, Exhibit A will also contain a description and associated cost.
- Exhibit A will also specify requirements for a Company inspection and witness test and when limited operation for testing or full operation may begin.

Tariff N.M.S. II is now contained on  
twenty pages instead of twenty-two pages.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 17-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 17-1

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

**AVAILABILITY OF SERVICE.**

This tariff is available to customers with cogeneration and/or small power production (COGEN/SPP) facilities which qualify under Section 210 of the Public Utility Regulatory Policies Act of 1978, and which have a net power production capacity of 100 KW or less. Such facilities shall be designed to operate properly in parallel with the Company's system without adversely affecting the operation of equipment and services of the Company and its customers, and without presenting safety hazards to the Company and customer personnel.

The customer has the following options under this tariff, which will affect the determination of energy and capacity and the monthly metering charges:

- Option 1- The customer does not sell any energy or capacity to the Company, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 2- The customer sells to the Company the energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities in excess of the customer's total load, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 3- The customer sells to the Company the total energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities, while simultaneously purchasing from the Company its total load requirements, as determined by appropriate meters located at one delivery point.

**MONTHLY CHARGES FOR DELIVERY FROM THE COMPANY TO THE CUSTOMER.**

Such charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the tariff appropriate for the customer, except that Option 1 and Option 2 customers with cogeneration and/or small power production facilities having a total design capacity of more than 10 KW shall be served under demand-metered tariffs, and except that the monthly billing demand under such tariffs shall be the highest determined for the current and previous two billing periods. The above three-month billing demand provision shall not apply under Option 3.

**ADDITIONAL CHARGES.**

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

**Monthly Metering Charge**

The additional monthly charge for special metering facilities shall be as follows:

- Option 1 - Not Applicable.

(Cont'd on Sheet No. 17-2)

DATE OF ISSUE: September 1, 2022  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
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In Case No. 2020-00174 Dated January 13, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 20-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 20-1

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

**Availability of Service**

This tariff is available to customers with cogeneration and/or small power production (COGEN/SPP) facilities which qualify under Section 210 of the Public Utility Regulatory Policies Act of 1978, and which have a net power production capacity of 100 KW or less. Such facilities shall be designed to operate properly in parallel with the Company's system without adversely affecting the operation of equipment and services of the Company and its customers, and without presenting safety hazards to the Company and customer personnel.

The customer has the following options under this tariff, which will affect the determination of energy and capacity and the monthly metering charges:

- Option 1 - The customer does not sell any energy or capacity to the Company, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 2 - The customer sells to the Company the energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities in excess of the customer's total load, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 3 - The customer sells to the Company the total energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities, while simultaneously purchasing from the Company its total load requirements, as determined by appropriate meters located at one delivery point.

**Monthly Charges for Delivery from the Company to the Customer**

Such charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the tariff appropriate for the customer, except that Option 1 and Option 2 customers with cogeneration and/or small power production facilities having a total design capacity of more than 10 KW shall be served under demand-metered tariffs, and except that the monthly billing demand under such tariffs shall be the highest determined for the current and previous two billing periods. The above three-month billing demand provision shall not apply under Option 3.

**Additional Charges**

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

**Monthly Metering Charge**

The additional monthly charge for special metering facilities shall be as follows:

- Option 1 - Not Applicable
- Option 2 & 3 - Where meters are used to measure the excess or total energy and average on-peak capacity purchased by the Company:

	<u>Single Phase</u>	<u>Polyphase</u>
Standard Measurement	\$9.25	\$12.10
T.O.D. Measurement	\$9.85	\$12.40

Continued on Sheet 20-2

DATE OF ISSUE: June 29, 2023  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
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In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 17-2 T  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 17-2 T

**TARIFF COGEN/SPP I (Cont'd.)**  
 (Cogeneration and/or Small Power Production--100 KW or Less)

**ADDITIONAL CHARGES, (Cont'd.)**

**Monthly Metering Charge (Cont'd.)**

Options 2 & 3 - Where meters are used to measure the excess or total energy and average on-peak capacity purchased by the Company:

	Single Phase	Polyphase
Standard Measurement	\$9.25	\$12.10
T.O.D. Measurement	\$9.85	\$12.40

Under Option 3, when metering voltage for COGEN/SPP facilities is the same as the Company's delivery voltage, the customer shall, at his option, either route the COGEN/SPP totalized output leads through the metering point, or make available at the metering point for the use of the Company and, as specified by the Company, metering current leads which will enable the Company to measure adequately the total electrical energy and average capacity produced by the qualifying COGEN/SPP facilities, as well as to measure the electrical energy consumption and capacity requirements of the customer's total load. When metering voltage for COGEN/SPP facilities is different from the Company's delivery voltage, metering requirements and charges shall be determined specifically for each use.

**Local Facilities Charge**

Additional charges to cover "interconnection costs" incurred by the Company shall be determined by the Company for each case and collected from the customer. For Options 2 and 3, the cost of metering facilities shall be covered by the Monthly Metering Charge and shall not be included in the Local Facilities Charge. The customer shall make a one-time payment for the Local Facilities Charge at the time of installation of the required additional facilities, or, at his option, up to 12 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt. If the customer elects the installment payment option, the Company may require a reasonable security deposit.

**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 .....	Variable LMP at time of delivery ¢ KWH	T
T.O.D. Meter		
On-Peak KWH .....	Variable LMP at time of delivery ¢ KWH	T
Off-Peak KWH .....	Variable LMP at time of delivery ¢ KWH	T

**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:

(Cont'd on Sheet No. 17-3)

DATE OF ISSUE: April 9, 2021  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 20-2  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

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

**Additional Charges Continued**

Under Option 3, when metering voltage for COGEN/SPP facilities is the same as the Company's delivery voltage, the customer shall, at his option, either route the COGEN/SPP totalized output leads through the metering point, or make available at the metering point for the use of the Company and, as specified by the Company, metering current leads which will enable the Company to measure adequately the total electrical energy and average capacity produced by the qualifying COGEN/SPP facilities, as well as to measure the electrical energy consumption and capacity requirements of the customer's total load. When metering voltage for COGEN/SPP facilities is different from the Company's delivery voltage, metering requirements and charges shall be determined specifically for each use.

**Local Facilities Charge**

Additional charges to cover "interconnection costs" incurred by the Company shall be determined by the Company for each case and collected from the customer. For Options 2 and 3, the cost of metering facilities shall be covered by the Monthly Metering Charge and shall not be included in the Local Facilities Charge. The customer shall make a one-time payment for the Local Facilities Charge at the time of installation of the required additional facilities, or, at his option, up to 12 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt. If the customer elects the installment payment option, the Company may require a reasonable security deposit.

**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	Variable LMP at time of delivery ¢ KWH
T.O.D. Meter	
On-Peak KWH	Variable LMP at time of delivery ¢ KWH
Off-Peak KWH	Variable LMP at time of delivery ¢ 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.	2023/2024	\$3.48	kW/month
	2024/2025	\$3.72	kW/month
	2025/2026	\$3.25	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.

Continued on Sheet 20-3

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 17-3  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 17-3

**TARIFF COGEN/SPP I (Cont'd.)**  
 (Cogeneration and/or Small Power Production--100 KW or Less)

**MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES. (Cont'd.)**

**Capacity Credit (Cont'd.)**

If standard energy meters are used,

- A. 2020/2021 \$2.81 kW/month  
 2021/2022 \$3.37 kW/month  
 2022/2023 \$3.29 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  
 2021/2022 \$8.09 kW/month  
 2022/2023 \$7.89 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.

**ON-PEAK AND OFF-PEAK PERIODS.**

The on-peak period shall be defined as starting at 7:00A.M. and ending at 9:00 P.M., local time, Monday through Friday.

The offpeak period shall be defined as starting at 9:00 P.M. and ending at 7:00A.M. local time, Monday through Friday, and all hours of Saturday and Sunday.

**CHARGES FOR CANCELLATION OR NON PERFORMANCE CONTRACT.**

If the customer should, for a period in excess of six months, discontinue or substantially reduce for any reason the operation of cogeneration and/or small power production facilities which were the basis for the monthly contract capacity or the on-peak contract capacity, the customer shall be liable to the Company for an amount equal to the total difference between the actual payments for capacity paid to the customer and the payments for capacity that would have been paid to the customer pursuant to this Tariff COGEN/SPP I or any successor tariff. The Company shall be entitled to interest on such amount at the rate of the Company's most recent issue of long-term debt at the effective date of the contract.

**TERM OF CONTRACT.**

Contracts under this tariff shall be made for a term not less than five (5) years. A Qualifying Facility can request that avoided cost rates be set on an "as available" basis or when a legally enforceable obligation is established.

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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 20-3  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

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

**Monthly Credits or Payments for Energy and Capacity Deliveries Continued**

If T.O.D. energy meters are used,

- B. 2023/2024 \$8.36 kW/month  
 2024/2025 \$8.92 kW/month  
 2025/2026 \$7.79 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.

**On-Peak and OffPeak Periods**

The on-peak period shall be defined as starting at 7:00A.M. and ending at 9:00 P.M., local time, Monday through Friday.

The off-peak period shall be defined as starting at 9:00 P.M. and ending at 7:00A.M. local time, Monday through Friday, and all hours of Saturday and Sunday.

**Charges for Cancellation or Non Performance Contract**

If the customer should, for a period in excess of six months, discontinue or substantially reduce for any reason the operation of cogeneration and/or small power production facilities which were the basis for the monthly contract capacity or the on-peak contract capacity, the customer shall be liable to the Company for an amount equal to the total difference between the actual payments for capacity paid to the customer and the payments for capacity that would have been paid to the customer pursuant to this Tariff COGEN/SPP I or any successor tariff. The Company shall be entitled to interest on such amount at the rate of the Company's most recent issue of long-term debt at the effective date of the contract.

**Term of Contract**

Contracts under this tariff shall be made for a term not less than five (5) years. A Qualifying Facility can request that avoided cost rates be set on an "as available" basis or when a legally enforceable obligation is established.

DATE OF ISSUE: June 29, 2023  
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 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No. 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 18-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 18-1

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

**AVAILABILITY OF SERVICE**

This tariff is available to customers with cogeneration and/or small power production (COGEN/SPP) facilities which qualify under Section 210 of the Public Utility Regulatory Policies Act of 1978, and which have a net power production capacity of over 100 KW. In addition, cogeneration facilities must have a net power production capacity at or below 20,000 KW, and small power production facilities must have a net power production capacity at or below 5,000 KW. Such facilities shall be designed to operate properly in parallel with the Company's system without adversely affecting the operation of equipment and services of the Company and its customers, and without presenting safety hazards to the Company and customer personnel.

The customer has the following options under this tariff, which will affect the determination of energy and capacity and the monthly metering charges:

- Option 1 - The customer does not sell any energy or capacity to the Company, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 2 - The customer sells to the Company the energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities in excess of the customer's total load, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 3 - The customer sells to the Company the total energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities, while simultaneously purchasing from the Company its total load requirements, as determined by appropriate meters located at one delivery point.

**MONTHLY CHARGES FOR DELIVERY FROM THE COMPANY TO THE CUSTOMER**

Such charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the tariff appropriate for the customer, except that Option 1 and Option 2 customers shall be served under demand-metered tariffs, and except that the monthly billing demand under such tariffs shall be the highest determined for the current and previous two billing periods. The above three-month billing demand provision shall not apply under Option 3.

**ADDITIONAL CHARGES**

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

**Monthly Metering Charge**

The additional monthly charge for special metering facilities shall be as follows:

- Option 1 - Not Applicable.

(Cont'd on Sheet No. 18-2)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 21-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 21-1

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

**Availability of Service**

This tariff is available to customers with cogeneration and/or small power production (COGEN/SPP) facilities which qualify under Section 210 of the Public Utility Regulatory Policies Act of 1978, and which have a net power production capacity of over 100 KW. In addition, cogeneration facilities must have a net power production capacity at or below 20,000 KW, and small power production facilities must have a net power production capacity at or below 5,000 KW. Such facilities shall be designed to operate properly in parallel with the Company's system without adversely affecting the operation of equipment and services of the Company and its customers, and without presenting safety hazards to the Company and customer personnel.

The customer has the following options under this tariff, which will affect the determination of energy and capacity and the monthly metering charges:

- Option 1 - The customer does not sell any energy or capacity to the Company, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 2 - The customer sells to the Company the energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities in excess of the customer's total load, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 3 - The customer sells to the Company the total energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities, while simultaneously purchasing from the Company its total load requirements, as determined by appropriate meters located at one delivery point.

**Monthly Charges for Delivery from the Company to the Customer**

Such charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the tariff appropriate for the customer, except that Option 1 and Option 2 customers shall be served under demand-metered tariffs, and except that the monthly billing demand under such tariffs shall be the highest determined for the current and previous two billing periods. The above three-month billing demand provision shall not apply under Option 3.

**Additional Charges**

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

**Monthly Metering Charge**

The additional monthly charge for special metering facilities shall be as follows:

- Option 1 - Not Applicable
- Option 2 & 3 - Where meters are used to measure the excess or total energy and average on peak capacity purchased by the Company:

	<u>Single Phase</u>	<u>Polypphase</u>
Standard Measurement	\$9.25	\$12.10
T.O.D. Measurement	\$9.85	\$12.40

*Continued on Sheet 21-2*

DATE OF ISSUE: June 29, 2023  
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In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 18-2  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 18-2

**TARIFF COGEN/SPP II (Cont'd.)**  
 (Cogeneration and/or Small Power Production--Over 100 kW)

**ADDITIONAL CHARGES (Cont'd.)**

**Monthly Metering Charge (Cont'd)**

Options 2 & 3- Where meters are used to measure the excess or total energy and average on peak capacity purchased by the Company:

	Single Phase	Polyphase
Standard Measurement	\$9.25	\$12.10
T.O.D. Measurement	\$9.85	\$12.40

Under Option 3, when metering voltage for COGEN/SPP facilities is the same as the Company's delivery voltage, the customer shall, at his option, either route the COGEN/SPP totalized output leads through the metering point, or make available at the metering point for the use of the Company and, as specified by the Company, metering current leads which will enable the Company to measure adequately the total electrical energy and average capacity produced by the qualifying COGEN/SPP facilities, as well as to measure the electrical energy consumption and capacity requirements of the customer's total load. When metering voltage for COGEN/SPP facilities is different from the Company's delivery voltage, metering requirements and charges shall be determined specifically for each case.

**Local Facilities Charge**

Additional charges to cover "interconnection costs" incurred by the Company shall be determined by the Company for each case and collected from the customer. For Options 2 and 3, the cost of metering facilities shall be covered by the Monthly Metering Charge and shall not be included in the Local Facilities Charge. The customer shall make a one-time payment for the Local Facilities Charge at the time of installation of the required additional facilities, or, at his option, up to 12 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt. If the customer elects the installment payment option, the Company may require a reasonable security deposit.

**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	Variable LMP at time of delivery c KWH
T.O.D. Meter	
On-Peak KWH	Variable LMP at time of delivery c KWH
Off-Peak KWH	Variable LMP at time of delivery c KWH

(Cont'd on Sheet No. 18-3)

DATE OF ISSUE: April 9, 2021  
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 TITLE: Vice President, Regulatory & Finance  
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 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 21-2  
 CANCELLING P.S.C. KY. NO. SHEET NO. 21-2

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

**Additional Charges Continued**

Under Option 3, when metering voltage for COGEN/SPP facilities is the same as the Company's delivery voltage, the customer shall, at his option, either route the COGEN/SPP totalized output leads through the metering point, or make available at the metering point for the use of the Company and, as specified by the Company, metering current leads which will enable the Company to measure adequately the total electrical energy and average capacity produced by the qualifying COGEN/SPP facilities, as well as to measure the electrical energy consumption and capacity requirements of the customer's total load. When metering voltage for COGEN/SPP facilities is different from the Company's delivery voltage, metering requirements and charges shall be determined specifically for each case.

**Local Facilities Charge**

Additional charges to cover "interconnection costs" incurred by the Company shall be determined by the Company for each case and collected from the customer. For Options 2 and 3, the cost of metering facilities shall be covered by the Monthly Metering Charge and shall not be included in the Local Facilities Charge. The customer shall make a one-time payment for the Local Facilities Charge at the time of installation of the required additional facilities, or, at his option, up to 12 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt. If the customer elects the installment payment option, the Company may require a reasonable security deposit.

**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	Variable LMP at time of delivery g KWH
T.O.D. Meter	
On-Peak KWH	Variable LMP at time of delivery g KWH
Off-Peak KWH	Variable LMP at time of delivery g 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.	2023/2024	\$3.48	kW/month
	2024/2025	\$3.72	kW/month
	2025/2026	\$3.25	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.

Continued on Sheet 21-3

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 18-3  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 18-3

**TARIFF COGEN/SPP II (Cont'd.)**  
**(Cogeneration and/or Small Power Production--Over 100 KW)**

**MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES. (Cont'd.)**

**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
- 2021/2022 \$3.37 kW/month
- 2022/2023 \$3.29 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
- 2021/2022 \$8.09 kW/month
- 2022/2023 \$7.89 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.

**ON-PEAK AND OFF-PEAK PERIODS.**

The on-peak period shall be defined as starting at 7:00 A.M. and ending at 9:00 P.M., local time, Monday through Friday.

The off-peak period shall be defined as starting at 9:00 P.M. and ending at 7:00 A.M., local time, Monday through Friday, and all hours of Saturday and Sunday.

(Cont'd on Sheet No. 18-4)

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TITLE: Vice President, Regulatory & Finance  
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In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 21-3  
CANCELLING P.S.C. KY. NO. SHEET NO. 21-3

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

**Monthly Credits or Payments for Energy and Capacity Deliveries Continued**

If T.O.D. energy meters are used,

- B. 2023/2024 \$8.36 kW/month
- 2024/2025 \$8.92 kW/month
- 2025/2026 \$7.79 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.

**On-Peak and Off-Peak Periods**

The on-peak period shall be defined as starting at 7:00 A.M. and ending at 9:00 P.M., local time, Monday through Friday.

The off-peak period shall be defined as starting at 9:00 P.M. and ending at 7:00 A.M., local time, Monday through Friday, and all hours of Saturday and Sunday.

**Charges for Cancellation or Non Performance Contract**

If the customer should, for a period in excess of six months, discontinue or substantially reduce for any reason the operation of cogeneration and/or small power production facilities which were the basis for the monthly contract capacity or the on-peak contract capacity, the customer shall be liable to the Company for an amount equal to the total difference between the actual payments for capacity paid to the customer and the payments for capacity that would have been paid to the customer pursuant to this Tariff COGEN/SPP II or any successor tariff. The Company shall be entitled to interest on such amount at the rate of the Company's most recent issue of long-term debt at the effective date of the contract.

**Term of Contract**

Contracts under this tariff shall be made for a term not less than five (5) years. A Qualifying Facility can request that avoided cost rates be set on an "as available" basis or when a legally enforceable obligation is established.

DATE OF ISSUE: June 29, 2023  
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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 18-4 T  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 18-4 T

**CHARGES FOR CANCELLATION OR NON PERFORMANCE CONTRACT:**

If the customer should, for a period in excess of six months, discontinue or substantially reduce for any reason the operation of cogeneration and/or small power production facilities which were the basis for the monthly contract capacity or the on-peak contract capacity, the customer shall be liable to the Company for an amount equal to the total difference between the actual payments for capacity paid to the customer and the payments for capacity that would have been paid to the customer pursuant to this Tariff COGEN/SPP II or any successor tariff. The Company shall be entitled to interest on such amount at the rate of the Company's most recent issue of long-term debt at the effective date of the contract.

**TERM OF CONTRACT:**

Contracts under this tariff shall be made for a term not less than five (5) years. A Qualifying Facility can request that avoided cost rates be set on an "as available" basis or when a legally enforceable obligation is established. TN

Tariff COGEN/SPP II is now contained on  
three pages instead of four pages.

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 12-1 T  
CANCELLING P.S.C. KY. NO. 11 2<sup>ND</sup> REVISED SHEET NO. 12-1 T

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

**AVAILABILITY OF SERVICE.**

Available for service to customers who contract for service under the Company's Industrial General Service (I.G.S.) tariff. The Company reserves the right to limit the total contract capacity for all customers served under this Tariff to 75,000 kW.

Loads of new customers locating within the Company's service area or load expansions by existing customers may be offered interruptible service as part of an economic development incentive. Such interruptible service shall not be counted toward the limitation on total interruptible power contract capacity, as specified above, and will not result in a change to the limitation on total interruptible power contract capacity.

**CONDITIONS OF SERVICE.**

The Company will offer eligible customers the option to receive interruptible power service. This interruptible service will be consistent with PJM's Load Management Resource Product – Capacity Performance Demand Response requirement, hereafter referred to as the "PJM Demand Response Program", subject to any limitations on the availability of that Program by PJM. To be eligible for the credit, customers must be able to provide interruptible load (not including behind the meter diesel generation) of at least one (1) MW at a single site and commit to a minimum four (4) year contract term. The contract shall provide that 90 days prior to each contract anniversary date, the customer shall re-nominate the amount of interruptible load for the upcoming contract year, except that the cumulative reductions over the life of the contract shall not exceed 20% of the original interruptible load nominated under the contract. If no re-nomination is received at least 90 days prior to the contract anniversary date, the prior year's interruptible load shall apply for the forthcoming contract year.

Upon receipt of a request from the Customer for interruptible service, the Company will provide the Customer with a written addendum containing the rates and related terms and conditions of service under which such service will be provided by the Company. If the parties reach an agreement based upon the offer provided to the Customer by the Company, such written contract will be filed with the Commission. The contract shall provide full disclosure of all rates, terms and conditions of service under this Tariff, and any and all agreements related thereto, subject to the designation of the terms and conditions of the contract as confidential, as set forth herein.

The Customer shall provide reasonable evidence to the Company that the Customer's electric service can be interrupted in accordance with the provisions of the written agreement including, but not limited to, the specific steps to be taken and equipment to be curtailed upon a request for interruption.

The Customer shall contract for capacity sufficient to meet average maximum interruptible power requirements, but in no event will the interruptible amount contracted for be less than 1,000 KW at any delivery point.

The Company reserves the right to test and verify the customer's ability to curtail. Any such test or verification may require actual physical interruption or curtailment, to the extent such testing or interruption is required under PJM's Demand Response Program.

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.

Except as otherwise provided in the written agreement, the Company's Terms and Conditions of Service shall apply to service under this tariff.

(Cont'd on Sheet No. 12-2)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
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TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 22-1  
CANCELLING P.S.C. KY. NO. 12 2<sup>ND</sup> REVISED SHEET NO. 22-1

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

**Availability of Service**

Available for service to customers who contract for service under the Company's Industrial General Service (I.G.S.) tariff. The Company reserves the right to limit the total contract capacity for all customers served under this Tariff to 75,000 kW.

Loads of new customers locating within the Company's service area or load expansions by existing customers may be offered interruptible service as part of an economic development incentive. Such interruptible service shall not be counted toward the limitation on total interruptible power contract capacity, as specified above, and will not result in a change to the limitation on total interruptible power contract capacity.

**Conditions of Service**

The Company will offer eligible customers the option to receive interruptible power service. This interruptible service will be consistent with PJM's Load Management Resource Product – Capacity Performance Demand Response requirement, hereafter referred to as the "PJM Demand Response Program", subject to any limitations on the availability of that Program by PJM. To be eligible for the credit, customers must be able to provide interruptible load (not including behind the meter diesel generation) of at least one (1) MW at a single site and commit to a minimum four (4) year contract term. The contract shall provide that 90 days prior to each contract anniversary date, the customer shall re-nominate the amount of interruptible load for the upcoming contract year, except that the cumulative reductions over the life of the contract shall not exceed 20% of the original interruptible load nominated under the contract. If no re-nomination is received at least 90 days prior to the contract anniversary date, the prior year's interruptible load shall apply for the forthcoming contract year.

Upon receipt of a request from the Customer for interruptible service, the Company will provide the Customer with a written addendum containing the rates and related terms and conditions of service under which such service will be provided by the Company. If the parties reach an agreement based upon the offer provided to the Customer by the Company, such written contract will be filed with the Commission. The contract shall provide full disclosure of all rates, terms and conditions of service under this Tariff, and any and all agreements related thereto, subject to the designation of the terms and conditions of the contract as confidential, as set forth herein.

The Customer shall provide reasonable evidence to the Company that the Customer's electric service can be interrupted in accordance with the provisions of the written agreement including, but not limited to, the specific steps to be taken and equipment to be curtailed upon a request for interruption.

The Customer shall contract for capacity sufficient to meet average maximum interruptible power requirements, but in no event will the interruptible amount contracted for be less than 1,000 KW at any delivery point.

The Company reserves the right to test and verify the customer's ability to curtail. Any such test or verification may require actual physical interruption or curtailment, to the extent such testing or interruption is required under PJM's Demand Response Program.

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.

Except as otherwise provided in the written agreement, the Company's Terms and Conditions of Service shall apply to service under this tariff.

*Continued on Sheet 22-2*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 12-2 T  
 CANCELLING P.S.C. KY. NO. 11 1<sup>ST</sup> REVISED SHEET NO. 12-2 T

**TARIFF C.S.-I.R.P.  
 (Contract Service - Interruptible Power) (Cont'd.)**

**RATE.**

Credits under this tariff of \$3.68/kW/month will be provided for interruptible load that qualifies under PJM's Demand Response Program rules as capacity for the purpose of the Company's Fixed Resource Requirement (FRR) obligation. T  
 T

Tariff	Tariff Type	Tariff Code Description	Tariff Description
321	IR	CS-IRP SEC	IRP-IGS SECONDARY
330	IR	CS-IRP PR	IRP-IGS PRIMARY
331	IR	CS-IRP ST	IRP-IGS SUBTRANSMISSION
332	IR	CS-IRP TR	IRP-IGS TRANSMISSION

Charges for service under this Tariff will be set forth in the written agreement between the Company and the Customer and will reflect the firm service rates otherwise available to the Customer.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management	Sheet No. 22
Federal Tax Cut Tariff	Sheet No. 23
Kentucky Economic Development Surcharge	Sheet No. 24
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

**DELAYED PAYMENT CHARGE.**

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(Cont'd on Sheet No. 12-3)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 22-2  
 CANCELLING P.S.C. KY. NO. 12 2<sup>ND</sup> REVISED SHEET NO. 22-2

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

**Rate**

Credits under this tariff of \$3.68/kW/month will be provided for interruptible load that qualifies under PJM's Demand Response Program rules as capacity for the purpose of the Company's Fixed Resource Requirement (FRR) obligation.

Tariff	Tariff Type	Tariff Code Description	Tariff Description
321	IR	CS-IRP SEC	IRP-IGS SECONDARY
330	IR	CS-IRP PR	IRP-IGS PRIMARY
331	IR	CS-IRP ST	IRP-IGS SUBTRANSMISSION
332	IR	CS-IRP TR	IRP-IGS TRANSMISSION

Charges for service under this Tariff will be set forth in the written agreement between the Company and the Customer and will reflect the firm service rates otherwise available to the Customer.

**Adjustment Clauses**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

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

**Confidentiality.**

All terms and conditions of any written contract under this Tariff shall be protected from disclosure as confidential, proprietary trade secrets, if either the Customer or the Company requests a Commission determination of confidentiality pursuant to 807 KAR 5:001 Section 7 and the request is granted.

**Special Terms and Conditions**

Except as otherwise provided in the written agreement, this Tariff is subject to the Company's Terms and Conditions of Service.

A Customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the Customer's system irrespective of contrary provisions in Terms and Conditions of Service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 12-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 12-3 T

**TARIFF C.S.-I.R.P.**  
**(Contract Service - Interruptible Power) (Cont'd.)**

**CONFIDENTIALITY.**

All terms and conditions of any written contract under this Tariff shall be protected from disclosure as confidential, proprietary trade secrets, if either the Customer or the Company requests a Commission determination of confidentiality pursuant to 807 KAR 5:001 Section 7 and the request is granted.

**SPECIAL TERMS AND CONDITIONS**

Except as otherwise provided in the written agreement, this Tariff is subject to the Company's Terms and Conditions of Service.

A Customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the Customer's system irrespective of contrary provisions in Terms and Conditions of Service.

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Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

Tariff C.S.-I.R.P. is now contained on  
two pages instead of three pages.

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 36-1 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 36-1 T

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

**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.

(Cont'd On Sheet 36-2)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 23-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 23-1

**Rider D.R.S.**  
**(Demand Response Service)**

**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.**

Continued on Sheet 23-2

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 36-2  
 CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 36-2

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**RIDER D.R.S. (Cont'd)**  
**(Demand Response Service)**

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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.

(Cont'd On Sheet 36-3)

DATE OF ISSUE: April 9, 2021  
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 By Authority of Orders of the Public Service Commission  
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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 23-2  
 CANCELLING P.S.C. KY. NO. \_\_\_\_\_ SHEET NO. XX-X

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**Rider D.R.S. Continued**  
**(Demand Response Service)**

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**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**

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.

DATE OF ISSUE: June 29, 2023  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 36-3  
CANCELLING P.S.C. KY. NO. XX \_\_\_\_\_ SHEET NO. 36-3

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**RIDER D.R.S. (Cont'd)**  
**(Demand Response Service)**

**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.

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DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Rider D.R.S. is now contained on  
two pages instead of three pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 24-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 24-1

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 39-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 39-1

**TARIFF V.C.S.  
(Voluntary Curtailment Service)**

This Rider provides the Customer with the opportunity to reduce their cost of electric service by curtailing usage during Voluntary Curtailment Events requested by the Company. Upon each event, the Customer shall have the option, but not the obligation, to curtail usage at their premises and be compensated by the Company as provided below.

**AVAILABILITY OF SERVICE**

The initial term of this tariff is two (2) years beginning January 28, 2022. Eligible customers must have a curtailable usage of not less than 1,000 kW at the metering point for a single account for electric service, have accounts that are current, and maintain satisfactory credit criteria as defined under the Company's Terms and Conditions under Deposits, Section D. All provisions of the applicable standard tariff for electric service will apply except as modified herein. Customers participating in a third-party demand response program and customers receiving service under special contracts, including COGEN/SPP contracts, are not eligible to participate under this Rider. Customers in this program are also subject to curtailments due to system emergencies in the same manner as all other firm service customers.

**MONTHLY CHARGES AND CREDITS**

Customer's net monthly bill for service provided under this Rider will be calculated in accordance with the Company's applicable rate schedule, with the exception that the Voluntary Curtailment Credit will be applied as a line item on the Customer's bill.

The Voluntary Curtailment Event Hours and the Voluntary Curtailment Price will be quoted to the Customer by no later than 5:00 p.m. ET of the day prior to the Event Day.

The Voluntary Curtailment Price will be based upon the Day-Ahead Market price of energy at the time of the Voluntary Curtailment Event, as determined in the Company's sole judgment, but not less than \$100 per MWh. The AEPKY\_RESID\_AGG LMP shall be used to develop the Voluntary Curtailment Price.

**CONDITIONS OF SERVICE**

1. The Company reserves the right to request a Voluntary Curtailment Event at any time at the Company's sole discretion. The Company will call no more than two (2) Voluntary Curtailment Events per day. The Events must be separated by at least one (1) non-event hour.
2. Customers must request enrollment in the program thirty (30) days before participating in a Voluntary Curtailment Event. A fully executed contract is required before a customer may participate in a Voluntary Curtailment Event.
3. The Company shall notify the Customer of a Voluntary Curtailment Event by e-mail, text or automated phone message. The Customer shall designate their representative(s) to receive said notifications.
4. No responsibility or liability of any kind shall attach to or be incurred by the Company or the AEP System 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 Rider.
5. The Customer shall not receive credit for any curtailment periods in which the Customer's usage is already reduced due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions or any event other than the Customer's normal operating conditions.
6. The Customer's participation in any Company capacity-based demand response program takes priority over this program. No credit shall be given under this program for hours that a customer is responsible for curtailing under another program. An interval meter is required for service under this Rider. The incremental cost of any special metering, communications or control equipment required for service under this Rider beyond that normally provided shall be borne by the Customer.

(Cont'd on Sheet 39-2)

DATE OF ISSUE: December 28, 2021  
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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-XXXX dated XXXX XX, XXXX

**Tariff V.C.S.  
(Voluntary Curtailment Service)**

This Rider provides the Customer with the opportunity to reduce their cost of electric service by curtailing usage during Voluntary Curtailment Events requested by the Company. Upon each event, the Customer shall have the option, but not the obligation, to curtail usage at their premises and be compensated by the Company as provided below.

**Availability of Service**

The initial term of this tariff is two (2) years beginning January 28, 2022. Eligible customers must have a curtailable usage of not less than 1,000 kW at the metering point for a single account for electric service, have accounts that are current, and maintain satisfactory credit criteria as defined under the Company's Terms and Conditions under Deposits, Section D. All provisions of the applicable standard tariff for electric service will apply except as modified herein. Customers participating in a third-party demand response program and customers receiving service under special contracts, including COGEN/SPP contracts, are not eligible to participate under this Rider. Customers in this program are also subject to curtailments due to system emergencies in the same manner as all other firm service customers.

**Monthly Charges and Credits**

Customer's net monthly bill for service provided under this Rider will be calculated in accordance with the Company's applicable rate schedule, with the exception that the Voluntary Curtailment Credit will be applied as a line item on the Customer's bill.

The Voluntary Curtailment Event Hours and the Voluntary Curtailment Price will be quoted to the Customer by no later than 5:00 p.m. ET of the day prior to the Event Day.

The Voluntary Curtailment Price will be based upon the Day-Ahead Market price of energy at the time of the Voluntary Curtailment Event, as determined in the Company's sole judgment, but not less than \$100 per MWh. The AEPKY\_RESID\_AGG LMP shall be used to develop the Voluntary Curtailment Price.

**Conditions of Service**

1. The Company reserves the right to request a Voluntary Curtailment Event at any time at the Company's sole discretion. The Company will call no more than two (2) Voluntary Curtailment Events per day. The Events must be separated by at least one (1) non-event hour.
2. Customers must request enrollment in the program thirty (30) days before participating in a Voluntary Curtailment Event. A fully executed contract is required before a customer may participate in a Voluntary Curtailment Event.
3. The Company shall notify the Customer of a Voluntary Curtailment Event by e-mail, text or automated phone message. The Customer shall designate their representative(s) to receive said notifications.
4. No responsibility or liability of any kind shall attach to or be incurred by the Company or the AEP System 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 Rider.
5. The Customer shall not receive credit for any curtailment periods in which the Customer's usage is already reduced due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions or any event other than the Customer's normal operating conditions.
6. The Customer's participation in any Company capacity-based demand response program takes priority over this program. No credit shall be given under this program for hours that a customer is responsible for curtailing under another program. An interval meter is required for service under this Rider. The incremental cost of any special metering, communications or control equipment required for service under this Rider beyond that normally provided shall be borne by the Customer.

Continued on Sheet 24-2

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 24-2  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 39-2  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 39-2

**TARIFF V.C.S. (Cont'd)**  
**(Voluntary Curtailment Service)**

**CURTAILED DEMAND**

For each Voluntary Curtailment Event, Curtailed Demand shall be defined as the difference between the Customer's Average On-Peak Demand and the maximum sixty (60)-minute integrated demand in kW during the Voluntary Curtailment Event. The Curtailed Demand so computed will not be less than zero (0).

The Company shall determine the Customer's Average On-Peak Demand in kW specified in a contract or contract addendum for service under this Rider. The Customer's Average On-Peak Demand will be reviewed annually. Annual, seasonal or monthly Average On-Peak Demands may be established based upon Customer's historic usage patterns. For the purpose of determining the Average On-Peak Demand, the on-peak period is defined as 7:00 a.m. to 11:00 p.m. ET for all weekdays, Monday through Friday.

**VOLUNTARY CURTAILMENT CREDIT**

For each Voluntary Curtailment Event, the Event Credit shall be the product of the Curtailed Demand, the number of Voluntary Curtailment Event Hours and the Voluntary Curtailment Price.

The Voluntary Curtailment Credit will be the sum of the Event Credits for the calendar month.

The Voluntary Curtailment Credit will be applied to the Customer's bill within forty-five (45) days after the end of the month in which the Voluntary Curtailment Event occurred.

The Voluntary Curtailment Credit applied to the Customer's bill for service will be recorded in the Federal Energy Regulatory Commission's Uniform System of Accounts under Account 555, Purchased Power, and will be recorded in a subaccount so that the separate identity of this amount is preserved.

**NON-COMPLIANCE PROVISION**

There are no charges for non-compliance with a Voluntary Curtailment Event.

**TERM**

Contracts under this Rider shall be made for an initial period of one (1) year and shall remain in effect thereafter until either party provides to the other at least thirty (30) days written notice of its intention to discontinue service under this Rider.

DATE OF ISSUE: December 28, 2021  
DATE EFFECTIVE: Service Rendered On And After January 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-XXXX dated XXXX XX, XXXX

**Tariff V.C.S. Continued**  
**(Voluntary Curtailment Service)**

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**Curtailed Demand**

For each Voluntary Curtailment Event, Curtailed Demand shall be defined as the difference between the Customer's Average On-Peak Demand and the maximum sixty (60)-minute integrated demand in kW during the Voluntary Curtailment Event. The Curtailed Demand so computed will not be less than zero (0).

The Company shall determine the Customer's Average On-Peak Demand in kW specified in a contract or contract addendum for service under this Rider. The Customer's Average On-Peak Demand will be reviewed annually. Annual, seasonal or monthly Average On-Peak Demands may be established based upon Customer's historic usage patterns. For the purpose of determining the Average On-Peak Demand, the on-peak period is defined as 7:00 a.m. to 11:00 p.m. ET for all weekdays, Monday through Friday.

**Voluntary Curtailment Credit**

For each Voluntary Curtailment Event, the Event Credit shall be the product of the Curtailed Demand, the number of Voluntary Curtailment Event Hours and the Voluntary Curtailment Price.

The Voluntary Curtailment Credit will be the sum of the Event Credits for the calendar month.

The Voluntary Curtailment Credit will be applied to the Customer's bill within forty-five (45) days after the end of the month in which the Voluntary Curtailment Event occurred.

The Voluntary Curtailment Credit applied to the Customer's bill for service will be recorded in the Federal Energy Regulatory Commission's Uniform System of Accounts under Account 555, Purchased Power, and will be recorded in a subaccount so that the separate identity of this amount is preserved.

**Non-Compliance Provision**

There are no charges for non-compliance with a Voluntary Curtailment Event.

**Term**

Contracts under this Rider shall be made for an initial period of one (1) year and shall remain in effect thereafter until either party provides to the other at least thirty (30) days written notice of its intention to discontinue service under this Rider.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 37-1 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 37-1 T

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

**AVAILABILITY OF SERVICE.**

To encourage economic development in the Company's service territory, limited-term reductions in billing demand charges described herein are offered to qualifying new and existing retail customers who make application for service under this Rider.

Service under this Economic Development Rider (EDR) is intended for specific types of commercial and industrial customers whose operations, by their nature, will promote sustained economic development based on plant and facilities investment and job creation. Availability is limited to customers on a first-come, first-served basis until such time as a total of 250 MW of new load has been added to Kentucky Power's system under the EDR. The EDR is available to commercial and industrial customers served under Tariffs L.G.S. and I.G.S. who meet the following requirements: T

- (1) A new customer must have at least a monthly maximum billing demand of 500 kW. An existing customer must increase its monthly maximum billing demand by at least 500 kW over the current Base Maximum Billing Demand in order to receive the Incremental Billing Demand Discount (IBDD).
- (2) A new customer, or the business expansion by an existing customer, will receive a Supplemental Billing Demand Discount (SBDD) for creating and sustaining at least 25 new permanent full time jobs over the contract term at the service location. The Company reserves the right to verify job counts. Failure to demonstrate the creation of new employment positions or to maintain the employment during the contract term will result in the termination of the supplemental discount.
- (3) The customer must demonstrate to the Company's satisfaction that, absent the availability of this EDR, the qualifying new or increased electrical demand would be located outside of the Company's service territory or would not be placed in service.

**TERMS AND CONDITIONS.**

- (1) The Company will offer the EDR to qualifying customers with new or increased load when the Company has sufficient generating capacity available. When sufficient generating capacity is not available, the Company will procure the additional capacity on the customer's behalf. The cost of capacity procured on behalf of the customer shall reduce on a dollar-for-dollar basis the customer's IBDD and SBDD. Such reduction shall be capped so that the customer's maximum demand charge shall be the non-discounted tariff demand charge. The reduction will be applied in reverse chronological order beginning with the most recent customer to receive discounted service under this tariff. The last customer to sign up for the EDR tariff would be the first customer responsible for paying the cost of incremental capacity purchases. In any year during the discount period in which the customer pays the full tariff demand charge for all twelve months, the Company will reduce the term of the contract by one year. T
- (2) The new or increased load cannot accelerate the Company's plans for additional generating capacity during the period for which the customer receives a demand discount. Customers receiving Temporary Service are not eligible for this EDR.
- (3) To receive service under this EDR, the customer shall make written application to the Company with sufficient information contained therein to determine the customer's eligibility for service. At a minimum, such information must include: T

(Cont'd on Sheet 37-2)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 25-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 25-1

**Tariff E.D.R.**  
**(Economic Development Rider)**

**Availability of Service**

To encourage economic development in the Company's service territory, limited-term reductions in billing demand charges described herein are offered to qualifying new and existing retail customers who make application for service under this Rider.

Service under this Economic Development Rider (EDR) is intended for specific types of commercial and industrial customers whose operations, by their nature, will promote sustained economic development based on plant and facilities investment and job creation. Availability is limited to customers on a first-come, first-served basis until such time as a total of 250 MW of new load has been added to Kentucky Power's system under the EDR. The EDR is available to commercial and industrial customers served under Tariffs L.G.S. and I.G.S. who meet the following requirements:

- (1) A new customer must have at least a monthly maximum billing demand of 500 kW. An existing customer must increase its monthly maximum billing demand by at least 500 kW over the current Base Maximum Billing Demand in order to receive the Incremental Billing Demand Discount (IBDD).
- (2) A new customer, or the business expansion by an existing customer, will receive a Supplemental Billing Demand Discount (SBDD) for creating and sustaining at least 25 new permanent full time jobs over the contract term at the service location. The Company reserves the right to verify job counts. Failure to demonstrate the creation of new employment positions or to maintain the employment during the contract term will result in the termination of the supplemental discount.
- (3) The customer must demonstrate to the Company's satisfaction that, absent the availability of this EDR, the qualifying new or increased electrical demand would be located outside of the Company's service territory or would not be placed in service.

**Terms and Conditions**

- (1) The Company will offer the EDR to qualifying customers with new or increased load when the Company has sufficient generating capacity available. When sufficient generating capacity is not available, the Company will procure the additional capacity on the customer's behalf. The cost of capacity procured on behalf of the customer shall reduce on a dollar-for-dollar basis the customer's IBDD and SBDD. Such reduction shall be capped so that the customer's maximum demand charge shall be the non-discounted tariff demand charge. The reduction will be applied in reverse chronological order beginning with the most recent customer to receive discounted service under this tariff. The last customer to sign up for the EDR tariff would be the first customer responsible for paying the cost of incremental capacity purchases. In any year during the discount period in which the customer pays the full tariff demand charge for all twelve months, the Company will reduce the term of the contract by one year.
- (2) The new or increased load cannot accelerate the Company's plans for additional generating capacity during the period for which the customer receives a demand discount. Customers receiving Temporary Service are not eligible for this EDR.
- (3) To receive service under this EDR, the customer shall make written application to the Company with sufficient information contained therein to determine the customer's eligibility for service. At a minimum, such information must include: T
  - a. A description and good faith estimate of the new or increased load to be served during each year of the contract,
  - b. The number of new employees or jobs that will be added as a result of the new load,
  - c. A description of the anticipated capital investment,
  - d. A description of all other federal, state or local economic development tax incentives, grants, or any other incentives or assistance associated with the new or expanded project, and
  - e. A statement that without the EDR discount, the customer would locate elsewhere or would choose not to expand within Kentucky Power's service territory.

Continued on Sheet 25-2

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In Case No. 2023-00159 Date XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 37-2 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 37-2 T

**TARIFF E.D.R. (Cont'd)**  
**(Economic Development Rider)**

**TERMS AND CONDITIONS-(Cont'd).**

- a. A description and good faith estimate of the new or increased load to be served during each year of the contract, T
  - b. The number of new employees or jobs that will be added as a result of the new load, T
  - c. A description of the anticipated capital investment, T
  - d. A description of all other federal, state or local economic development tax incentives, grants, or any other incentives or assistance associated with the new or expanded project, and T
  - e. A statement that without the EDR discount, the customer would locate elsewhere or would choose not to expand within Kentucky Power's service territory. T
- (3) For new and existing customers, billing demands for which reductions will be applicable under this EDR shall be for service at a new service location or expanded production at an existing facility and not merely the result of a change of ownership. Relocation of the delivery point of the Company's service, moving existing equipment from another Company-served location or load transfers from another Company-served location do not qualify as a new service location. Relocating existing facilities from within the Company's service territory shall not disqualify the customer from the IBDD as long as the new relocated facility exceeds the Base Maximum Billing Demand of the previous facility by the minimum required amount. T
- (4) For existing customers, billing demands for which deductions will be applicable under this EDR shall be the result of an increase in business activity and not merely the result of resumption of normal operations following a force majeure, strike, equipment failure, renovation or refurbishment, or other such abnormal operating condition. In the event that such an occurrence has taken place prior to the date of the application by the customer for service under this EDR, the monthly Base Maximum Billing Demand shall be adjusted as appropriate for this analysis to eliminate the effects of such occurrence. T
- (5) Service under the EDR will be offered under the applicable Tariff L.G.S. or I.G.S. schedule. An EDR will be filed as a Special Contract and must be approved by the Kentucky Public Service Commission before it can be implemented. The total contract period is equal to twice the number of years for which the customer receives a demand discount. The special contract term will be for two (2), four (4) six (6), eight (8), or ten (10) years only. T
- (6) The IBDD and the SBDD, if applicable, begin when the customer's new or expanded operations are billed for service under this Rider. Temporary jobs created during the construction of new facilities or the expansion phase of existing operations are not eligible to be counted as permanent jobs for the purposes of this EDR. T
- (7) If construction of new or expanded local distribution and/or transmission related facilities by the Company is required in order to provide the additional service, the customer may be required to make a contribution-in-aid of construction (CIAC) for the installed cost of such facilities pursuant to the provisions of the Company's Terms and Conditions of Service. The total cost of the CIAC, including gross-up by the effect of applicable taxes, will be recovered over the life of the EDR contract period, with no less than 80% recovered during the period for which the customer receives a demand discount. If the customer breaches the terms of the contract or ends the contract prematurely, any unpaid contribution-in-aid of construction must be paid to the Company, and any EDR discounts provided to the customer must be repaid to the Company. CIAC payment provided under this Rider supersedes other payment provisions only in the Company's Terms and Conditions Sheet 2-5 Section 9. T

(Cont'd on Sheet 37-3)

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 25-2  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff E.D.R. Continued**  
**(Economic Development Rider)**

**Terms and Conditions Continued**

- (4) For new and existing customers, billing demands for which reductions will be applicable under this EDR shall be for service at a new service location or expanded production at an existing facility and not merely the result of a change of ownership. Relocation of the delivery point of the Company's service, moving existing equipment from another Company-served location or load transfers from another Company-served location do not qualify as a new service location. Relocating existing facilities from within the Company's service territory shall not disqualify the customer from the IBDD as long as the new relocated facility exceeds the Base Maximum Billing Demand of the previous facility by the minimum required amount. T
- (5) For existing customers, billing demands for which deductions will be applicable under this EDR shall be the result of an increase in business activity and not merely the result of resumption of normal operations following a force majeure, strike, equipment failure, renovation or refurbishment, or other such abnormal operating condition. In the event that such an occurrence has taken place prior to the date of the application by the customer for service under this EDR, the monthly Base Maximum Billing Demand shall be adjusted as appropriate for this analysis to eliminate the effects of such occurrence. T
- (6) Service under the EDR will be offered under the applicable Tariff L.G.S. or I.G.S. schedule. An EDR will be filed as a Special Contract and must be approved by the Kentucky Public Service Commission before it can be implemented. The total contract period is equal to twice the number of years for which the customer receives a demand discount. The special contract term will be for two (2), four (4) six (6), eight (8), or ten (10) years only. T
- (7) The IBDD and the SBDD, if applicable, begin when the customer's new or expanded operations are billed for service under this Rider. Temporary jobs created during the construction of new facilities or the expansion phase of existing operations are not eligible to be counted as permanent jobs for the purposes of this EDR. T
- (8) If construction of new or expanded local distribution and/or transmission related facilities by the Company is required in order to provide the additional service, the customer may be required to make a contribution-in-aid of construction (CIAC) for the installed cost of such facilities pursuant to the provisions of the Company's Terms and Conditions of Service. The total cost of the CIAC, including gross-up by the effect of applicable taxes, will be recovered over the life of the EDR contract period, with no less than 80% recovered during the period for which the customer receives a demand discount. If the customer breaches the terms of the contract or ends the contract prematurely, any unpaid contribution-in-aid of construction must be paid to the Company, and any EDR discounts provided to the customer must be repaid to the Company. CIAC payment provided under this Rider supersedes other payment provisions only in the Company's Terms and Conditions Sheet 2-5 Section 9. T
- (9) The L.G.S., and I.G.S. tariffs each contain a monthly minimum billing demand charge provision. The minimum demand charge provision is waived for EDR customers for up to 36 months depending upon the length of the contract. The provision is waived for the first 36 months of a 10 year contract, the first 24 months of an 8 year contract and the first 12 months of a 6 year contract. If during the special contract discount period, the customer's monthly demand falls below the minimum billing demand level for four (4) consecutive months or six (6) months total in a contract year, then the EDR discount will not be applied and the appropriate tariff minimum billing demand charge provision will be in force until the customer achieves the minimum billing demand level. Applicable EDR discounts will be applied to the qualifying incremental maximum billing demand only and will appear as a separate line item on the customer's bill. T

Continued on Sheet 25-3

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TITLE: Vice President, Regulatory & Finance  
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In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 37-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 37-3 T

**TARIFF E.D.R. (Cont'd)**  
**(Economic Development Rider)**

**TERMS AND CONDITIONS (Cont'd).**

- (8) The L.G.S., and I.G.S. tariffs each contain a monthly minimum billing demand charge provision. The minimum demand charge provision is waived for EDR customers for up to 36 months depending upon the length of the contract. The provision is waived for the first 36 months of a 10 year contract, the first 24 months of an 8 year contract and the first 12 months of a 6 year contract. If during the special contract discount period, the customer's monthly demand falls below the minimum billing demand level for four (4) consecutive months or six (6) months total in a contract year, then the EDR discount will not be applied and the appropriate tariff minimum billing demand charge provision will be in force until the customer achieves the minimum billing demand level. Applicable EDR discounts will be applied to the qualifying incremental maximum billing demand only and will appear as a separate line item on the customer's bill.

**DETERMINATION OF MONTHLY QUALIFYING INCREMENTAL BILLING DEMAND.**

For the purposes of this Rider, the monthly qualifying incremental billing demand will be calculated in the following manner:

Where the new qualifying incremental demand resides in new facilities (or separate facilities for existing customers), those facilities may be metered on a separate meter according to Tariffs L.G.S., I.G.S., for the current billing period and the incremental billing demand will be calculated based upon that facility's meter readings.

Where the new qualifying incremental demand resides in a customer's existing facility with sufficient service and metering capability to accommodate the business expansion, the qualifying incremental billing demand is equal to demand in excess of the Base Maximum Billing Demand. The Base Maximum Billing Demand for each billing month will be calculated by the Company as the average of the previous three years, corresponding month maximum billing demands, subject to Terms and Conditions Items (3) and (4), and will be agreed to by the customer in advance.

**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 charges 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:

- (a) For the twelve consecutive monthly billings of the first contract year, the qualifying incremental billing demand charge shall be reduced by 50% from the applicable tariff L.G.S. or I.G.S., demand charge; T
- (b) For the twelve consecutive monthly billings of the second contract year, the qualifying incremental billing demand charge shall be reduced by 40% from the applicable tariff L.G.S. or I.G.S., demand charge; T
- (c) For the twelve consecutive monthly billings of the third contract year, the qualifying incremental billing demand charge shall be reduced by 30% from the applicable tariff L.G.S. or I.G.S., demand charge; T

(Cont'd on Sheet 37-4)

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TITLE: Vice President, Regulatory & Finance  
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In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 25-3  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff E.D.R. Continued**  
**(Economic Development Rider)**

**Determination of Monthly Qualifying Incremental Billing Demand**

For the purposes of this Rider, the monthly qualifying incremental billing demand will be calculated in the following manner:

Where the new qualifying incremental demand resides in new facilities (or separate facilities for existing customers), those facilities may be metered on a separate meter according to Tariffs L.G.S., I.G.S., for the current billing period and the incremental billing demand will be calculated based upon that facility's meter readings.

Where the new qualifying incremental demand resides in a customer's existing facility with sufficient service and metering capability to accommodate the business expansion, the qualifying incremental billing demand is equal to demand in excess of the Base Maximum Billing Demand. The Base Maximum Billing Demand for each billing month will be calculated by the Company as the average of the previous three years, corresponding month maximum billing demands, subject to Terms and Conditions Items (3) and (4), and will be agreed to by the customer in advance.

**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:

- (a) For the twelve consecutive monthly billings of the first contract year, the qualifying incremental billing demand charge shall be reduced by 50% from the applicable tariff L.G.S. or I.G.S., demand charge;
- (b) For the twelve consecutive monthly billings of the second contract year, the qualifying incremental billing demand charge shall be reduced by 40% from the applicable tariff L.G.S. or I.G.S., demand charge;
- (c) For the twelve consecutive monthly billings of the third contract year, the qualifying incremental billing demand charge shall be reduced by 30% from the applicable tariff L.G.S. or I.G.S., demand charge;
- (d) For the twelve consecutive monthly billings of the fourth contract year, the qualifying incremental billing demand charge shall be reduced by 20% from the applicable tariff L.G.S. or I.G.S., demand charge, but shall not be less than the applicable tariff rate schedule minimum billing demand;
- (e) For the twelve consecutive monthly billings of the fifth contract year, the qualifying incremental billing demand charge shall be reduced by 10% from the applicable tariff L.G.S. or I.G.S., demand charge, but shall not be less than the applicable tariff rate schedule minimum billing demand; and
- (f) All subsequent monthly billings shall be at the full charges stated in the applicable tariff rate schedule for contract years six (6) through ten (10).

The starting point for the IBDD is dependent upon the length of contract: i.e., an eight (8) year contract will have four (4) years of discount and a maximum annual IBDD of 40% in one year. Similarly, a six (6) year contract will have three (3) years of discount and a maximum annual IBDD of 30% in one year.

*Continued on Sheet 25-4*

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TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 37-4 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 37-4 T

**TARIFF E.D.R. (Cont'd)**  
**(Economic Development Rider)**

**DETERMINATION OF INCREMENTAL BILLING DEMAND DISCOUNT (Cont'd).**

- (d) For the twelve consecutive monthly billings of the fourth contract year, the qualifying incremental billing demand charge shall be reduced by 20% from the applicable tariff L.G.S. or I.G.S., demand charge, but shall not be less than the applicable tariff rate schedule minimum billing demand; T
- (e) For the twelve consecutive monthly billings of the fifth contract year, the qualifying incremental billing demand charge shall be reduced by 10% from the applicable tariff L.G.S. or I.G.S., demand charge, but shall not be less than the applicable tariff rate schedule minimum billing demand; and T
- (f) All subsequent monthly billings shall be at the full charges stated in the applicable tariff rate schedule for contract years six (6) through ten (10).

The starting point for the IBDD is dependent upon the length of contract: i.e., an eight (8) year contract will have four (4) years of discount and a maximum annual IBDD of 40% in one year. Similarly, a six (6) year contract will have three (3) years of discount and a maximum annual IBDD of 30% in one year. T

**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 T

- (a) For the twelve consecutive monthly billings of the first contract year, the qualifying incremental billing demand charge shall be reduced an additional 5% for an increase of at least 50 jobs or 2.5% for an increase of at least 25 jobs; T
- (b) For the twelve consecutive monthly billings of the second contract year, the qualifying incremental billing demand charge shall be reduced an additional 4.5% for an increase of at least 50 jobs or 2.0% for an increase of at least 25 jobs.
- (c) For the twelve consecutive monthly billings of the third contract year, the qualifying incremental billing demand charge shall be reduced an additional 4% for an increase of at least 50 jobs or 1.5% for an increase of at least 25 jobs;
- (d) For the twelve consecutive monthly billings of the fourth contract year, the qualifying incremental billing demand charge shall be reduced an additional 3.5% for an increase of at least 50 jobs or 1.0% for an increase of at least 25 jobs;

(Cont'd on Sheet 37-5)

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In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 25-4  
CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff E.D.R. Continued**  
**(Economic Development Rider)**

**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:

- (a) For the twelve consecutive monthly billings of the first contract year, the qualifying incremental billing demand charge shall be reduced an additional 5% for an increase of at least 50 jobs or 2.5% for an increase of at least 25 jobs;
- (b) For the twelve consecutive monthly billings of the second contract year, the qualifying incremental billing demand charge shall be reduced an additional 4.5% for an increase of at least 50 jobs or 2.0% for an increase of at least 25 jobs;
- (c) For the twelve consecutive monthly billings of the third contract year, the qualifying incremental billing demand charge shall be reduced an additional 4% for an increase of at least 50 jobs or 1.5% for an increase of at least 25 jobs;
- (d) For the twelve consecutive monthly billings of the fourth contract year, the qualifying incremental billing demand charge shall be reduced an additional 3.5% for an increase of at least 50 jobs or 1.0% for an increase of at least 25 jobs;
- (e) For the twelve consecutive monthly billings of the fifth contract year, the qualifying incremental billing demand charge shall be reduced an additional 3% for an increase of at least 50 jobs or 0.5% for an increase of at least 25 jobs; and
- (f) All subsequent monthly billings shall be at the full charges stated in the applicable tariff rate schedule for contract years six (6) through ten (10)

The length of the SBDD shall be identical to the length of the IBDD. The starting point for the discount will be commensurate with the contract length, i.e., an eight (8) year contract will have four (4) years of discount with a maximum SBDD of either 4.5% or 2.0% as appropriate during one year of the contract.

The appropriate discount(s) shall be applicable over a period of up to 60 consecutive billing months as selected by the Customer in 12-month increments at the time of the contract.

**Terms of Contract**

A contract or agreement addendum for service under this Rider, in addition to service under Tariffs L.G.S. or I.G.S., shall be executed by the Customer and the Company for the time period which includes the start-up period and the multi-year period during which a Total Demand Charge discount is in effect and an equal multi-year period during which the customer agrees to pay the full rates in the applicable Tariff rate schedule.

At a minimum, the contract or agreement addendum shall specify the Base Maximum Billing Demand, the anticipated annual total qualifying demand, the Adjustment Factor and related provisions to be applicable under this Rider, and the effective date for the contract addendum.

The customer may discontinue service under this Rider before the end of the contract or agreement addendum only by reimbursing the Company for any and all demand reductions received under this Rider when billed at the applicable tariff schedule rate.

**Special Terms and Conditions**

Except as otherwise provided in this Rider, written agreements shall remain subject to all of the provisions of the applicable tariffs. This Rider is subject to the Company's Terms and Conditions of Service.

DATE OF ISSUE: June 29, 2023  
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ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 37-5 T  
CANCELLING P.S.C. KY. NO. 11 1<sup>st</sup> REVISED SHEET NO. 37-5 T

**TARIFF E.D.R. (Cont'd)**  
**(Economic Development Rider)**

**DETERMINATION OF SUPPLEMENTAL BILLING DEMAND DISCOUNT (Cont'd).**

(e) For the twelve consecutive monthly billings of the fifth contract year, the qualifying incremental billing demand charge shall be reduced an additional 3% for an increase of at least 50 jobs or 0.5% for an increase of at least 25 jobs; and T

(f) All subsequent monthly billings shall be at the full charges stated in the applicable tariff rate schedule for contract years six (6) through ten (10) T

The length of the SBDD shall be identical to the length of the IBDD. The starting point for the discount will be commensurate with the contract length, i.e., an eight (8) year contract will have four (4) years of discount with a maximum SBDD of either 4.5% or 2.0% as appropriate during one year of the contract. T

The appropriate discount(s) shall be applicable over a period of up to 60 consecutive billing months as selected by the Customer in 12-month increments at the time of the contract. T

**TERMS OF CONTRACT.**

A contract or agreement addendum for service under this Rider, in addition to service under Tariffs L.G.S. or I.G.S., shall be executed by the Customer and the Company for the time period which includes the start-up period and the multi-year period during which a Total Demand Charge discount is in effect and an equal multi-year period during which the customer agrees to pay the full rates in the applicable Tariff rate schedule. T

At a minimum, the contract or agreement addendum shall specify the Base Maximum Billing Demand, the anticipated annual total qualifying demand, the Adjustment Factor and related provisions to be applicable under this Rider, and the effective date for the contract addendum.

The customer may discontinue service under this Rider before the end of the contract or agreement addendum only by reimbursing the Company for any and all demand reductions received under this Rider when billed at the applicable tariff schedule rate.

**SPECIAL TERMS AND CONDITIONS.**

Except as otherwise provided in this Rider, written agreements shall remain subject to all of the provisions of the applicable tariffs. This Rider is subject to the Company's Terms and Conditions of Service.

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

Tariff E.D.R. is now contained on  
four pages instead of five pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 25-1 T  
CANCELLING P.S.C. KY. NO. 11 1<sup>ST</sup> REVISED SHEET NO. 25-1 T

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

Proceeds of the charge and matching Company contributions will be used to provide financial assistance to eligible residential customers for electric bills during peak heating months (January through April).

**Applicable**

To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D.2

**Rate**

\$0.30 per month per residential account.

**Programs**

Participation in the programs below will be determined by the residential customer's local community action agency in accordance with guidelines approved by the Commission and the availability of funds. Customer participation is limited to one program each calendar year.

**Home Energy Assistance in Reduced Temperatures (HEART)**

Participating low-income residential customers, whose primary source of heat is electric, are eligible to receive an electric bill credit of \$115.00 a month for bills rendered in January through April.

Participating low-income residential customers, whose primary source of heat is non-electric, are eligible to receive an electric bill credit of \$58.00 a month for bills rendered in January through April.

**Temporary Heating Assistance in Winter (THAW)**

Participating residential customers, who are experiencing temporary economic hardships, are eligible to receive electric bill credits totaling no more than \$175.00 for bills rendered in January through April in any single calendar year.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 26-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 26-1

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

Proceeds of the charge and matching Company contributions will be used to provide financial assistance to eligible residential customers fix electric bills during peak hearing months (January through April).

**Applicable**

To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D.2

**Rate**

\$0.40 per month per residential account.

**Programs**

Participation in the programs below will be determined by the residential customer's local community action agency in accordance with guidelines approved by the Commission and the availability of funds. Customer participation is limited to one program each calendar year.

**Home Energy Assistance in Reduced Temperatures (HEART)**

Participating low-income residential customers, whose primary source of heat is electric, are eligible to receive an electric bill credit of \$115.00 a month for bills rendered in January through April.

Participating low-income residential customers, whose primary source of heat is non-electric, are eligible to receive an electric bill credit of \$58.00 a month for bills rendered in January through April.

**Temporary Heating Assistance in Winter (THAW)**

Participating residential customers, who are experiencing temporary economic hardships, are eligible to receive electric bill credits totaling no more than \$175.00 for bills rendered in January through April in any single calendar year.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 24-1 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 24-1 T

**Tariff K.E.D.S.**  
**(Kentucky Economic Development Surcharge)**

Proceeds of the surcharge and matching Company contributions will be used to fund economic development programs and activities as determined by the Company within the 20 counties comprising Kentucky Power's certified territory.

**Applicable**

To Tariffs 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. – Coal, C.S. – I.R.P., M.W.

**Rate**

\$1.00 per month per commercial account.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 27-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 27-1

**Tariff K.E.D.S.**  
**(Kentucky Economic Development Surcharge)**

Proceeds of the surcharge and matching Company contributions will be used to fund economic development programs and activities as determined by the Company within the 20 counties comprising Kentucky Power's certified territory.

**Applicable**

To Tariffs 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.

**Rate**

\$1.00 per month per commercial account.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 22-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 22-1

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

**APPLICABLE:**

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

**RATE:**

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

$$\text{Adjustment Factor} = \frac{\text{DSM (c)}}{\text{S(c)}}$$

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

- Demand-Side Management (DSM) costs shall be the most recent forecasted cost plus any over/under recovery balances recorded at the end of the previous period.
  - Program costs are any costs the Company incurred associated with demand-side management which were approved by the Kentucky Power Company DSM Collaborative. Examples of costs to be included are contract services, allowances, promotion, expenses, evaluation, lease expense, etc. by customer sector.
  - Net lost revenues are the calculated net lost revenues by customer sector resulting from the implementation of the DSM programs.
  - Incentives are a shared-savings incentive plan consisting of one of the following elements: The efficiency incentive, which is defined as 15 percent of the estimated net savings associated with the programs. Estimated net savings are calculated based on the California Standard Practice Manual's definition of the Total Resources Cost (TRC) test, or the maximizing incentive which is defined as 5 percent of actual program expenditures if program savings cannot be measured.
  - Over/Under recovery balances are the total of the differences between the following:
    - the actual program costs incurred versus the program costs recovered through DSM adjustment clause, and
    - the calculated net lost revenues realized versus the net lost revenues recovered through the DSM adjustment clause, and
    - the calculated incentive to be recovered versus the incentive recovered through the DSM adjustment clause.
- Sales (S) shall be the total ultimate KWH sales by customer sector less non-metered, opt-out and lost revenue impact KWHs by customer sector.
- The provisions of the Demand-Side Management Adjustment Clause will be effective for the period ending December 31, 2023. (Cont'd on Sheet No. 22-2)

DATE OF ISSUE: January 24, 2023  
 DATE EFFECTIVE: Service Rendered On And After January 1, 2023  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority Of an Order of the Public Service Commission  
 In Case No. 2022-00392 Dated January 6, 2023

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 28-1  
 CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 28-1

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

**Applicable**

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

**Rate**

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

$$\text{(c) Adjustment Factor} = \frac{\text{DSM}}{\text{S(c)}}$$

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

- Demand-Side Management (DSM) costs shall be the most recent forecasted cost plus any over/under recovery balances recorded at the end of the previous period.
  - Program costs are any costs the Company incurred associated with demand-side management which were approved by the Kentucky Power Company DSM Collaborative. Examples of costs to be included are contract services, allowances, promotion, expenses, evaluation, lease expense, etc. by customer sector.
  - Net lost revenues are the calculated net lost revenues by customer sector resulting from the implementation of the DSM programs.
  - Incentives are a shared-savings incentive plan consisting of one of the following elements: The efficiency incentive, which is defined as 15 percent of the estimated net savings associated with the programs. Estimated net savings are calculated based on the California Standard Practice Manual's definition of the Total Resources Cost (TRC) test, or the maximizing incentive which is defined as 5 percent of actual program expenditures if program savings cannot be measured.
  - Over/Under recovery balances are the total of the differences between the following:
    - the actual program costs incurred versus the program costs recovered through DSM adjustment clause, and
    - the calculated net lost revenues realized versus the net lost revenues recovered through the DSM adjustment clause, and
    - the calculated incentive to be recovered versus the incentive recovered through the DSM adjustment clause.
- Sales (S) shall be the total ultimate KWH sales by customer sector less non-metered, opt-out and lost revenue impact KWHs by customer sector.
- The provisions of the Demand-Side Management Adjustment Clause will be effective for the period ending December 31, 2023.
- The DSM adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.

*Continued on Sheet 28-2*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 22-2  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 22-2

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

**RATE (Cont'd.)**

5. The DSM adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.
6. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.
7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

CUSTOMER SECTOR

	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL*</u>	
<u>DSM (c)</u>	\$479,489	\$181,893	- 0 -	T
<u>S (c)</u>	1,943,627,965	1,448,924,338	- 0 -	T
Adjustment Factor	\$ 0.000247	\$ 0.000126	- 0 -	

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

**PROGRAM DESCRIPTIONS.**

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

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

DATE OF ISSUE: January 24, 2023  
 DATE EFFECTIVE: Service Rendered On And After January 1, 2023  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority Of an Order of the Public Service Commission  
 In Case No. 2022-00392 Dated January 6, 2023

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 28-2  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-2

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

**Rate Continued**

6. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.
7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

	<u>Customer Sector</u>		
	<u>Residential</u>	<u>Commercial</u>	<u>Industrial*</u>
<u>DSM(c)</u>	\$479,489	\$181,893	0
<u>S(c)</u>	1,943,627,965	1,448,924,338	0
Adjustment Factor	\$0.000247	\$0.000126	0

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

**Program Descriptions**

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

Continued on Sheet 28-3

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 22-3 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 22-3 T

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

PROGRAM: TEE – Targeted Energy Efficiency

AVAILABILITY OF SERVICE

Available on a voluntary basis to individual residential customers receiving retail electric service from the Company, who have primary electric heat and use an average of 700 kWh per month. Residential customers without primary electric heating may also be eligible for limited efficiency measures if they have electric water heating and use an average of 700 kWh per month from November through March. To qualify, the household's income cannot exceed the designated poverty guidelines as administered by the local community action agency.

PROGRAM DESCRIPTION

The Kentucky Power Targeted Energy Efficiency Program (TEE) provides weatherization and energy efficiency services to qualifying residential customers who need help reducing their energy bills. The Company provides funding for this program through the Kentucky Community Action network of not-for-profit community action agencies. The program funding and service is supplemental to the Weatherization Assistance Programs offered by the local community action agency. This program provides energy saving improvements to an existing home. Program services include residential energy audits, the installation of home weatherization/energy conservation items and customer education on home energy efficiency. The home weatherization/energy conservation measures may include, but not limited to:

- High efficiency lighting
- Domestic hot water pipe insulation
- Water heater insulation wrap (electric DHW only)
- Low flow showerhead
- Low flow faucet aerator
- Air and duct sealing (electric heat only)
- Insulation (electric heat only)
- Efficient windows and doors
- Air source heat pump

RATE

No rate applies for this program.

EQUIPMENT

The Kentucky Community Action network of not-for-profit community action agencies will furnish and install, in the customer's presence, the equipment as provided by this program.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
in Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 28-3  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 28-3

Tariff D.S.M.C. Continued  
(Demand-Side Management Adjustment Clause)

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Program: TEE – Targeted Energy Efficiency

Availability of Service

Available on a voluntary basis to individual residential customers receiving retail electric service from the Company, who have primary electric heat and use an average of 700 kWh per month. Residential customers without primary electric heating may also be eligible for limited efficiency measures if they have electric water heating and use an average of 700 kWh per month from November through March. To qualify, the household's income cannot exceed the designated poverty guidelines as administered by the local community action agency.

Program Description

The Kentucky Power Targeted Energy Efficiency Program (TEE) provides weatherization and energy efficiency services to qualifying residential customers who need help reducing their energy bills. The Company provides funding for this program through the Kentucky Community Action network of not-for-profit community action agencies. The program funding and service is supplemental to the Weatherization Assistance Programs offered by the local community action agency. This program provides energy saving improvements to an existing home. Program services include residential energy audits, the installation of home weatherization/energy conservation items and customer education on home energy efficiency. The home weatherization/energy conservation measures may include, but not limited to:

- High efficiency lighting
- Domestic hot water pipe insulation
- Water heater insulation wrap (electric DHW only)
- Low flow showerhead
- Low flow faucet aerator
- Air and duct sealing (electric heat only)
- Insulation (electric heat only)
- Efficient windows and doors
- Air source heat pump

Rate

No rate applies for this program.

Equipment

The Kentucky Community Action network of not-for-profit community action agencies will furnish and install, in the customer's presence, the equipment as provided by this program.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
in Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 19-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 19-1

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

**APPLICABLE.**

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

**RATE.**

- When the annual net revenues from system sales are above or below the annual base net revenues from system sales, as provided in paragraph 2 below, an additional credit or charge equal to the product of the KWHs and a system sales adjustment factor (A) shall be made, where "A", calculated to the nearest 0.0001 mill per kilowatt-hour, is defined as set forth below.

$$\text{Annual System Sales Adjustment Factor (A)} = (1.0 [Ta - Tb + U/a]) / Sa$$

In the above formula "T" is Kentucky Power Company's (KPCo) annual net revenues from system sales in the current annual (a), base (b) periods, and "S" is the KWH sales in the current annual (a) period, all defined below. "U/a" represents any under-or-over recovery from the prior period.

The applicable rate for service rendered on and after September 28, 2021, calculated in accordance with the above formula, is \$(0.00066) per kWh.

- The net revenue from KPCo's sales to non-associated companies as reported in the FERC Energy Regulatory Commission's Uniform System of Accounts under Account 447, Sales for Resale, shall consist of and be derived as follows:
  - KPCo's total revenues from system sales as recorded in Account 447, less b. and c. below.
  - KPCo's total out-of-pocket costs incurred in supplying the power and energy for the sales in a. above.  
  
The out-of-pocket costs include all operating, maintenance, tax, transmission losses and other expenses that would not have been incurred if the power and energy had not been supplied for such sales, including demand and energy charges for power and energy supplied by Third Parties.
  - KPCo's environmental costs allocated to non-associated utilities in the Company's Environmental Surcharge Report.

(Cont'd on Sheet No. 19-2)

DATE OF ISSUE: August 9, 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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 29-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 29-1

**Tariff S.S.C.**  
**(System Sales Clause)**

**Applicable**

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

**Rate**

- When the annual net revenues from system sales are above or below the annual base net revenues from system sales, as provided in paragraph 2 below, an additional credit or charge equal to the product of the KWHs and a system sales adjustment factor (A) shall be made, where "A", calculated to the nearest 0.0001 mill per kilowatt-hour, is defined as set forth below.

$$\text{Annual System Sales Adjustment Factor (A)} = (1.0 [Ta - Tb + U/a]) / Sa$$

In the above formula "T" is Kentucky Power Company's (KPCo) annual net revenues from system sales in the current annual (a), base (b) periods, and "S" is the KWH sales in the current annual (a) period, all defined below. "U/a" represents any under-or-over recovery from the prior period.

The applicable rate for service rendered on and after September 28, 2021, calculated in accordance with the above formula, is \$(0.00066) per kWh.

- The net revenue from KPCo's sales to non-associated companies as reported in the FERC Energy Regulatory Commission's Uniform System of Accounts under Account 447, Sales for Resale, shall consist of and be derived as follows:
  - KPCo's total revenues from system sales as recorded in Account 447, less b. and c. below.
  - KPCo's total out-of-pocket costs incurred in supplying the power and energy for the sales in a. above.  
  
The out-of-pocket costs include all operating, maintenance, tax, transmission losses and other expenses that would not have been incurred if the power and energy had not been supplied for such sales, including demand and energy charges for power and energy supplied by Third Parties.
  - KPCo's environmental costs allocated to non-associated utilities in the Company's Environmental Surcharge Report.
- The base annual net revenues from system sales are: \$ 1,935,350
- Sales (S) shall be equated to the sum of (a) generation (including energy produced by generating plant during the construction period), (b) purchase, and (c) interchange-in, less (d) energy associated with pumped storage operations, less (e) inter-system sales and less (f) total system losses.
- The system sales adjustment factor shall be based upon actual annual revenues and costs for system sales, subject to subsequent adjustment upon final determination of actual revenues and costs.
- The annual System Sales Clause shall be filed with the Commission no later than August 15th of each year before it is scheduled to go into effect on Cycle 1 of the October billing cycle. The Company shall update the Annual System Sales Adjustment Factor for the period ending June 30, 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.
- Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 19-2 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 19-2 T

**TARIFF S. S. C. (Cont'd.)  
(System Sales Clause)**

3. The base annual net revenues from system sales are: \$ 7,326,879 T
4. Sales (S) shall be equated to the sum of (a) generation (including energy produced by generating plant during the construction period), (b) purchase, and (c) interchange-in, less (d) energy associated with pumped storage operations, less (e) inter-system sales and less (f) total system losses.
5. The system sales adjustment factor shall be based upon actual annual revenues and costs for system sales, subject to subsequent adjustment upon final determination of actual revenues and costs.
6. The annual System Sales Clause shall be filed with the Commission no later than August 15<sup>th</sup> of each year before it is scheduled to go into effect on Cycle 1 of the October billing cycle. The Company shall update the Annual System Sales Adjustment Factor for the period ending June 30, 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 under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.

Tariff S.S.C. is now contained on  
a single page instead of two pages.

DATE OF ISSUE: April 9, 2021

DATE EFFECTIVE: Service Rendered On And After January 14, 2021

ISSUED BY: /s/ Brian K. West

TITLE: Vice President, Regulatory & Finance

By Authority of Orders of the Public Service Commission

In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>ND</sup> REVISED SHEET NO. 5-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 5-1

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

**APPLICABLE:**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D. 2, R.S.D., 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:**

- The fuel clause shall provide for periodic adjustment per kWh of sales equal to the difference between the fuel costs per kWh of sales in the base period and in the current period according to the following formula:

$$\text{Adjustment Factor} = \frac{F(m) - F(b)}{S(m) S(b)}$$

Where F is the expense of fossil fuel in the base (b) and current (m) periods; and S is sales in the base (b) and current (m) periods, all as defined below:

- F(b)/S(b) shall be so determined that on the effective date of the Commission's approval of the utility's application of the formula, the resultant adjustment will be equal to zero (0).
- Fuel costs (F) shall be the most recent actual monthly cost of:
  - Fossil fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of the fuel related substitute generation, plus
  - The actual identifiable fossil and nuclear fuel costs [if not known--the month used to calculate fuel (F), shall be deemed to be the same as the actual unit cost of the Company generation in the month said calculations are made. When actual costs become known, the difference, if any, between fuel costs (F) as calculated using such actual unit costs and the fuel costs (F) used in that month shall be accounted for in the current month's calculation of fuel costs (F) associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
  - The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases, the charges as a result of scheduled outage, and other charges for energy being purchased by the Company to substitute for its own higher cost of energy; and less
  - The cost of fossil fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
  - The fuel-related costs charged to the Company by PJM Interconnection LLC those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.
  - All fuel costs shall be based on weighted average inventory costing.

(Cont'd on Sheet No. 5-2)

DATE OF ISSUE: April 12, 2022  
 DATE EFFECTIVE: Service Rendered On And After February 13, 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. 2021-00292 Dated March 24, 2022

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 30-1  
 CANCELLING P.S.C. KY. NO. 12 3<sup>RD</sup> REVISED SHEET NO. 30-1

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

**Applicable**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D. 2, R.S.D., 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**

- The fuel clause shall provide for periodic adjustment per kWh of sales equal to the difference between the fuel costs per kWh of sales in the base period and in the current period according to the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where F is the expense of fossil fuel in the base (b) and current (m) periods; and S is sales in the base (b) and current (m) periods, all as defined below:

- F(b)/S(b) shall be so determined that on the effective date of the Commission's approval of the utility's application of the formula, the resultant adjustment will be equal to zero (0).
- Fuel costs (F) shall be the most recent actual monthly cost of:
  - Fossil fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of the fuel related substitute generation, plus
  - The actual identifiable fossil and nuclear fuel costs [if not known--the month used to calculate fuel (F), shall be deemed to be the same as the actual unit cost of the Company generation in the month said calculations are made. When actual costs become known, the difference, if any, between fuel costs (F) as calculated using such actual unit costs and the fuel costs (F) used in that month shall be accounted for in the current month's calculation of fuel costs (F) associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
  - The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases, the charges as a result of scheduled outage, and other charges for energy being purchased by the Company to substitute for its own higher cost of energy; and less
  - The cost of fossil fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
  - The fuel-related costs charged to the Company by PJM Interconnection LLC those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.
  - All fuel costs shall be based on weighted average inventory costing.
  - All Commission approved financial power hedging program-related contract settlements, and related contract costs.

Continued on Sheet 30-2

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 3<sup>rd</sup> REVISED SHEET NO. 5-2  
 CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 5-2

**TARIFF F.A.C. (Cont'd)**  
**(Fuel Adjustment Clause)**

4. Forced outages are all nonscheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel costs of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel costs (F) in subsection (3)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.
5. Sales (S) shall be all kWh's sold, excluding intersystem sales. If, for any reason billed system sales cannot be coordinated with the fuel costs for the billing period, sales may be equated to: (i) generation, plus (ii) purchases, plus (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) intersystem sales referred to in subsection (3)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).
6. The cost of fossil fuel shall only include the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees, less any cash or other discounts.
7. At the time the fuel clause is initially filed, the utility shall submit copies of each fossil fuel purchase contract not otherwise on file with the Commission and all other agreements, options, amendments, modifications, and similar documents related to the procurement of fuel supply or purchased power. Any changes in the contracts or other documents, including price escalations, and any new agreements entered into after the initial submission, shall be submitted at the time they are entered into. If fuel is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts shall be noted and the utility shall explain and justify them in writing. Fuel charges, which are unreasonable, shall be disallowed and may result in the suspension of the fuel adjustment clause based on the severity of the utility's unreasonable fuel charges and any history of unreasonable fuel charges. The Commission on its own motion may investigate any aspect of fuel purchasing activities covered by 807 KAR 5:056 (Fuel Adjustment Clause).
8. The monthly fuel adjustment shall be filed with the Commission no later than ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustment.
9. Copies of all documents required to be filed with the Commission under 807 KAR 5:056 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.
10. At six (6) month intervals, the Commission shall conduct a formal review and may conduct public hearings on a utility's past fuel adjustments. The Commission shall order a utility to charge off and amortize, by means of a temporary decrease of rates, any adjustments the Commission finds unjustified due to improper calculation or application of the charge or improper fuel procurement practice.
11. Every two (2) years following the initial effective date of each utility's fuel clause, the Commission shall conduct a formal review and evaluate past operations of the clause, disallow improper expenses, and to the extent appropriate, reestablish the fuel clause charge in accordance with Section 1 (2) of 807 KAR 5:056.
12. The Commission may conduct a public hearing if the Commission finds that a hearing is necessary for the protection of a substantial interest or is in the public interest.
13. Resulting cost per kilowatt-hour in February 2020 to be used as the base cost in Standard Fuel Adjustment Clause is:

<u>Fuel</u>	February 2020	÷	\$12,810,858	=	\$0.02612/kWh
<u>Sales</u>	February 2020		490,482,730		

This, as used in the Fuel Adjustment Clause, is 2.612¢ per kilowatt-hour.  
 (Cont'd on Sheet 5-3)

DATE OF ISSUE: April 26, 2022  
 DATE EFFECTIVE: Bills Rendered On And After April 29, 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-XXXX Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 30-2  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

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

**Rate Continued**

4. Forced outages are all nonscheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel costs of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel costs (F) in subsection (3)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.
5. Sales (S) shall be all kWh's sold, excluding intersystem sales. If, for any reason billed system sales cannot be coordinated with the fuel costs for the billing period, sales may be equated to: (i) generation, plus (ii) purchases, plus (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) intersystem sales referred to in subsection (3)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).
6. The cost of fossil fuel shall only include the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees, less any cash or other discounts.
7. At the time the fuel clause is initially filed, the utility shall submit copies of each fossil fuel purchase contract not otherwise on file with the Commission and all other agreements, options, amendments, modifications, and similar documents related to the procurement of fuel supply or purchased power. Any changes in the contracts or other documents, including price escalations, and any new agreements entered into after the initial submission, shall be submitted at the time they are entered into. If fuel is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts shall be noted and the utility shall explain and justify them in writing. Fuel charges, which are unreasonable, shall be disallowed and may result in the suspension of the fuel adjustment clause based on the severity of the utility's unreasonable fuel charges and any history of unreasonable fuel charges. The Commission on its own motion may investigate any aspect of fuel purchasing activities covered by 807 KAR 5:056 (Fuel Adjustment Clause).
8. The monthly fuel adjustment shall be filed with the Commission no later than ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustment.
9. Copies of all documents required to be filed with the Commission under 807 KAR 5:056 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.
10. At six (6) month intervals, the Commission shall conduct a formal review and may conduct public hearings on a utility's past fuel adjustments. The Commission shall order a utility to charge off and amortize, by means of a temporary decrease of rates, any adjustments the Commission finds unjustified due to improper calculation or application of the charge or improper fuel procurement practice.
11. Every two (2) years following the initial effective date of each utility's fuel clause, the Commission shall conduct a formal review and evaluate past operations of the clause, disallow improper expenses, and to the extent appropriate, reestablish the fuel clause charge in accordance with Section 1 (2) of 807 KAR 5:056.
12. The Commission may conduct a public hearing if the Commission finds that a hearing is necessary for the protection of a substantial interest or is in the public interest.
13. Resulting cost per kilowatt-hour in February 2020 to be used as the base cost in Standard Fuel Adjustment Clause is:

<u>Fuel</u>	February 2020	÷	\$12,810,858	=	\$0.02612/kWh
<u>Sales</u>	February 2020		490,482,730		

This, as used in the Fuel Adjustment Clause, is 2.612¢ per kilowatt-hour.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

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KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 5-3  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 5-3

**TARIFF F.A.C. (Cont'd)**  
**(Fuel Adjustment Clause)**

14. Kentucky Power will temporarily reduce the FAC rate from 0.03466 to 0.03226, which will be applied to customer bills rendered between June 29, 2022 and July 28, 2022. This rate reduction reflects the Company's election to collect \$2,000,000 of the remaining \$3,000,000 of postponed February 2022 and March 2022 estimated fuel costs, which otherwise would have been collected from customers during the July 2022 billing month. The rate reduction described in this paragraph will only be effective for and applied to customer bills rendered between June 29, 2022 and July 28, 2022. More information about the Company's requests to temporarily levelize fuel costs for customers, including its pending request to amortize and collect the remainder of postponed costs in the August 2022 billing cycle, can be found in the Company's Application filed in Case No. 2022-00125.

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Tariff F.A.C. is now contained on  
two pages instead of three pages.

DATE OF ISSUE: July 8, 2022  
DATE EFFECTIVE: Bills Rendered On And After June 29, 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. 2022-00125 Dated June 28, 2022

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 35-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 35-1

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

**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**

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.

- 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.
- 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 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. 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. Rockport deferral amount to be recovered;
  - 3. Rockport fixed cost savings; and
  - 4. Rockport offset estimate and true-up.
  - 5. Final (over)/under recovery associated with tariff CC following its expiration
- e. 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 included in BPP.

(Cont'd on Sheet No. 35-2)

DATE OF ISSUE: December 28, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 31-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 31-1

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

**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**

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

1. Annual Purchase Power Net Costs (PPANC)

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

Where:

BPP = The annual amount of purchase power costs included in base rates, \$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 \$1,165,983 included in BPP.
- c. RKP = Rockport related items includable in Tariff PPA pursuant to the Commission approved Settlement agreement in Case No. 2017-00179:
  - 1. Rockport deferral amount to be recovered;
  - 2. Rockport offset estimate and true-up.
  - 3. Final (over)/under recovery associated with tariff CC following its expiration
- 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 \$4,119,364 included in BPP.

Continued on Sheet 31-2

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 3<sup>rd</sup> REVISED SHEET NO. 35-2  
 CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 35-2

**TARIFF P.P.A. (Cont'd)**  
**(Purchase Power Adjustment)**

**RATES:**

Tariff Class	\$/kWh	\$/kW
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.	\$0.00353	--
S.G.S.-T.O.D.	\$0.00288	--
M.G.S.-T.O.D.	\$0.00288	--
G.S.	\$0.00288	--
L.G.S., L.G.S.-T.O.D.	\$0.00014	\$0.82
L.G.S.-L.M.-T.O.D.	\$0.00265	--
I.G.S. and C.S.-I.R.P.	\$0.00014	\$1.04
M.W.	\$0.00199	--
O.L.	\$0.00051	--
S.L.	\$0.00051	--

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The kWh factor as calculated above will be applied to all billing kilowatt-hours for those tariff classes listed above. The kW factor as calculated above will be applied to all on-peak and minimum billing demand kW for the LGS, LGS-T.O.D, IGS, and CS-I.R.P. tariff classes.

The Purchase Power Adjustment factors shall be modified annually using the following formula:

The Purchase Power Adjustment factors shall be determined as follows:

For all tariff classes without demand billing:

$$\text{kWh Factor} = \frac{\text{PPA}(E) \times (\text{BE}_{\text{Class}} / \text{BE}_{\text{Total}}) + \text{PPA}(D) \times (\text{CP}_{\text{Class}} / \text{CP}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

$$\text{kW Factor} = 0$$

For all tariff classes with demand billing:

$$\text{kWh Factor} = \frac{\text{PPA}(E) \times (\text{BE}_{\text{Class}} / \text{BE}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

$$\text{kW Factor} = \frac{\text{PPA}(D) \times (\text{CP}_{\text{Class}} / \text{CP}_{\text{Total}})}{\text{BD}_{\text{Class}}}$$

(Cont'd on Sheet No. 35-3)

DATE OF ISSUE: December 13, 2022  
 DATE EFFECTIVE: Service Rendered On And After December 9, 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. 2022-00416 Dated December 8, 2022

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 31-2  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 31-2

**Tariff P.P.A. Continued**  
**(Purchase Power Adjustment)**

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**Rates**

Tariff Class	\$/kWh	\$/kW
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.	\$0.00353	--
S.G.S.-T.O.D.	\$0.00288	--
M.G.S.-T.O.D.	\$0.00288	--
G.S.	\$0.00288	--
L.G.S., L.G.S.-T.O.D.	\$0.00014	\$0.82
L.G.S.-L.M.-T.O.D.	\$0.00265	--
I.G.S. and C.S.-I.R.P.	\$0.00014	\$1.04
M.W.	\$0.00199	--
O.L.	\$0.00051	--
S.L.	\$0.00051	--

The kWh factor as calculated above will be applied to all billing kilowatt-hours for those tariff classes listed above. The kW factor as calculated above will be applied to all on-peak and minimum billing demand kW for the LGS, LGS-T.O.D, IGS, and CS-I.R.P. tariff classes.

The Purchase Power Adjustment factors shall be modified annually using the following formula:

The Purchase Power Adjustment factors shall be determined as follows:

For all tariff classes without demand billing:

$$\text{kWh Factor} = \frac{\text{PPA}(E) \times (\text{BE}_{\text{Class}} / \text{BE}_{\text{Total}}) + \text{PPA}(D) \times (\text{CP}_{\text{Class}} / \text{CP}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

$$\text{kW Factor} = 0$$

For all tariff classes with demand billing:

$$\text{kWh Factor} = \frac{\text{PPA}(E) \times (\text{BE}_{\text{Class}} / \text{BE}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

$$\text{kW Factor} = \frac{\text{PPA}(D) \times (\text{CP}_{\text{Class}} / \text{CP}_{\text{Total}})}{\text{BD}_{\text{Class}}}$$

Continued on Sheet 31-3

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DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 35-3 T  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 35-3 T

**TARIFF P.P.A. (Cont'd)**  
**(Purchase Power Adjustment)**

**RATES (Cont'd)**

Where:

1. "PPA(D)" is the actual annual retail PPA demand-related costs, plus any prior review period (over)/under recovery.
2. "PPA(E)" is the actual annual retail PPA energy-related costs, plus any prior review period (over)/under recovery.
3. "BE<sub>Class</sub>" is the historic annual retail jurisdictional billing kWh for each tariff class for the current year.
4. "BD<sub>Class</sub>" is the historic annual retail jurisdictional billing kW for each applicable tariff class for the current year.
5. "CP<sub>Class</sub>" is the coincident peak demand for each tariff class estimated as follows:

Tariff Class	BE <sub>Class</sub>	CP/kWh Ratio	CP <sub>Class</sub>
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%	
S.G.S.-T.O.D.		0.01962%	
M.G.S.-T.O.D.		0.01962%	
G.S.		0.01962%	
L.G.S., L.G.S.-T.O.D.		0.01798%	
L.G.S.-L.M.-T.O.D.		0.01798%	
I.G.S. and C.S.-I.R.P.		0.01232%	
M.W.		0.01326%	
O.L.		0.00263%	
S.L.		0.00262%	

6. "BE<sub>Total</sub>" is the sum of the BE<sub>Class</sub> for all tariff classes.
7. "CP<sub>Total</sub>" is the sum of the CP<sub>Class</sub> for all tariff classes.
8. The factors as computed above are calculated to allow the recovery of Uncollectible Accounts Expense of 0.41% and the KPSC Maintenance Fee of 0.1956% and other similar revenue based taxes or assessments occasioned by the Purchase Power Adjustment Rider revenues.
9. The annual PPA factors shall be filed with the Commission by August 15 of each year, with rates to begin with the October billing period, along with all necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.

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.

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 31-3  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Tariff P.P.A. Continued**  
**(Purchase Power Adjustment)**

**Rates Continued**

Where:

1. "PPA(D)" is the actual annual retail PPA demand-related costs, plus any prior review period (over)/under recovery.
2. "PPA(E)" is the actual annual retail PPA energy-related costs, plus any prior review period (over)/under recovery.
3. "BE<sub>Class</sub>" is the historic annual retail jurisdictional billing kWh for each tariff class for the current year.
4. "BD<sub>Class</sub>" is the historic annual retail jurisdictional billing kW for each applicable tariff class for the current year.
5. "CP<sub>Class</sub>" is the coincident peak demand for each tariff class estimated as follows:

Tariff Class	BE <sub>Class</sub>	CP/kWh Ratio	CP <sub>Class</sub>
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.		0.022970%	
S.G.S.-T.O.D.		0.018187%	
M.G.S.-T.O.D.		0.018187%	
G.S.		0.018187%	
L.G.S., L.G.S.-T.O.D.		0.016146%	
L.G.S.-L.M.-T.O.D.		0.016146%	
I.G.S. and C.S.-I.R.P.		0.011832%	
M.W.		0.012350%	
O.L.		0.005294%	
S.L.		0.005375%	

6. "BE<sub>Total</sub>" is the sum of the BE<sub>Class</sub> for all tariff classes.
7. "CP<sub>Total</sub>" is the sum of the CP<sub>Class</sub> for all tariff classes.
8. The factors as computed above are calculated to allow the recovery of Uncollectible Accounts Expense of 0.40% and the KPSC Maintenance Fee of 0.1493% and other similar revenue based taxes or assessments occasioned by the Purchase Power Adjustment Rider revenues.
9. The annual PPA factors shall be filed with the Commission by August 15 of each year, with rates to begin with the October billing period, along with all necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.

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.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No. 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 29-1 T  
 CANCELLING P.S.C. KY. NO. 11 2<sup>ND</sup> REVISED SHEET NO. 29-1 T

**TARIFF E.S.**  
**(Environmental Surcharge)**

**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.**

The environmental surcharge shall provide for monthly adjustments based on a percent of revenues, equal to the difference between the environmental compliance costs in the base period as provided in Paragraph 2 below and in the current period as provided in Paragraph 3 below.

The retail share of the revenue requirement will be allocated between residential and non-residential retail customers based upon their respective total revenues during the previous calendar year. The Environmental Surcharge will be implemented as a percentage of total revenues for the residential class and as a percentage of non-fuel revenues for all other customers.

The revenues to which the residential Environmental Surcharge factor are applied is the sum of the customer's Service Charge, Energy Charge(s), Fuel Adjustment Clause, System Sales Clause, Demand-Side Management Adjustment Clause, Federal Tax Cut, Residential Energy Assistance, Capacity Charge, and Purchase Power Adjustment.

The revenues to which the all other customer Environmental Surcharge 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 Cut, Kentucky Economic Development Surcharge, Capacity Charge, and Purchase Power Adjustment.

1. Monthly Environmental Surcharge Gross Revenue Requirement, E(m)

Where: E(m) = CRR - BRR  
 CRR = Current Period Revenue Requirement for the Expense Month.  
 BRR = Base Period Revenue Requirement.

(Continued on Sheet 29-2)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 32-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 32-1

**Tariff E.S.**  
**(Environmental Surcharge)**

**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**

The environmental surcharge shall provide for monthly adjustments based on a percent of revenues, equal to the difference between the environmental compliance costs in the base period as provided in Paragraph 2 below and in the current period as provided in Paragraph 3 below.

The retail share of the revenue requirement will be allocated between residential and non-residential retail customers based upon their respective total revenues during the previous calendar year. The Environmental Surcharge will be implemented as a percentage of total revenues for the residential class and as a percentage of non-fuel revenues for all other customers.

The revenues to which the residential Environmental Surcharge factor are applied is the sum of the customer's Service 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 Environmental Surcharge 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.

1. Monthly Environmental Surcharge Gross Revenue Requirement, E(m)

Where: E(m) = CRR - BRR  
 CRR = Current Period Revenue Requirement for the Expense Month.  
 BRR = Base Period Revenue Requirement.

2. Base Period Revenue Requirement, BRR

BRR = The Following Monthly Amounts:

Billing Month	Base Net Environmental Costs
January	\$ 3,022,418
February	2,558,332
March	2,621,611
April	2,519,828
May	2,514,284
June	2,644,974
July	2,594,563
August	2,741,097
September	2,508,995
October	2,376,639
November	2,423,992
December	\$ 2,597,739
	\$ 31,124,472

In accordance with the Stipulation and Settlement Agreement approved by the Commission by its Order dated October 7, 2013 in Case No. 2012-00578, the Mitchell FGD and all related associated costs are not included in base rates or the Base Revenue Requirement but will be included in the Current Period Revenue Requirement. The Mitchell FGD will be excluded from Base Rates at least until June 30, 2020.

Continued on Sheet 32-2

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 29-2  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 29-2

**TARIFF E.S. (Cont'd)**  
**(Environmental Surcharge)**

**RATE (Cont'd)**

2. Base Period Revenue Requirement, BRR

BRR = The Following Monthly Amounts:

Billing Month	Base Net Environmental Costs	
January	\$ 3,503,207	R
February	3,961,295	I
March	3,695,547	I
April	4,652,708	I
May	4,476,891	I
June	3,896,996	I
July	4,132,198	I
August	3,932,695	I
September	3,687,618	I
October	3,775,108	R
November	3,816,807	I
December	\$ 3,814,390	R
	\$ 47,345,460	I

In accordance with the Stipulation and Settlement Agreement approved by the Commission by its Order dated October 7, 2013 in Case No. 2012-00578, the Mitchell FGD and all related associated costs are not included in base rates or the Base Revenue Requirement but will be included in the Current Period Revenue Requirement. The Mitchell FGD will be excluded from Base Rates at least until June 30, 2020.

3. Current Period Revenue Requirement, CRR

$$CRR = [((RB_{KP(C)}) (ROR_{KP(C)}) / 12) + OE_{KP(C)} + (((RB_{M(C)}) (ROR_{M(C)}) / 12) + OE_{M(C)}) (.15) - AS]$$

Where:

- RB<sub>KP(C)</sub> = Environmental Compliance Rate Base for Mitchell.
- ROR<sub>KP(C)</sub> = Annual Rate of Return on Mitchell Environmental Compliance Rate Base; Annual Rate divided by 12 to restate to a Monthly Rate of Return.

(Cont'd on Sheet 29-3)

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 32-2  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 32-2

**Tariff E.S. Continued**  
**(Environmental Surcharge)**

3. Current Period Revenue Requirement, CRR  
 $CRR = [((RB_{KP(C)}) (ROR_{KP(C)}) / 12) + OE_{KP(C)} - AS]$

Where:

- RB<sub>KP(C)</sub> = Environmental Compliance Rate Base for Mitchell.
- ROR<sub>KP(C)</sub> = Annual Rate of Return on Mitchell Environmental Compliance Rate Base; Annual Rate divided by 12 to restate to a Monthly Rate of Return.
- OE<sub>KP(C)</sub> = Monthly Pollution Control Operating Expenses for Mitchell.
- AS = Net proceeds from the sale of Title IV and CSAPR SO 2 emission allowances, ERCs, and NOx emission allowances, reflected in the month of receipt.

"KP(C)" identifies components from Mitchell Units – Current Period.

The Environmental Compliance Rate Base for Kentucky Power 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 Kentucky Power 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 9.90% rate of return on equity as authorized by the Commission in its Order Dated XXXX XX, 20XX, Case No. 2023-00159.

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.

Continued on Sheet 32-3

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159, Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 29-3  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 29-3

**TARIFF E.S. (Cont'd)**  
**(Environmental Surcharge)**

**RATE (Cont'd)**

- OE<sub>KP(C)</sub> = Monthly Pollution Control Operating Expenses for Mitchell.
- RB<sub>IM(C)</sub> = Environmental Compliance Rate Base for Rockport.
- ROR<sub>IM(C)</sub> = Annual Rate of Return on Rockport Rate Base;  
Annual Rate divided by 12 to restate to a Monthly Rate of Return.
- OE<sub>IM(C)</sub> = Monthly Pollution Control Operating Expenses for Rockport.
- AS = Net proceeds from the sale of Title IV and CSAPR SO<sub>2</sub> emission allowances, ERCs, and NOx 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% rate of return on equity as authorized by the Commission in its Order Dated January 13, 2021, Case No. 2020-00174.

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.

(Cont'd on Sheet No. 29-4)

DATE OF ISSUE: July 30, 2021  
DATE EFFECTIVE: Service Rendered On And After September 28, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00004 Dated July 15, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 32-3  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 32-3

**Tariff E.S. Continued**  
**(Environmental Surcharge)**

4. Revenue Allocation

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

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

Where:

- (m) = the expense month.
- (b) = the most recent calendar year revenues

5. Environmental Surcharge Factor

$$\text{Residential Monthly Environmental Surcharge Factor} = \frac{\text{Net KY Retail E(m)} * \text{RA(m)}}{\text{KY RR(m)}}$$

$$\text{All Other Monthly Environmental Surcharge Factor} = \frac{\text{Net KY Retail E(m)} * \text{AO(m)}}{\text{KY OR(m) - KY OF(m)}}$$

Where:

- Net KY Retail E(m) = Monthly E(m) allocated to Kentucky Retail Customers, net of Over/(Under) Recovery Adjustment, Allocation based on Percentage of Kentucky Retail Revenues to Total Company Revenues in the Expense Month.

(For purposes of this formula, Total Company Revenues do not include Non-Physical Revenues.)

- RR(m) = Average Kentucky Residential Retail Revenues for the Preceding Twelve Month Period
- OR(m) = Average Kentucky All Other Classes Retail Revenues for the Preceding Twelve Month Period
- OF(m) = Average Kentucky All Other Classes Fuel Revenues for the Preceding Twelve Month Period.

Continued on Sheet 32-4

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 29-4 T  
 CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 29-4 T

**TARIFF E.S. (Cont'd)**  
**(Environmental Surcharge)**

**RATE (Cont'd)**

4. Revenue Allocation

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

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

Where:

(m) = the expense month  
 (b) = most recent calendar year revenues

5. Environmental Surcharge Factor

$$\text{Residential Monthly Environmental Surcharge Factor} = \frac{\text{Net KY Retail E(m)} * \text{RA(m)}}{\text{KY RR(m)}}$$

$$\text{All Other Monthly Environmental Surcharge Factor} = \frac{\text{Net KY Retail E(m)} * \text{AO(m)}}{\text{KY OR(m) - KY OF(m)}}$$

Where:

Net KY Retail E(m) = Monthly E(m) allocated to Kentucky Retail Customers, net of Over/ (Under) Recovery Adjustment; Allocation based on Percentage of Kentucky Retail Revenues to Total Company Revenues in the Expense Month.

(For purposes of this formula, Total Company Revenues do not include Non-Physical Revenues.)

RR(m) = Average Kentucky Residential Retail Revenues for the Preceding Twelve Month Period

OR(m) = Average Kentucky All Other Classes Retail Revenues for the Preceding Twelve Month Period

OF(m) = Average Kentucky All Other Classes Fuel Revenues for the Preceding Twelve Month Period.

(Cont'd on Sheet No. 29-5)

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 32-4  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 32-4

**Tariff E.S. Continued**  
**(Environmental Surcharge)**

6. Environmental costs "E" shall be the Company's costs of compliance with the Clean Air Act and those environmental requirements that apply to coal combustion wastes and by-products, as follows:

Total Company:

- return on Title IV and CSAPR SO<sub>2</sub> allowance inventory
- over/under recovery balances between the actual costs incurred less the amount collected through the environmental surcharge
- costs associated with any Commission's consultant approved by the Commission
- costs associated with the consumption of Title IV and CSAPR SO<sub>2</sub> allowances
- costs associated with the consumption of NO<sub>x</sub> allowances
- return on NO<sub>x</sub> allowance inventory
- costs associated with maintaining approved pollution control equipment including material and contract labor (excluding plant labor)
- costs associated with consumables used in conjunction with approved environmental projects.
- return on inventories of consumables used in conjunction with approved environmental projects.
- return on environmental compliance rate base including construction work in progress.
- Monthly expense to amortize the \$1,446,998.35 regulatory asset for prudently incurred ELG (Effluent Limitation Guidelines) project costs over a two-year period to begin with July 2022 billing and conclude with June 2024 billing.

The Company's share of costs associated with the following environmental equipment at the Mitchell Plant:

- Mitchell Unit Nos 1 and 2 Water Injection, Low NO<sub>x</sub> burners, Low NO<sub>x</sub> burner Modification, SCR, FGD, Landfill, Coal Blending Facilities and SO<sub>2</sub> Mitigation
- Mitchell Plant Common CEMS, Replace Burner Barrier Valves and Gypsum Material Handling Facilities
- Air Emission Fees
- Precipitator Modifications and Upgrades
- Coal Combustion Waste Landfill
- Bottom Ash and Fly Ash Handling
- Mercury Monitoring (MATS)
- Dry Fly Ash Handling Conversion
- Wastewater Ponds (for the Mitchell CCR compliance project) with depreciation expense calculated using a 20 percent depreciation rate approved by the Commission's July 15, 2021 and May 3, 2022 Orders in Case No. 2021-00004.

7. The monthly environmental surcharge shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all necessary supporting data to justify the amount of the adjustments which shall include data and information as may be required by the Commission.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 29-5  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 29-5

**TARIFF E.S. (Cont'd)**  
**(Environmental Surcharge)**

**RATE (Cont'd)**

6. Environmental costs "E" shall be the Company's costs of compliance with the Clean Air Act and those environmental requirements that apply to coal combustion wastes and by-products, as follows:

Total Company:

- return on Title IV and CSAPR SO<sub>2</sub> allowance inventory
- over/under recovery balances between the actual costs incurred less the amount collected through the environmental surcharge
- costs associated with any Commission's consultant approved by the Commission
- costs associated with the consumption of Title IV and CSAPR SO<sub>2</sub> allowances
- costs associated with the consumption of NO<sub>x</sub> allowances
- return on NO<sub>x</sub> allowance inventory
- costs associated with maintaining approved pollution control equipment including material and contract labor (excluding plant labor)
- costs associated with consumables used in conjunction with approved environmental projects.
- return on inventories of consumables used in conjunction with approved environmental projects.
- return on environmental compliance rate base including construction work in progress.
- Monthly expense to amortize the \$1,446,998.35 regulatory asset for prudently incurred ELG (Effluent Limitation Guidelines) project costs over a two-year period to begin with July 2022 billing and conclude with June 2024 billing.

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(Cont'd on Sheet No. 29-6)

Tariff E.S. is now contained on  
four pages instead of seven pages.

DATE OF ISSUE: May 23, 2022  
DATE EFFECTIVE: Bills Rendered On And After June 29, 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. 2021-00004 Dated May 3, 2022

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 29-6  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 29-6

**TARIFF E.S. (Cont'd)**  
**(Environmental Surcharge)**

**RATE (Cont'd)**

The Company's share of costs associated with the following environmental equipment at the Rockport Plant:

- Continuous Emissions Monitors
- Air Emission Fees
- Costs Associated with the Rockport Unit Power Agreement
- Activated Carbon Injection
- Mercury Monitoring
- Precipitator Modifications
- Dry Sorbent Injection
- Coal Combustion Waste Landfill
- Low NOx burners, over Fire Air Landfill
- Selective Catalytic Reduction Technology

The Company's share of costs associated with the following environmental equipment at the Mitchell Plant:

- Mitchell Unit Nos 1 and 2 Water Injection, Low NO<sub>x</sub> burners, Low NO<sub>x</sub> burner Modification, SCR, FGD, Landfill, Coal Blending Facilities and SO<sub>2</sub> Mitigation
- Mitchell Plant Common CEMS, Replace Burner Barrier Valves and Gypsum Material Handling Facilities
- Air Emission Fees
- Precipitator Modifications and Upgrades
- Coal Combustion Waste Landfill
- Bottom Ash and Fly Ash Handling
- Mercury Monitoring (MATS)
- Dry Fly Ash Handling Conversion
- Wastewater Ponds (for the Mitchell CCR compliance project) with depreciation expense calculated using a 20 percent depreciation rate approved by the Commission's July 15, 2021 and May 3, 2022 Orders in Case No. 2021-00004. T ↓

(Cont'd on Sheet No. 29-7)

DATE OF ISSUE: May 23, 2022

DATE EFFECTIVE: Bills Rendered On And After June 29, 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. 2021-00004 Dated July 15, 2021 and May 3, 2022

Tariff E.S. is now contained on  
four pages instead of seven pages.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 29-7 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 29-7 T

**TARIFF E.S. (Cont'd)**  
**(Environmental Surcharge)**

**RATE (Cont'd)**

7. The monthly environmental surcharge shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all necessary supporting data to justify the amount of the adjustments which shall include data and information as may be required by the Commission.

Tariff E.S. is now contained on  
four pages instead of seven pages.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 38-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 38-1

**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%
All Other Classes Adjustment Factor	=	$\frac{\$14,511,306}{\$183,145,514}$	=	7.9234%

- 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)

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 33-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 33-1

**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 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%
All Other Classes Adjustment Factor	=	$\frac{\$14,511,306}{\$183,145,514}$	=	7.9234%

- 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.

Continued on Sheet 33-2

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 38-2 T  
 CANCELLING P.S.C. KY. NO. 11 1<sup>ST</sup> REVISED SHEET NO. 38-2 T

**DECOMMISSIONING RIDER (CONT'D)**

RATE. (Cont'd)

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

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

Where:

$$\text{Net Annual Residential Allocation NRA}(b) = \text{Annual Residential Allocation RA}(y), \text{ net of Over/ (Under) Recovery Adjustment;}$$

$$\text{Residential Retail Revenue RR}(b) = \text{Annual Retail Revenue for all KY residential classes for the year (b).}$$

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

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

Where:

$$\text{Net Annual All Other Allocation NOA}(y) = \text{Annual All Other Allocation OA}(y), \text{ net of Over/ (Under) Recovery Adjustment;}$$

$$\text{All Other Classes Non-Fuel Retail Revenue ONR}(b) = \text{Annual Non-Fuel Retail Revenue for all classes other than residential for the year (b).}$$

5. The Revenues to which the residential Decommissioning Rider factor are applied is the sum of the customer's Service Charge, Energy Charge(s), Fuel Adjustment Clause, System Sales Clause, Demand-Side Management Adjustment Clause, Federal Tax Cut, Residential Energy Assistance, Capacity Charge, Purchase Power Adjustment. T

The Revenues to which the all other customer Decommissioning 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 Cut, Kentucky Economic Development Surcharge, Capacity Charge, and Purchase Power Adjustment. T

6. The annual Decommissioning Rider adjustments shall be filed with the Commission no later than August 15<sup>th</sup> of each year before it is scheduled to go into effect on Cycle 1 of the October 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.
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.

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 33-2  
 CANCELLING P.S.C. KY. NO. SHEET NO. XX-X

**Decommissioning Rider Continued** T

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

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

Where:

$$\text{Net Annual Residential Allocation NRA}(b) = \text{Annual Residential Allocation RA}(y), \text{ net of Over/(Under) Recovery Adjustment;}$$

$$\text{Residential Retail Revenue RR}(b) = \text{Annual Retail Revenue for all KY residential classes for the year (b).}$$

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

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

Where:

$$\text{Net Annual All Other Allocation NOA}(y) = \text{Annual All Other Allocation OA}(y), \text{ net of Over/(Under) Recovery Adjustment;}$$

$$\text{All Other Classes Non-Fuel Retail Revenue ONR}(b) = \text{Annual Non-Fuel Retail Revenue for all classes other than residential for the year (b).}$$

5. The Revenues to which the residential Decommissioning Rider factor are applied is the sum of the customer's Service 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. TDN

The Revenues to which the all other customer Decommissioning 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. T DN

6. The annual Decommissioning Rider adjustments shall be filed with the Commission no later than August 15<sup>th</sup> of each year before it is scheduled to go into effect on Cycle 1 of the October 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.
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.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 34-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 34-1

**Distribution Reliability Rider  
(D.R.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. 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.

*Continued on Sheet 34-2*

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
in Case No.: 2023-00159 Dated XXXX XX, XXXX

D.R.R. is new in its entirety.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 34-2  
 CANCELLING P.S.C. KY. NO. SHEET NO. 34-2

**Distribution Reliability Rider Continued  
 (D.R.R.)**

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.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
in Case No.: 2023-00159 Dated XXXX XX, XXXX

D.R.R. is new in its entirety.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 35-1  
 CANCELLING P.S.C. KY. NO. 12 1<sup>st</sup> REVISED SHEET NO. 35-1

**Securitization Financing Rider  
 (S.F.R.)**

N

**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 XXXXXXXXX ##, 202# to be applied to the revenues described in paragraph 5 of this tariff are:

$$\begin{aligned} \text{Residential Adjustment Factor} &= \frac{\$X}{\$X} = X.X\% \\ \text{All Other Classes Adjustment Factor} &= \frac{\$X}{\$X} = X.X\% \end{aligned}$$

2. 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:

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

Where:

- (y) = the expense year;  
 (b) = Most recent available twelve month period ended December 31 or June 30.

*Continued on Sheet 35-2*

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 in Case No.: 2023-00159 Dated XXXX XX, XXXX

S.F.R. is new in its entirety.

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 35-2  
 CANCELLING P.S.C. KY. NO. 12 3<sup>rd</sup> REVISED SHEET NO. 35-2

**Securitization Financing Rider Continued  
 (S.F.R.)**

N

S.F.R. is new in its entirety.

3. 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:

$$\begin{aligned} \text{Net Annual Residential Allocation NRA}(y) &= \text{Annual Residential Allocation RA}(y), \text{ net of} \\ &\text{Over/(Under) Recovery Adjustment;} \\ \text{Residential Retail Revenue RR}(b) &= \text{Annual Retail Revenue for all KY residential classes} \\ &\text{for the year (b).} \end{aligned}$$

4. 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:

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

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 filed 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.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
in Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 23-1 T  
 CANCELLING P.S.C. KY. NO. 11 1<sup>ST</sup> REVISED SHEET NO. 23-1 T

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

**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**

1. Pursuant to the final order of the Kentucky Public Service Commission in Case No. 2020-00174, Kentucky Power Company is to credit to retail ratepayers the approved annual amount of excess accumulated deferred federal income taxes (ADIT) beginning January 14, 2021 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. T

2. The Company shall amortize the calendar year 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. DT

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

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

D  
RI

4. The allocation of the actual 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: T

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

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

Where:  
 (y) = the credit year;  
 RR = \$248,770,246;  
 OR = \$279,559,942; and  
 R = \$528,330,188.

DATE OF ISSUE: April 9, 2021  
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of Orders of the Public Service Commission  
 in Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 36-1  
 CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 36-1

**Federal Tax Change Tariff  
 (F.T.C.)**

**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. D

**Rate**

1. Pursuant to the final order of the Kentucky Public Service Commission in Case No. 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 XX, 2024. T D

2. The Company shall amortize the calendar year retail Generation and Distribution related Protected Excess ADIT of \$1,678,164 to support the rate credits provided to customers through this tariff. D D

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. N

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. D

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. D

6. The applicable rates on a kWh basis are as follows: T D

Residential (\$/kWh)	All Other (\$/kWh)
\$0.00053	\$0.00037

7. The allocation of the Annual Revenue Requirement (ARR) which consists of the retail Generation and Distribution related Protected Excess ADIT, the actual CAMT expenses and credits and any over or under-recovery based upon actual information for prior periods between residential and all other customers shall be based upon their respective contribution to total retail revenues, according to the following formula: TN

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

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

Where:  
 (y) = the credit year;  
 RR = \$301,523,011;  
 OR = \$392,479,515; and  
 R = \$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. N

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.

DATE OF ISSUE: June 29, 2023  
 DATE EFFECTIVE: January 1, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
 By Authority of an Order of the Public Service Commission  
 in Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 20-1 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 20-1 T

**TARIFFF.T.**  
**(Franchise Tariff)**

**AVAILABILITY OF SERVICE.**

Where a city or town within Kentucky Power's service territory requires the Company to pay a percentage of revenues from certain customer classifications collected within such city or town for the right to erect the Company's poles, conductors, or other apparatus along, over, under, or across such city's or town's streets, alleys, or public grounds, the Company shall increase the rates and charges to such customer classifications within such city or town by a like percentage. The aforesaid charge shall be separately stated and identified on each affected customer's bill. T

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 37-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 37-1

**Tariff C.F.F.**  
**(City's Franchise Fee)**

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**Availability of Service**

Where a city or town within Kentucky Power's service territory requires the Company to pay a percentage of revenues from certain customer classifications collected within such city or town for the right to erect the Company's poles, conductors, or other apparatus along, over, under, or across such city's or town's streets, alleys, or public grounds, the Company shall increase the rates and charges to such customer classifications within such city or town by a like percentage. The aforesaid charge shall be separately stated and identified on each affected customer's bill.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX



KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 33-1 T  
CANCELLING P.S.C. KY. NO. 11 ORIGINAL SHEET NO. 33-1 T

U.G.R.T.  
(Utility Gross Receipts Tax)  
(School Tax)

**APPLICABLE.**

To all Tariff Schedules.

**RATE.**

This tariff schedule is applied as a rate increase pursuant to KRS 160.617 to all other tariff schedules for the recovery by the utility of the utility gross receipts license tax imposed by the applicable school district pursuant to KRS 160.613 with respect to the customer's bill. The current utility gross receipts license tax for school imposed by a school district may not exceed 3%. The utility gross receipts license tax shall appear on the customer's bill as a separate line item.

DATE OF ISSUE: April 9, 2021  
DATE EFFECTIVE: Service Rendered On And After January 14, 2021  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of Orders of the Public Service Commission  
In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 38-1  
CANCELLING P.S.C. KY. NO. 12 2<sup>nd</sup> REVISED SHEET NO. 38-1

U.G.R.T.  
(Utility Gross Receipts Tax)  
(School Tax)

**Applicable**

To all Tariff Schedules.

**Rate**

This tariff schedule is applied as a rate increase pursuant to KRS 160.617 to all other tariff schedules for the recovery by the utility of the utility gross receipts license tax imposed by the applicable school district pursuant to KRS 160.613 with respect to the customer's bill. The current utility gross receipts license tax for school imposed by a school district may not exceed 3%. The utility gross receipts license tax shall appear on the customer's bill as a separate line item.

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
in Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 34-1  
CANCELLING P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 34-1

**K.S.T.**  
**(Kentucky Sales Tax)**

**APPLICABLE.**

To all Tariff Schedules.

**RATE.**

This tariff schedule is applied as a rate increase to all other applicable tariff schedules for the recovery by the utility pursuant to KRS 139.210 of the Kentucky Sales Tax imposed by KRS 139.200 for all customers not exempted by KRS 139.470(7). For any other exempt customers, an exemption certification must be received and on file with the Company. The Kentucky Sales Tax rate is currently imposed by the Commonwealth of Kentucky at the rate of 6%. The Kentucky Sales Tax shall appear on the customer's bill as a separate line item.

Sales of electricity under Tariff R.S. are exempt from sales tax only if the service is to the customer's place of domicile as defined by KRS 139.470(7)(b). Kentucky Power may retroactively charge a customer, under the parameters of KRS 278.225, for all applicable sales tax the Department of Revenue determines is due for service that is not exempt. It is the customer's responsibility to file all necessary documentation, including Form 51A380 (1-23), when notified by the Company, establishing the customer's place of domicile. In such a case, any exemption will become effective with the customer's first full billing cycle after the customer's delivery of a properly executed Form 51A380 (1-23).

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DATE OF ISSUE: December 19, 2022  
DATE EFFECTIVE: Services Rendered On And After January 1, 2023  
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-XXXX Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 39-1  
CANCELLING P.S.C. KY. NO. 12 1<sup>ST</sup> REVISED SHEET NO. 39-1

**K.S.T.**  
**(Kentucky Sales Tax)**

**Applicable**

To all Tariff Schedules.

**Rate**

This tariff schedule is applied as a rate increase to all other applicable tariff schedules for the recovery by the utility pursuant to KRS 139.210 of the Kentucky Sales Tax imposed by KRS 139.200 for all customers not exempted by KRS 139.470(7). For any other exempt customers, an exemption certification must be received and on file with the Company. The Kentucky Sales Tax rate is currently imposed by the Commonwealth of Kentucky at the rate of 6%. The Kentucky Sales Tax shall appear on the customer's bill as a separate line item.

Sales of electricity under Tariff R.S. are exempt from sales tax only if the service is to the customer's place of domicile as defined by KRS 139.470(7)(b). Kentucky Power may retroactively charge a customer, under the parameters of KRS 278.225, for all applicable sales tax the Department of Revenue determines is due for service that is not exempt. It is the customer's responsibility to file all necessary documentation, including Form 51A380 (1-23), when notified by the Company, establishing the customer's place of domicile. In such a case, any exemption will become effective with the customer's first full billing cycle after the customer's delivery of a properly executed Form 51A380 (1-23).

DATE OF ISSUE: June 29, 2023  
DATE EFFECTIVE: January 1, 2024  
ISSUED BY: /s/ Brian K. West  
TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated XXXX XX, XXXX

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 12 ORIGINAL SHEET NO. 41-1  
 CANCELLING P.S.C. KY. NO. 12 \_\_\_\_\_ SHEET NO. XX-X

**TARIFF K.F.R.F.  
 (EASTERN KENTUCKY FUEL RELIEF FUND)**

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**APPLICABLE.**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D. 2, R.S.D, 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 Public Service Commission's May 4, 2022 Order in Case No. 2021-00481, and contingent upon the closing of the acquisition of Kentucky Power by Liberty Utilities Co., Kentucky Power shall provide retail ratepayers a \$40 million credit beginning the later of (a) the date on which Liberty Utilities Co. files written notice of its acquisition of Kentucky Power; or (b) July 1, 2022.
2. The \$40 million credit shall be allocated 75% to Residential customers (\$30 million) and 25% (\$10 million) to All Other customers, in accordance with Ordering Paragraph 13 and the manner illustrated in Appendix B of the Public Service Commission's May 4, 2022 Order in Case No. 2021-00481.
3. The Residential rate credits and All Other rate credits shall be credited to customers on a kWh basis as follows:

Billing Month	Residential (\$/kWh)	All Other (\$/kWh)
January - March and December	XXXXX	XXXXX
April - November	XXXXX	XXXXX

Tariff K.F.R.F. has been removed in its entirety.

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.

4. The \$30 million credit available for distribution to Residential customers and the \$10 million credit available for distribution to All Other customers shall be subject to final reconciliation and distribution or collection by Order of the Commission in the Company's next base rate case.

DATE OF ISSUE: June 1, 2022  
 DATE EFFECTIVE: Service Rendered On And After XXXX XX, XXXX  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory  
By Authority Of an Order of the Public Service Commission  
In Case No. 2021-00481 Dated May 4, 2022

## Exhibit F Index

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Full Notice	4
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Press Release	33
Public Libraries	35
Example Library Letter	37

**NOTICE**

PLEASE TAKE NOTICE that, in an application to be filed June 29, 2023, Kentucky Power Company will seek approval by the Public Service Commission of Kentucky to adjust its electric rates and charges effective on and after January 1, 2024.

**KENTUCKY POWER COMPANY'S CURRENT AND PROPOSED RATES**

**Residential Service – Rate**  
(Tariff Codes 015, 017, 022, 024)

	<b>Current</b>	<b>Proposed</b>
Service Charge per Month:	\$17.50	\$20.00
Energy Charge per kWh:	\$0.10799	\$0.12947
Load Management Water-Heating Provision Tariff 011 – Energy Charge per kWh	\$0.07888	\$0.08603
Storage Water Heating Provision Tariff 012 – Energy Charge per kWh	\$0.07888	\$0.08603
Tariff 013 – Energy Charge per kWh	\$0.07888	\$0.08603
Tariff 014 – Energy Charge per kWh	\$0.07888	\$0.08603

**Residential Service Load Management Time-of-Day**  
(Tariff Codes 028, 030, 032, 034)

	<b>Current</b>	<b>Proposed</b>
Service Charge per Month	\$21.00	\$23.00
Energy Charge:		
On-Peak Billing period per kWh	\$0.14534	\$0.18646
Off-Peak Billing period per kWh	\$0.07888	\$0.08603

**Residential Service Time-of-Day**  
(Tariff Codes 036)

	<b>Current</b>	<b>Proposed</b>
Service Charge per Month	\$21.00	\$23.00
Energy Charge:		
On-Peak Billing period per kWh	\$0.14534	\$0.18646
Off-Peak Billing period per kWh	\$0.07888	\$0.08603

**Experimental Residential Service Time-of-Day2**  
(Tariff Codes 027)

	<b>Current</b>	<b>Proposed</b>
Service Charge per Month	\$21.00	\$23.00
Energy Charge:		
On-Peak Summer Billing period per kWh	\$0.18849	\$0.18921
On-Peak Winter Billing period per kWh	\$0.16352	\$0.13642
Off-Peak Billing period per kWh	\$0.09085	\$0.12277

**Residential Demand-Metered Electric Service**  
(Tariff Codes 018)

	<b>Current</b>	<b>Proposed</b>
Service Charge per Month	\$21.00	\$23.00
Energy Charge:		
On-Peak Billing period per kWh	\$0.12354	\$0.11843
Off-Peak Billing period per kWh	\$0.07888	\$0.08603
Demand Charge per KW of monthly billing demand	\$3.90	\$6.77

**Residential Energy Assistance**

	<b>Current</b>	<b>Proposed</b>
Surcharge per Account per Month	\$0.30	\$0.40

**KENTUCKY POWER COMPANY'S PROPOSED NEW AND MODIFIED TARIFFS**

Kentucky Power is proposing the following new tariffs:

Distribution Reliability Rider  
Securitization Financing

Kentucky Power is proposing to modify the following existing tariffs:

Tariff Purchase Power Adjustment  
Federal Tax Cut Tariff  
Tariff Non-Utility Generator  
Tariff Fuel Adjustment Clause  
Tariff Residential Service  
Renewable Power Option Rider  
General revised formatting and reorganization of tariff book

In addition to the changes to rates for the residential customer class described above, Kentucky Power has also proposed changes to the rates for other customer classes. These customer classes and the changes in their associated rates are listed in the tables shown below. Kentucky Power is also proposing changes in the text of some of its rate schedules and other tariff provisions. Kentucky Power is not proposing any changes to miscellaneous charges. The proposed rates reflect a proposed annual increase in electric revenues of approximately 13.6 percent to Kentucky Power.

Kentucky Power also is requesting a financing order to securitize certain regulatory assets. Kentucky Power also is proposing certain customer benefits, including changes for low-income customers, reducing rate impacts through securitization, and enhanced reliability programs.

The estimated amount of the annual change and the average monthly bill to which the proposed electric rates will apply for each electric customer class are as follows:

Electric Rate Class	Average Usage (kWh)	Annual \$ Increase	Annual % Increase	Monthly Bill\$ Increase	Monthly Bill% Increase
Residential Service					
Residential Service	14,783	\$ 54,999.804	18.3%	\$ 35	18.3%

Residential Load Management Time-of-Day	19,971	\$ 74,963	17.2%	\$ 43	17.2%
Residential Service Time-of-Day	23,596	\$ 3,459	20.7%	\$ 48	20.7%
Experimental Residential Service Time-of-Day	NA	NA	NA	NA	NA
Residential Demand-Meter Electric Service	NA	NA	NA	NA	NA
General Service					
General Service	20,542	\$ 13,346,543	12.8%	\$ 38	12.8%
Recreational Lighting Service	16,458	\$ 45,372	19.6%	\$ 44	19.6%
Load Management TOD	27,673	\$ 36,291	13.3%	\$ 47	13.3%
Unmetered Service	3,351	\$ 66,876	9.0%	\$ 6	9.0%
Small General Service TOD	15,991	\$ 96,857	6.4%	\$ 16	6.4%
Medium General Service TOD	59,998	\$ 165,593	12.8%	\$ 97	12.8%
Large General Service	850,014	\$ 6,308,543	8.9%	\$ 908	8.9%
L.G.S. Load Management TOD	249,567	\$ 21,037	8.0%	\$ 250	8.0%
Large General Service TOD	1,185,583	\$ 92,859	9.5%	\$ 1,105	9.5%
Industrial Service					
Industrial General Service	30,810,612	\$ 17,068,044	8.6%	\$ 20,033	8.6%
All Other					
Municipal Waterworks	205,857	\$ 18,624	7.4%	\$ 194	7.4%
Outdoor Lighting	693	\$ 1,516,832	14.8%	\$ 2	14.8%
Street Lighting	700	\$ 218,086	11.3%	\$ 2	11.3%
Pole Attachments	NA	NA	NA	NA	NA
COGEN/SPP I	NA	NA	NA	NA	NA
COGEN/SPP II	NA	NA	NA	NA	NA
NMS	NA	NA	NA	NA	NA
NMS II- Residential	NA	NA	NA	NA	NA
NMS II- Non- Residential	NA	NA	NA	NA	NA

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. 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 website 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. 2023-00159.

The rates contained in this 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 of initial publication or mailing of this notice, the Commission may take final action on the application.

Kentucky Power Company  
1645 Winchester Avenue  
Ashland, KY 41101  
1-800-572-1113

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

**List of Newspapers in Kentucky Power Service Territory**

Ashland Daily Independent – Boyd and Carter Co  
Booneville Sentinel – Owsley Co  
Carter County Times – Carter Co  
Greenup News – Greenup Co  
Hazard Herald – Perry Co  
Hindman Troublesome Creek Times – Knott Co  
Hyden Leslie Co. News – Leslie Co  
Inez Mountain Citizen – Martin Co  
Jackson Times – Voice – Breath Co  
Louisa Big Sandy News – Lawrence Co  
Manchester Enterprise – Clay Co  
Paintsville Herald – Johnson Co  
Pikeville Appalachian News – Express – Pike Co  
Prestonsburg Floyd County Chronical and Times – Floyd Co  
Rowan County News – Rowan Co  
Salyersville Independent – Magoffin Co  
Sandy Hook Elliott County News – Elliott Co\*  
Vanceburg Lewis County Herald – Lewis Co  
West Liberty Licking Valley Courier – Morgan Co\*  
Whitesburg Mountain Eagle – Letcher Co

\*This newspaper will not publish the week of July 3, 2023 but will reopen and publish the week of July 10, 2023.

## 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	<del>6.61</del> 8.82	<del>10.907</del> 12.292	<del>10.201</del> 10.813	<del>25.00</del> 28.00
217, 220	Primary	<del>6.01</del> 8.03	<del>9.574</del> 10.790	<del>8.993</del> 9.533	<del>100.00</del> 120.00
236	Subtransmission	<del>4.68</del> 6.38	<del>8.663</del> 9.763	<del>8.141</del> 8.629	<del>400.00</del> 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	<del>\$85.00</del> \$97.00	<del>\$127.50</del> \$145.00	<del>\$660.00</del> \$750.00	<del>\$660.00</del> \$750.00
Demand Charge per KW	<del>\$8.77</del> \$10.39	<del>\$7.90</del> \$8.95	<del>\$6.61</del> \$5.39	<del>\$6.16</del> \$5.25
Excess Reactive Charge				
per KVA:	\$3.46	\$3.46	\$3.46	\$3.46
Energy Charge per KWH	<del>8.432¢</del> 8.796¢	<del>7.356¢</del> 7.867¢	<del>5.230¢</del> 5.975¢	<del>5.085¢</del> 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	<del>\$85.00</del> \$97.00	<del>\$127.50</del> \$145.00	<del>\$660.00</del> \$750.00	<del>\$660.00</del> \$750.00
Demand Charge per KW	<del>\$10.92</del> \$9.13	<del>\$8.17</del> \$7.76	<del>\$1.77</del> \$4.40	<del>\$1.75</del> \$4.33
Excess Reactive Charge per KVA:	\$3.46	\$3.46	\$3.46	\$3.46
Energy Charge:				
On-Peak Energy				
Charge per KWH	<del>10.284¢</del> 11.793¢	<del>10.142¢</del> 11.238¢	<del>10.055¢</del> 11.075¢	<del>9.969¢</del> 10.938¢
Off-Peak Energy				
Charge per KWH	<del>5.360¢</del> 6.194¢	<del>5.318¢</del> 6.021¢	<del>5.293¢</del> 5.970¢	<del>5.267¢</del> 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	<del>\$25.88</del> \$27.32	<del>\$22.96</del> \$25.31	<del>\$16.33</del> \$17.89	<del>\$16.08</del> \$17.52
Of monthly off-peak billing demand	<del>\$1.80</del> \$1.84	\$1.78	<del>\$1.76</del> \$1.75	<del>\$1.75</del> \$1.73
Energy Charge per KWH:	<del>2.698¢</del> 3.214¢	<del>2.660¢</del> 3.063¢	<del>2.635¢</del> 3.018¢	<del>2.612¢</del> 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>
<del>\$28.77</del> \$26.01/KW	<del>\$25.81</del> \$24.05/KW	<del>\$19.17</del> \$16.64/KW	<del>\$18.88</del> \$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 ~~0.5519~~ 0.08698 \$/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 ~~.04393~~ .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	<del>\$1.00/month</del> \$0.50/month	<del>\$0.010</del> \$0.005
A2. Wind RECs	<del>\$1.00/month</del> \$0.50/month	<del>\$0.010</del> \$0.005
A3. Hydro & Other RECs	<del>\$0.30/month</del> \$0.50/month	<del>\$0.003</del> \$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~~ 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.	<del>2020/2021</del>	<del>\$6.74</del>	kW/month
	2023/2024	\$8.36	
	<del>2021/2022</del>	<del>\$8.09</del>	kW/month
	2024/2025	\$8.92	
	<del>2022/2023</del>	<del>\$7.89</del>	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.	<del>2020/2021</del>	<del>\$2.81</del>	kW/month
	2023/2024	\$3.48	
	<del>2021/2022</del>	<del>\$3.37</del>	kW/month
	2024/2025	\$3.72	
	<del>2022/2023</del>	<del>\$3.29</del>	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.	<del>2020/2021</del>	<del>\$6.74</del>	kW/month
	2023/2024	\$8.36	
	<del>2021/2022</del>	<del>\$8.09</del>	kW/month
	2024/2025	\$8.92	
	<del>2022/2023</del>	<del>\$7.89</del>	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.
- ~~e.~~ ~~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.~~
- ~~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 <sub>Class</sub>	CP/kWh Ratio	CP <sub>Class</sub>
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.		<del>0.02428%</del> 0.022970%	
S.G.S.-T.O.D.		<del>0.01962%</del> 0.018187%	
M.G.S.-T.O.D.		<del>0.01962%</del> 0.018187%	
G.S.		<del>0.01962%</del> 0.018187%	
L.G.S., L.G.S.-T.O.D.		<del>0.01798%</del> 0.016146%	
L.G.S.-L.M.-T.O.D.		<del>0.01798%</del> 0.016146%	
I.G.S. and C.S.-I.R.P.		<del>0.01232%</del> 0.011832%	
M.W.		<del>0.01326%</del> 0.012350%	

O.L.		<del>0.00263%</del> 0.005294%	
S.L.		<del>0.00262%</del> 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	\$ <del>3,503,207</del> 3,022,418
February	<del>3,961,295</del> 2,558,332
March	<del>3,695,547</del> 2,621,611
April	<del>4,652,708</del> 2,519,828
May	<del>4,476,891</del> 2,514,284
June	<del>3,896,996</del> 2,644,974
July	<del>4,132,198</del> 2,594,563
August	<del>3,932,695</del> 2,741,097
September	<del>3,687,618</del> 2,508,995
October	<del>3,775,108</del> 2,376,639
November	<del>3,816,807</del> 2,423,992
December	<u>\$ <del>3,814,390</del> 2,597,739</u>
	<u>\$ 47,345,460 31,124,472</u>

3. Current Period Revenue Requirement, CRR

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

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<sub>KP(c)</sub> = Monthly Pollution Control Operating Expenses for Mitchell.
- ~~RB<sub>IM(c)</sub> = Environmental Compliance Rate Base for Rockport.~~
- ~~ROR<sub>IM(c)</sub> = Annual Rate of Return on Rockport Rate Base;  
Annual Rate divided by 12 to restate to a Monthly Rate of Return.~~
- ~~OE<sub>IM(c)</sub> = Monthly Pollution Control Operating Expenses for Rockport.~~
- AS = Net proceeds from the sale of Title IV and CSAPR SO<sub>2</sub> emission allowances, ERCs, and NO<sub>x</sub> 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:

$$\begin{aligned} \text{Residential Factor} &= \frac{\text{Residential Allocation} \times \text{ADRNC}}{\text{Number of Residential Bills}} \\ \text{All Other Classes Factor} &= \frac{\text{All Other Classes Allocation} \times \text{ADRNC}}{\text{Number of All Other Classes Bills}} \end{aligned}$$

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

$$\begin{aligned} \text{Residential Factor} &= \frac{\$XXX}{XXX} = \$X/\text{bill} \\ \text{All Other Classes Factor} &= \frac{\$XXX}{XXX} = \$X/\text{bill} \end{aligned}$$

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:

$$\begin{aligned} \text{Residential Adjustment Factor} &= \frac{\$X}{\$X} = X.X\% \\ \text{All Other Classes Adjustment Factor} &= \frac{\$X}{\$X} = X.X\% \end{aligned}$$

2. 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:

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

Where:

- (y) = the expense year;
- (b) = Most recent available twelve month period ended December 31 or June 30.

3. 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).

4. 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)
<del>January March and December</del>	<del>\$0.02187</del>	<del>\$0.00672</del>
	<del>\$(0.00053)</del>	<del>\$(0.00037)</del>
<del>April November</del>	<del>\$0.00010</del>	<del>\$0.00672</del>

~~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 ~~ARRM~~ 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:

<b>Electric Rate Class</b>	<b>Annual \$ Increase</b>	<b>Annual % Increase</b>
<b><u>Residential Service</u></b>		
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
<b><u>General Service</u></b>		
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%
<b><u>Industrial Service</u></b>		
Industrial General Service	\$17,068,044	8.6%
<b><u>All Other</u></b>		
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:

<b>Electric Rate Class</b>	<b>Average Usage (kWh)</b>	<b>Monthly Bill\$ Increase</b>	<b>Monthly Bill% Increase</b>
<b><u>Residential Service</u></b>			
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
<b><u>General Service</u></b>			
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%
<b><u>Industrial Service</u></b>			
Industrial General Service	30,810,612	\$20,033	8.6%
<b><u>All Other</u></b>			
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](http://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.

### **Customer Bill General Statement**

On June 29, 2023, Kentucky Power filed an application for a rate adjustment to the Public Service Commission of Kentucky in Case No. 2023-00159. For more information, please visit [www.kentuckypower.com](http://www.kentuckypower.com).



## **News from Kentucky Power**

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### **FOR IMMEDIATE RELEASE**

#### **Kentucky Power announces upcoming regulatory filings and proposed rate changes**

ASHLAND, Ky., June 19, 2023 – Kentucky Power’s future plans for providing safe, reliable power will be outlined in an upcoming filing with the Kentucky Public Service Commission (PSC).

The application will include a comprehensive rate review and a request to allow Kentucky Power to use a financial tool known as securitization. Securitization allows energy providers to refinance previously incurred costs, such as generation, storms and fuel over a longer period and at a lower financing rate. By securitizing a large portion of the rate base and excluding other proposals from the rate request, Kentucky Power has limited the proposed increase in revenue to an overall 13.6 percent.

“We are sensitive to the financial hardships some of our customers are experiencing. Our team takes steps every day to ensure we are doing what is needed to keep power flowing while managing the costs to serve our customers,” said Kentucky Power President and COO, Cindy Wiseman.

The rate review proposal includes multiple customer benefits:

- Introduction of an optional seasonal tariff to address high usage during winter months.
- Expansion of tree clearing program aimed at increasing reliability.
- Increased funding for the company’s energy assistance programs to allow more customers the benefit.
- Extension of bill due date from 15- to 21-days to give customers more flexibility.

Kentucky Power initiated its last rate review in 2020. The filing for this new review will be made with the PSC on June 29, and new rates will likely take effect in early 2024.

“We are committed to eastern Kentucky and will continue to be a leader in economic development and a strong community partner, working together with others to grow our region,” said Wiseman. “Establishing new rates that are more reflective of current demands and the unique environment we serve will help ensure Kentucky Power is best positioned to provide the safest and most reliable service to our customers and communities.”

A rate review, or rate case, is a comprehensive and transparent process in which the PSC reviews the costs, business practices and rates of an energy provider. Complete case information can be found on the [PSC’s website](#). Kentucky Power’s filing will detail their plan for providing reliable service to customers, and the PSC will determine whether the request is fair, just and reasonable for their customers. To learn more about utility rate cases visit, [www.KentuckyPower.com/rates](http://www.KentuckyPower.com/rates).

**Kentucky Power**  
**Page 2 of 2**

Kentucky Power provides service to about 163,000 customers in 20 eastern Kentucky counties. It is an operating company of American Electric Power (NYSE: AEP), based in Columbus, Ohio, is powering a cleaner, brighter energy future for its customers and communities. AEP's approximately 17,000 employees operate and maintain the nation's largest electricity transmission system and more than 225,000 miles of distribution lines to safely deliver reliable and affordable power to 5.6 million regulated customers in 11 states. AEP also is one of the nation's largest electricity producers with approximately 30,000 megawatts of diverse generating capacity, including more than 7,000 megawatts of renewable energy. The company's plans include growing its renewable generation portfolio to approximately 50 percent of total capacity by 2032. AEP is on track to reach an 80 percent reduction in carbon dioxide emissions from 2005 levels by 2030 and has committed to achieving net zero by 2045. AEP is recognized consistently for its focus on sustainability, community engagement, and diversity, equity and inclusion. AEP's family of companies includes utilities AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana, east Texas and the Texas Panhandle). AEP also owns AEP Energy, which provides innovative competitive energy solutions nationwide. For more information, visit [aep.com](http://aep.com).

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## List of Libraries in Kentucky Power Service Territory

### Boyd

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Boyd County Public Library - Main Branch  
Boyd County Public Library - Midland Branch  
Boyd County Public Library - Catlettsburg Branch

### Breathitt

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Breathitt County Public Library

### Carter

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Carter County Public Library - Main Office  
Carter County Public Library - Grayson Branch

### Clay

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Clay County Public Library

### Elliott

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Rocky J. Adkins Public Library

### Floyd

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Floyd County Public Library - Main Office  
Floyd County Public Library - Eastern Branch

### Greenup

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Greenup County Public Library - Main Office  
Greenup County Public Library - Flatwoods Branch  
Greenup County Public Library - McKell Branch

### Johnson

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Johnson County Public Library

### Knott

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Knott County Public Library

### Lawrence

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Lawrence County Public Library

### Leslie

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Leslie County Public Library

Letcher

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Jenkins Public Library  
Harry M. Caudill Memorial Library

Lewis

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Lewis County Public Library

Magoffin

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Magoffin County Public Library

Martin

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Martin County Public Library - Main Office  
Martin County Public Library - Rufus Reed Branch

Morgan

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Morgan County Public Library

Owsley

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Owsley County Public Library

Perry

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Perry County Public Library

Pike

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Pikeville Public Library  
Belfrey Public Library  
Elkhorn Public Library  
Phelps Public Library  
Pike County Library - Lee Avenue Branch  
Vesta Roberts Johnson Memorial Library

Rowan

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Rowan County Public Library

**Kentucky Power**  
1645 Winchester Avenue  
Ashland, KY 41101

**Amanda Clark**  
External Affairs Manager  
606-327-2615  
acclark1@aep.com



June 19, 2023

Public Library ABC

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear \_\_\_\_\_,

On June 29, 2023, Kentucky Power will be filing an application for a rate adjustment to the Public Service Commission of Kentucky in Case No. 2023-00159.

In an effort to inform all of our customers of the details of the application, Kentucky Power would ask that the enclosed notice be posted in your library and remain posted throughout the case proceeding.

If you would like a digital copy, please email me, [acclark1@aep.com](mailto:acclark1@aep.com). Please contact me directly with any questions that you may have.

Thank you in advance for your assistance.

Sincerely,

Amanda Clark



**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. 2023-00159
Regulatory Assets And Liabilities; (4) A	)	
Securitization Financing Order; And (5) All Other	)	
Required Approvals And Relief	)	

**Certification Of Compliance With Notice And Posting Requirements**

Brian K. West, Vice President, Regulatory and Finance for Kentucky Power Company (“Kentucky Power” or the “Company”), a utility furnishing retail electric service within the Commonwealth of Kentucky, certifies the following:

1. On June 29, 2023, Kentucky Power Company filed an Application with the Public Service Commission of Kentucky for approval of an adjustment of its electric rates, terms, and conditions of Kentucky Power Company, and seeking certain other relief.

2. In connection with its Application, Kentucky Power provided the following notices:

(a) Kentucky Power filed with the Commission on May 23, 2023 its Notice of Intent in accordance with the requirements of 807 KAR 5:001, Section 16(2). A copy of the Notice of Intent also was provided electronically to the Office of the Attorney General, Office of Rate Intervention in accordance with 807 KAR 5:001, Section 16(2)(c) on May 23, 2023. The Notice of Intent also was provided electronically to all other intervenors in Case No. 2020-00174.

(b) The customer notice required by 807 KAR 5:001, Section 17(2) and 807 KAR 5:011, Section 8(2), as modified by the Commission's June 2, 2023 order in these proceedings, will be published once a week for three consecutive weeks in a prominent manner in newspapers of general circulation in Kentucky Power's service area, with the exception of two newspapers as detailed herein (the "Abbreviated Customer Notice").<sup>1</sup> The Abbreviated Customer Notice was first published beginning the week of June 19, 2023. Kentucky Power Company on June 26, 2023 filed a request for deviation with respect to the publication of the third weekly notices in *The Elliott County News* and *The Licking Valley Courier*. Both papers will not publish the week of July 3, 2023. The Company is therefore requesting to publish the third weekly notice in those papers approximately one week later than they otherwise would have run. An affidavit verifying the contents of the published Abbreviated Customer Notice, that the notice was published, and the dates of publication will be filed in accordance with 807 KAR 5:001, Section 17(3)(b) and 807 KAR 5:011, Section 8(3)(b) within 45 days of the date this Application is submitted to the Commission.

(c) On or before June 29, 2023, Kentucky Power made the public posting of the full-length customer notice required by 807 KAR 5:001, Section 17(1)(a) and 807 KAR 5:011, Section 8(1)(a) ("Full-Length Customer Notice") at each of the offices listed below. The Company also is providing a copy of the Application for public inspection at Kentucky Power's corporate offices and distribution operations centers at the following locations:

- (i) Ashland Corporate Office, 1645 Winchester Avenue, Ashland, Kentucky;

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<sup>1</sup> By Order dated June 2, 2023 in this proceeding, the Commission granted Kentucky Power's Application to provide abbreviated newspaper notice of the Company's Application for a rate adjustment in satisfaction of the requirements of 807 KAR 5:001, Section 17(2).

- (ii) Cannonsburg (Ashland) Service Center, 12333 Kevin Avenue, Ashland, Kentucky;
- (iii) Hazard Service Center, 1400 E. Main Street, Hazard, Kentucky;
- (iv) Pikeville Service Center, 3249 N. Mayo Trail, Pikeville, Kentucky;
- (v) Paintsville Service Center, 416 Teays Branch Road, Paintsville, Kentucky; and
- (vi) Whitesburg Service Center, 117 Madison Street, Suite A, Whitesburg, Kentucky.

The public postings of the Full-Length Customer Notice and copies of the Application will remain available for public inspection in conformity with the requirements of 807 KAR 5:001, Section 17(1)(c) and 807 KAR 5:011, Section 8(1)(c) until the Commission enters a final decision in this matter.

(d) On or before June 29, 2023, Kentucky Power posted on its website (<https://www.kentuckypower.com>) the information and hyperlink required by 807 KAR 5:001, Section 17(1)(b) and 807 KAR 5:011, Section 8(1)(b). This information will remain available for public access and inspection in conformity with the requirements of 807 KAR 5:001, Section 17(1)(c) and 807 KAR 5:011, Section 8(1)(c) on Kentucky Power's website until the Commission enters a final decision in this matter.

3. The customer notices and public posting described in paragraphs 2(b) and 2(c) of this certification conformed to and contained the information required by 807 KAR 5:001, Section 17(4) and 807 KAR 5:011, Section 8(4), as modified by the Commission's June 2, 2023 Order in this case.

4. The Full-Length Customer Notice identified in paragraph 2 above and attached hereto contains a clear and concise explanation of the proposed change in the rate schedule applicable to each customer class.

Given under my hand this 29<sup>th</sup> day of June, 2023.



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Brian K. West  
Vice President, Regulatory and Finance  
Kentucky Power Company  
1645 Winchester Avenue  
Ashland, KY 41101

**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. 2023-00159  
Regulatory Assets And Liabilities; (4) A )  
Securitization Financing Order; And (5) All Other )  
Required Approvals And Relief )

**NOTICE OF INTENT**

Pursuant to 807 KAR 5:001, Section 16(2) and all other applicable statutory provisions and regulations, Kentucky Power Company gives notice of its intent to file on or before June 29, 2023 an application seeking: (1) a general adjustment of its electric rates; (2) approval of its tariffs and riders; (3) approval of accounting practices to establish regulatory assets and liabilities; (4) a securitization financing order; and (5) all other required approvals and relief.

The general adjustment of Kentucky Power Company's rates for electric service will be supported by Kentucky Power Company's historical test year for the twelve months ended March 31, 2023.

Kentucky Power Company has transmitted a copy of this notice of intent in a portable document format by electronic mail to the Attorney General's Office of Rate Intervention at [rateintervention@ky.gov](mailto:rateintervention@ky.gov) and to the other intervenors in the Company's last general rate case, Case No. 2020-000174:

Michael L. Kurtz  
Kurt J. Boehm  
Jody Kyler Cohn  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202  
[mkurtz@bkllawfirm.com](mailto:mkurtz@bkllawfirm.com)  
[kBoehm@bkllawfirm.com](mailto:kBoehm@bkllawfirm.com)  
[jkylercohn@bkllawfirm.com](mailto:jkylercohn@bkllawfirm.com)

Don C. Parker  
Barry Alan Naum  
Spilman Thomas & Battle, PLLC  
1100 Brent Creek Blvd., Suite 101  
Mechanicsburg, PA 17050  
[dparker@spilmanlaw.com](mailto:dparker@spilmanlaw.com)  
[bnaum@spilmanlaw.com](mailto:bnaum@spilmanlaw.com)

Randal A. Strobo  
Clay A. Barkley  
David E. Spenard  
Strobo Barkley PLLC  
239 S. Fifth Street, Suite 917  
Louisville, Kentucky 40202  
[rstrobo@strobobarkley.com](mailto:rstrobo@strobobarkley.com)  
[cbarkley@strobobarkley.com](mailto:cbarkley@strobobarkley.com)  
[dspenard@strobobarkley.com](mailto:dspenard@strobobarkley.com)

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201 West Short Street  
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Huntington, West Virginia 25701  
[maf@JenkinsFenstermaker.com](mailto:maf@JenkinsFenstermaker.com)

John G. Horne  
Lawrence W. Cook  
Michael West  
Angela Goad  
Assistant Attorneys General  
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700 Capital Avenue, Suite 20  
Frankfort, KY 40601  
[John.Horne@ky.gov](mailto:John.Horne@ky.gov)  
[Larry.Cook@ky.gov](mailto:Larry.Cook@ky.gov)  
[Michael.West@ky.gov](mailto:Michael.West@ky.gov)  
[Angela.goad@ky.gov](mailto:Angela.goad@ky.gov)

Carrie H. Grundmann  
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110 Oakwood Drive, Suite 500  
Winston-Salem, NC 27103  
[cgrundmann@spilmanlaw.com](mailto:cgrundmann@spilmanlaw.com)

Thomas J. FitzGerald  
Kentucky Resources Council, Inc.  
P.O. Box 1070  
Frankfort, Kentucky  
[FitzKRC@aol.com](mailto:FitzKRC@aol.com)

Matthew E. Miller  
Sierra Club  
2528 California Street  
Denver, Colorado  
[Matthew.miller@sierraclub.org](mailto:Matthew.miller@sierraclub.org)

Kentucky Power Company is contemporaneously filing an application, consistent with 807 KAR. 5:001, Section 16(2)(b), and 807 KAR 5:001, Section 17(5), for permission to use an abbreviated form of newspaper notice of proposed rate increases.

Respectfully submitted,



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Katie M. Glass  
STITES & HARBISON PLLC  
421 West Main Street  
P. O. Box 634  
Frankfort, Kentucky 40602-0634  
Telephone: (502) 223-3477  
[kglass@stites.com](mailto:kglass@stites.com)

Kenneth J. Gish, Jr. (KBA #93970)  
K&L GATES LLP  
300 South Tryon Street, Suite 1000  
Charlotte, North Carolina 28202  
Telephone: (704) 331-7424  
[ken.gish@klgates.com](mailto:ken.gish@klgates.com)

COUNSEL FOR KENTUCKY POWER  
COMPANY

Electric Rate Class	Year End Adjusted kWh	Year End Adjusted # of Customers	Average Usage (kWh)	Total kW	Average Customer Demand (kW)	Present Average Billing	Proposed Average Revenue	Annual \$ Increase	Annual % Increase	Monthly Bill\$ Increase	Monthly Bill% Increase
<b>Residential Service</b>											
Residential Service	1,945,556,317	131,610	14,783			\$ 191	\$ 225	\$54,999,804	18.3%	\$35	18.3%
Residential Load Management Time-of-Day	2,875,877	144	19,971			\$ 252	\$ 296	\$74,963	17.2%	\$43	17.2%
Residential Service Time-of-Day	141,574	6	23,596			\$ 232	\$ 281	\$3,459	20.7%	\$48	20.7%
Experimental Residential Service Time-of-Day	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Residential Demand-Meter Electric Service	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>General Service</b>											
General Service	599,869,293	29,202	20,542	1,176,447	40	\$ 298	\$ 336	\$13,346,543	12.8%	\$38	12.8%
Recreational Lighting Service	1,415,369	86	16,458			\$ 224	\$ 268	\$45,372	19.6%	\$44	19.6%
Load Management TOD	1,798,726	65	27,673			\$ 350	\$ 397	\$36,291	13.3%	\$47	13.3%
Unmetered Service	3,136,289	936	3,351			\$ 66	\$ 72	\$66,876	9.0%	\$6	9.0%
Small General Service TOD	7,995,316	500	15,991			\$ 251	\$ 268	\$96,857	6.4%	\$16	6.4%
Medium General Service TOD	8,519,716	142	59,998			\$ 760	\$ 858	\$165,593	12.8%	\$97	12.8%
Large General Service	492,157,922	579	850,014	1,535,363	2,652	\$ 10,232	\$ 11,140	\$6,308,543	8.9%	\$908	8.9%
L.G.S. Load Management TOD	1,746,972	7	249,567			\$ 3,148	\$ 3,398	\$21,037	8.0%	\$250	8.0%
Large General Service TOD	8,299,082	7	1,185,583	17,404	2,486	\$ 11,591	\$ 12,697	\$92,859	9.5%	\$1,105	9.5%
<b>Industrial Service</b>											
Industrial General Service	2,187,553,477	71	30,810,612	3,596,611	50,656	\$ 233,071	\$ 253,104	\$17,068,044	8.6%	\$20,033	8.6%
<b>All Other</b>											
Municipal Waterworks	1,646,859	8	205,857			\$ 2,609	\$ 2,803	\$18,624	7.4%	\$194	7.4%
Outdoor Lighting	37,817,168	54,557	693			\$ 16	\$ 18	\$1,516,832	14.8%	\$2	14.8%
Street Lighting	8,426,444	12,039	700			\$ 13	\$ 15	\$218,086	11.3%	\$2	11.3%
Pole Attachments	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
COGEN/SPP I	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
COGEN/SPP II	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NMS	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NMS II - Residential	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NMS II - Non-Residential	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>5,308,956,401</b>	<b>163,363</b>	<b>32,498</b>	<b>6,325,824</b>		<b>\$ 354</b>	<b>\$ 402</b>	<b>\$94,079,781</b>	<b>13.6%</b>	<b>\$48</b>	<b>13.6%</b>



KENTUCKY POWER BILLING ANALYSIS  
 FISCAL YEAR ENDED MARCH 31, 2023  
 REVENUE SUMMARY SHEET

	Total Ty P Revenue	Back To Bill Adjustment	Less Fuel Adjustment Clause	Less Economic Development HFC Fund	Less System States	Less Capacity Charge	Less Env. Surcharge	Less Purchase Power Adj.	Less Decommissioning Rider	Less Fuel Line Cost	Test Year P Revenue
RS	\$31,101,949		\$51,775,427	\$4,749,989	(\$84,196)	\$1,910,984	\$14,051,155	\$8,086,387	\$14,009,673	(\$16,494,385)	\$226,210,083
RS MATD	\$18,738		\$3,189	\$18	(\$41)	\$87	\$769	\$54	\$771	(\$1,244)	\$12,830
RS TOD	\$18,738		\$3,189	\$18	(\$41)	\$87	\$769	\$54	\$771	(\$1,244)	\$12,830
Residential Total	\$30,185,660		\$51,857,753	\$4,765,519	(\$85,145)	\$1,913,712	\$14,072,331	\$8,140,921	\$14,009,693	(\$16,521,950)	\$226,548,626
GS-SEC	\$102,943,116		\$15,653,844	\$348,922	(\$161,791)	\$654,672	\$4,596,793	\$2,550,438	\$5,077,703	(\$3,890,519)	\$77,753,454
GS-AM	\$1,800,460		\$42,763	\$1,376	(\$69)	\$3,535	\$40,224	\$13,977	\$40,434	(\$21,267)	\$52,686
GS-TOD	\$1,800,460		\$42,763	\$1,376	(\$69)	\$3,535	\$40,224	\$13,977	\$40,434	(\$21,267)	\$52,686
GS-TOD	\$1,800,460		\$42,763	\$1,376	(\$69)	\$3,535	\$40,224	\$13,977	\$40,434	(\$21,267)	\$52,686
GS-MATD	\$222,991		\$45,954	\$806	(\$51)	\$1,707	\$12,637	\$7,198	\$12,893	(\$6,140)	\$203,454
GS-TOD	\$1,295,691		\$223,000	\$1,672	(\$2,419)	\$9,428	\$59,331	\$36,840	\$60,221	(\$56,011)	\$862,705
GS-PRI	\$1,314,227		\$228,482	\$890	(\$2,614)	\$9,119	\$59,854	\$36,211	\$61,122	(\$54,779)	\$976,443
GS-SUB	\$97,734		\$10,355	\$30	(\$10)	\$109	\$1,000	\$4,307	\$4,307	(\$1,000)	\$97,734
GS-TOTAL	\$108,397,726		\$18,749,658	\$370,253	(\$170,974)	\$993,659	\$5,577,978	\$2,683,452	\$5,441,657	(\$4,085,773)	\$81,891,157
LGS-SEC	\$43,800,120		\$7,831,711	\$4,320	(\$81,599)	\$344,642	\$1,941,340	\$1,092,712	\$1,994,131	(\$1,987,892)	\$32,660,754
LGS-TOD	\$384,429		\$50,200	\$64	(\$30)	\$2,267	\$2,598	\$7,409	\$7,409	(\$1,411)	\$492,100
LGS-SEC	\$384,429		\$50,200	\$64	(\$30)	\$2,267	\$2,598	\$7,409	\$7,409	(\$1,411)	\$492,100
LGS-TOD	\$384,429		\$50,200	\$64	(\$30)	\$2,267	\$2,598	\$7,409	\$7,409	(\$1,411)	\$492,100
LGS-PRI	\$311,861		\$53,897	\$24	(\$31)	\$3,297	\$14,581	\$15,268	\$13,658	(\$15,518)	\$233,276
LGS-TOD	\$12,020,767		\$2,150,497	\$801	(\$24,695)	\$91,062	\$929,099	\$416,027	\$548,647	(\$548,354)	\$8,559,723
LGS-SUB	\$1,321,762		\$336,294	\$78	(\$3,029)	\$15,730	\$44,281	\$39,763	\$46,300	(\$47,201)	\$829,678
LGS-TOTAL	\$48,380,732		\$10,553,138	\$5,337	(\$11,642)	\$462,863	\$2,569,465	\$1,576,620	\$2,642,660	(\$2,685,590)	\$43,387,665
PS-SEC	\$13,706,290		\$2,225,501	\$1,641	(\$24,147)	\$97,054	\$631,702	\$493,493	\$654,278	(\$570,865)	\$10,253,612
PS-TOD	\$13,706,290		\$2,225,501	\$1,641	(\$24,147)	\$97,054	\$631,702	\$493,493	\$654,278	(\$570,865)	\$10,253,612
PS-TOTAL	\$13,706,290		\$2,225,501	\$1,641	(\$24,147)	\$97,054	\$631,702	\$493,493	\$654,278	(\$570,865)	\$10,253,612
IGS-SEC	\$1,879,897		\$417,283	\$48	(\$4,715)	\$9,485	\$1,721,477	\$53,214	\$74,388	(\$106,395)	\$1,384,392
IGS-TOD	\$1,879,897		\$417,283	\$48	(\$4,715)	\$9,485	\$1,721,477	\$53,214	\$74,388	(\$106,395)	\$1,384,392
IGS-SUB	\$138,666,936		\$45,449,885	\$253	(\$44,381)	\$974,083	\$3,325,642	\$4,822,778	\$3,421,371	(\$1,699,598)	\$81,920,915
IGS-TOTAL	\$20,892,306		\$6,222,822	\$36	(\$70,322)	\$1,260,316	\$548,613	\$719,508	\$598,619	(\$1,678,632)	\$14,607,809
IGS-TRAN	\$198,976,376		\$60,111,220	\$809	(\$900,409)	\$1,260,316	\$5,401,789	\$6,032,668	\$5,989,138	(\$14,641,413)	\$134,998,089
IGS-TOTAL	\$10,245,675		\$1,005,977	\$0	(\$12,821)	\$43,270	\$544,659	\$28,421	\$583,566	(\$254,480)	\$8,927,093
SL	\$1,837,274		\$230,284	\$0	(\$2,881)	\$9,035	\$100,774	\$6,152	\$103,964	(\$56,627)	\$1,446,892
MW	\$260,475		\$46,197	\$103	(\$486)	\$2,068	\$10,864	\$5,416	\$11,194	(\$1,694)	\$146,965
Total	\$683,270,003	\$0	\$142,362,412	\$53,734	(\$1,510,072)	\$4,510,053	\$28,559,706	\$21,287,105	\$20,010,487	(\$38,853,394)	\$506,654,822

Income Statement	691,550,215.72	Total Firm Sales
SSC differential	1,984,215.79	Increase firm sales
CC differential	465,094.75	Increase firm sales
Tariff Summary	694,772,022.60	Increase firm sales
Book to bill adj		Decrease FS
Billing analysis	693,270,003.42	new TYFS total

Environmental Exclusion/ECD	Annualization/Reg Revenue	Weather Non-Reg Revenue	Customer Admin Revenue	Customer Revenue	Adjusted Revenue	Proposed Base Revenue Increase	Proposed Base Revenue	CCOS Judgments	Verification Difference	Rate Design Difference	Line/Out	Proposed REA Increase	Total Income For newspaper table 1	Total Proposed For newspaper table 1	Units	Test Year Rates Revenue
(89,055,053)	\$0	\$10,827,946	(\$562,233)	\$0	\$227,230,745	\$4,941,872	\$26,006,817					\$157,932	\$54,999,004	\$361,101,733		(\$1,365,980)
(1,077,493)	\$0	\$0	(\$4,983)	\$0	\$15,708	\$3,451	\$1,209					\$7	\$3,459	\$20,106		\$3
(83,068,699)	\$0	\$10,845,723	(\$567,986)	\$0	\$227,557,562	\$54,920,104	\$262,477,666	\$282,479,538	\$1,872	\$1,870	\$2	\$156,121	\$55,078,225	\$356,632,855		(\$1,368,836)
(63,944,330)	\$0	\$1,047,131	\$224,083	\$0	\$75,830,338	13,175,795	88,006,131					\$0	\$13,175,793	\$116,118,910		(\$188,371)
(625,922)	\$0	\$1,370	(\$7,241)	\$0	\$5,430,303	66,876	607,779					\$0	\$66,876	\$809,639		\$690
(848,369)	\$0	\$0	\$4,842	\$0	\$1,110,973	96,857	1,207,430					\$0	\$96,857	\$1,605,317		(\$3,026)
(8,742,420)	\$0	\$0	(\$1,872)	\$0	\$6,842,420	\$0	\$0					\$0	\$0	\$6,842,420		\$0
(85,144)	\$0	\$19,420	(\$5,630)	\$0	\$208,100	\$8,241	24,391					\$0	\$8,241	\$309,282		(\$2,800)
(838,235)	\$0	\$0	(\$18,487)	\$0	\$542,857	165,935	1,106,549					\$0	\$165,933	\$1,461,283		(\$3,223)
(838,572)	\$0	\$5,431	(\$28,836)	\$0	\$914,467	162,777	1,077,243					\$0	\$162,777	\$1,477,603		(\$10,620)
(82,717)	\$0	\$0	(\$1,931)	\$0	\$7,922	\$13,678	\$0					\$0	\$13,678	\$29,601		(\$2,433)
(83,856,626)	\$0	\$1,075,382	\$8,625	\$0	\$79,861,165	\$13,678,631	\$93,539,806	\$03,529,688	\$4,013	\$4,004	\$9	\$0	\$13,679,581	\$124,129,887		(\$20,524)
(81,251,007)	\$0	\$383,102	\$382,777	\$0	\$32,156,655	3,753,465	36,909,118					\$0	\$3,753,463	\$47,593,682		\$11,842
(81,172)	\$0	\$0	\$0	\$0	\$153,984	21,522	205,091					\$0	\$21,522	\$227,616		(\$531)
(81,397)	\$0	\$0	\$8,026	\$0	\$22,879	\$2,327	\$5,206					\$0	\$2,327	\$30,188		\$1,877
(83,397)	\$0	\$108,146	\$299,562	\$0	\$8,926,488	1,140,204	10,066,692					\$0	\$1,140,204	\$13,180,971		\$8,207
(830,944)	\$0	\$0	\$71,661	\$0	\$972,701	101,527	1,074,228					\$0	\$101,527	\$1,423,319		(\$2,020)
(828,536)	\$0	\$0	\$0	\$0	\$0	\$0	\$0					\$0	\$0	\$0		\$0
(81,665,653)	\$0	\$491,338	\$52,006	\$0	\$43,035,766	\$5,100,000	\$48,144,246	\$48,261,642	\$137,396	\$3,383	\$133,463	\$0	\$5,100,000	\$63,489,832		\$20,577
(807,091)	\$0	\$120,359	\$94,035	\$0	\$10,050,915	1,291,032	11,351,947					\$0	\$1,291,032	\$14,997,312		(\$33,813)
(813,648)	\$0	\$125,356	\$64,035	\$0	\$10,252,519	\$1,313,346	\$11,565,868	\$11,412,403	(\$133,465)		(\$133,465)	\$0	\$11,565,868	\$14,261,944		(\$3,665)
(846,494)	\$0	\$0	\$0	\$0	\$1,317,898	97,771	1,415,669					\$0	\$97,771	\$1,977,698		\$3,981
(82,143,160)	\$0	\$0	(\$346,745)	\$0	\$86,310,111	\$1,807,417	\$1,138,428					\$0	\$1,807,417	\$150,464,383		\$74,380
(835,545)	\$0	\$0	\$0	\$0	\$14,144,263	\$1,834,079	\$15,978,342					\$0	\$1,834,079	\$22,796,385		\$343,079
(83,481,101)	\$0	\$0	\$1,464,148	\$0	\$132,601,117	\$17,008,044	\$149,609,161	\$140,068,670	(\$504)	(\$504)	\$13	\$0	\$17,008,044	\$215,644,719		\$468,759
(850,997)	\$0	\$0	(\$193,895)	\$0	\$7,822,241	1,516,832	9,339,073	\$9,343,135	\$4,082	\$4,082	\$0	\$0	\$1,516,832	\$11,762,908		\$7,630
(864,942)	\$0	\$0	\$1,075	\$0	\$1,452,715	218,068	1,700,801	\$1,701,481	\$680	\$681	(\$1)	\$0	\$218,068	\$2,155,800		\$15
(87,021)	\$0	\$0	(\$12,732)	\$0	\$167,202	\$18,624	\$18,626	\$18,627	\$1	\$1	(\$0)	\$0	\$18,624	\$269,100		(\$446)
(818,404,867)	\$0	\$12,333,767	\$1,862,916	\$0	\$502,666,637	\$3,927,660	\$506,594,297	\$56,662,365	\$4,068	\$4,047	\$21	\$156,121	\$64,079,761	\$77,349,785		(\$1,125,502)



KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
RESIDENTIAL LOAD MANAGEMENT TIME-OF-DAY SERVICE (028, 030, 032, 034)  
RS LMTOD

Description (1)	Unit Adjustments			Base Revenues Adjustments					Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue				
	Units (2)	Rate (4)	Per Books Revenue (6)	Weather Normalization (7)	Customer Annualization (8)	Customer Pro Forma (9)	Adjusted Units (10)	Enviro Sur Excl FGD (11)				Rate Annualization (12)	Weather Normalization (13)	Customer Annualization (14)	Customer Pro Forma (15)
On-peak kWh	1,072,628	0.14534	-	62,363	(27,813.35)	-	1,107,178	-	9,064	(4,042.39)	-	-	160,917	0.18646	206,444
Off-peak kWh	1,713,506	0.07888	-	99,624	(44,431.38)	-	1,768,699	-	7,858	(3,504.75)	-	-	139,515	0.08603	152,161
Book to Bill Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C&LM Credit	-	(0.00745)	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Charge	1,774	21.00	-	-	(46)	-	1,728	-	-	(966.00)	-	-	36,288	23.00	39,744
Separate Meter Charge	96	4.30	-	-	(2)	-	94	-	-	(10.70)	-	-	402	4.30	402
Unbilled Test Year Revenues	-	-	(82,911)	-	-	-	-	-	-	-	-	-	-	-	(2,911)
Fuel	-	-	79,137	-	-	-	-	-	-	-	-	-	-	-	-
HEAP Charge	-	-	532	-	-	-	-	-	-	-	-	-	-	-	-
System Sales Clause	-	-	(908)	-	-	-	-	-	-	-	-	-	-	-	-
Capacity Charge	-	-	2,751	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Surcharge	-	-	20,407	-	-	-	-	(13,151)	-	-	-	-	(13,151)	-	-
Purchased Power Adjustment	-	-	14,315	-	-	-	-	-	-	-	-	-	-	-	-
Decommissioning Rider	-	-	20,246	-	-	-	-	-	-	-	-	-	-	-	-
Economic Development Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fed Tax Cut	-	-	(26,321)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>\$ 435,973</b>				<b>\$</b>	<b>(13,151)</b>	<b>\$</b>	<b>16,922</b>	<b>(8,624)</b>	<b>\$</b>	<b>321,060</b>	<b>\$</b>	<b>395,840</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
RESIDENTIAL TIME-OF-DAY SERVICE (036)  
RS TOD

Description (1)	Unit Adjustments			Base Revenues Adjustments					Proposed Rates	Proposed Revenue			
	Units (2)	Weather Normalization (7)	Customer Annualization (8)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)	Customer Annualization (14)			Customer Pro Forma (15)	Adjusted Base Revenue (16)	
On-peak kWh	40,887		9,009.00	52,971			447	1,309.37	-	7,699	0.18646	9,877	
Off-peak kWh	68,391		15,069.20	88,603			406	1,188.66	-	6,989	0.08603	7,623	
Customer Charge	59		13	72			-	273.00	-	1,512	23.00	1,656	
Unbilled Test Year Revenues												53	
Fuel													
HEAP Charge													
System Sales Clause													
Capacity Charge													
Environmental Surcharge								(496)		(496)			
Purchased Power Adjustment													
Decommissioning Rider													
Economic Development Charge													
Fed Tax Cut													
<b>Total</b>								<b>(496) \$</b>	<b>- \$</b>	<b>853</b>	<b>2,771</b>	<b>- \$</b>	<b>15,758</b>
												<b>\$</b>	<b>19,209</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
GENERAL SERVICE - SECONDARY (211, 212, 215, 216, 218)  
GS-SEC

Description (1)	Unit Adjustments			Base Revenues Adjustments					Proposed Rates	Proposed Revenue			
	Units (2)	Weather Normalization (7)	Customer Annualization (8)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)	Customer Annualization (14)			Customer Pro Forma (15)	Adjusted Base Revenue (16)	
First 4,450 kWh	350,829,833	-	1,008,635.30	357,799,335	-	650,141	650,141	110,011.85	-	39,025,173	0.12292	43,980,694	
Over 4,450 kWh	229,050,640	-	658,520.10	233,600,838	-	396,980	396,980	67,175.63	-	23,829,622	0.10813	25,259,259	
Demand Charge	1,149,516	-	3,304.86	1,152,821	-	-	-	21,845.09	-	7,620,144	8.82	10,167,877	
Customer Charge	348,522	-	1,002	349,524	-	-	-	25,050.00	-	8,736,100	28.00	9,786,672	
Unbilled Test Year Revenues										(188,371)		(188,371)	
Fuel													
HEAP Charge													
System Sales Clause													
Capacity Charge													
Environmental Surcharge												(3,194,330)	
Purchased Power Adjustment													
Decommissioning Rider													
Economic Development Charge													
Fed Tax Out													
<b>Total</b>													<b>\$ 89,006,131</b>
													<b>\$ 75,830,338</b>
													<b>\$ 1,047,131</b>
													<b>\$ 224,083</b>
													<b>\$ (3,194,330)</b>
													<b>\$ 102,943,116</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
GENERAL SERVICE--ATHLETIC FIELDS (214)  
GS-AF

Description (1)	Unit Adjustments			Base Revenues Adjustments							Proposed Rates	Proposed Revenue
	Units (2)	Weather Normalization (7)	Customer Annualization (8)	Per Books Revenue (6)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)	Customer Annualization (14)	Customer Pro Forma (15)	Adjusted Base Revenue (16)		
All kWh	1,392,054	-	23,315.19	150,871	-	0.10838	-	2,526.90	-	153,398	0.13336	188,754
Customer Charge	1,015	-	17	25,375	-	25.00	-	425.00	-	25,800	28.00	28,896
Unbilled Test Year Revenues				\$518						518		-
Fuel				33,197								518
HEAP Charge				-								-
System Sales Clause				(441)								-
Capacity Charge				1,538								-
Environmental Surcharge				10,738				(6,920)		(6,920)		-
Purchased Power Adjustment				6,159								-
Decommissioning Rider				11,466								-
Economic Development Charge				1,015								-
Fed Tax Cut				(9,401)								-
<b>Total</b>				<b>\$ 231,034</b>	<b>\$ (6,920)</b>		<b>\$ -</b>	<b>\$ 2,952</b>	<b>\$ -</b>	<b>\$ 172,796</b>		<b>\$ 218,168</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
GENERAL SERVICE - NON METERED (204, 213)  
GS-NM

Description (1)	Unit Adjustments			Base Revenues Adjustments						Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue	
	Units (2)	Rate (4)	Weather Normalization (7)	Per Books Revenue (6)	Weather Normalization (13)	Rate Annualization (12)	Enviro Sur Excl FGD (11)	Customer Annualization (8)	Customer Annualization (14)				Customer Pro Forma (9)
First 4,450 kWh	2,839,561	0.10907	11,345	309,711	1,237	2,814,962	(11)	(3,920.39)	-	-	-	0.12292	346,015
Over 4,450 kWh	324,135	0.10201	1,295	33,065	132	321,327	(11)	(418.54)	-	-	-	0.10813	34,745
Customer Charge	15,282	15.00000	-	229,230	-	15,089	(11)	(2,501.65)	-	-	-	15.00	226,328
Unbilled Test Year Revenues				\$690									690
Fuel				82,755									
HEAP Charge				-									
System Sales Clause				(968)									
Capacity Charge				3,535									
Environmental Surcharge				40,224				(25,922)					(25,922)
Purchased Power Adjustment				13,977									
Decommissioning Rider				40,434									
Economic Development Charge				11,376									
Fed Tax Cut				(21,267)									
<b>Total</b>				<b>\$ 742,763</b>	<b>\$ 1,370</b>	<b>\$ -</b>	<b>\$ (25,922)</b>	<b>\$ (7,241)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>540,903</b>
													<b>\$ 607,779</b>



KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
GENERAL SERVICE LOAD MANAGEMENT TIME-OF-DAY (223.225)  
GSLM10D

Description (1)	Unit Adjustments			Base Revenues Adjustments						Proposed Rates	Proposed Revenue	
	Units (2)	Weather Normalization (7)	Customer Annualization (8)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)	Customer Annualization (14)	Customer Pro Forma (15)	Adjusted Base Revenue (16)			
On-peak kWh	658,676										0.18567	131,162
Off-peak kWh	1,018,469										0.08558	93,479
Customer Charge	806										28.00	21,840
Unbilled Test Year Revenues												(2,090)
Fuel												
HEAP Charge												
System Sales Clause												
Capacity Charge												
Environmental Surcharge												(8,144)
Purchased Power Adjustment												
Decommissioning Rider												
Economic Development Charge												
Fed Tax Cut												
<b>Total</b>												<b>\$ 244,391</b>
												<b>\$ 272,991</b>
												<b>\$ (8,144)</b>
												<b>\$ 19,420</b>
												<b>\$ (6,630)</b>
												<b>\$ 208,100</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
SMALL GENERAL SERVICE EXPERIMENTAL TIME-OF-DAY (227)  
SGS TOD

Description (1)	Units (2)	Rate (4)	Unit Adjustments			Adjusted Units (10)	Enviro Sur Excl FGD (11)	Base Revenues Adjustments			Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue
			Per Books Revenue (6)	Weather Normalization (7)	Customer Annualization (8)			Customer Pro Forma (9)	Rate Annualization (12)	Weather Normalization (13)			
Summer On-Peak	615,706	0.20846	-	-	2,576.18	618,282	-	-	-	-	128,887	0.19545	120,843
Winter On-Peak	737,161	0.18172	-	-	3,084	740,245	-	-	-	-	134,517	0.13784	102,035
Off-Peak	6,609,135	0.11279	-	-	27,653	6,636,788	-	-	-	-	748,563	0.12349	819,577
Customer Charge	5,975	25.00	-	-	25	6,000	-	-	-	-	150,000	28.00	166,000
Unbilled Test Year Revenues			(\$3,026)								(3,026)		(3,026)
Fuel			206,192										
HEAP Charge			-										
System Sales Clause			(2,078)										
Capacity Charge			9,521										
Environmental Surcharge			75,056				(48,369)				(48,369)		
Purchased Power Adjustment			35,816										
Decommissioning Rider			77,296										
Economic Development Charge			5,975										
Fed Tax Cut			(53,417)										
<b>Total</b>			<b>\$ 1,508,460</b>				<b>\$ (48,369)</b>				<b>\$ 4,842</b>		<b>\$ 1,207,430</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
MEDIUM GENERAL SERVICE TIME-OF-DAY (229)  
MGSTOD

Description (1)	Unit Adjustments			Base Revenues Adjustments						Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue
	Units (2)	Weather Normalization (7)	Customer Annualization (8)	Per Books Revenue (6)	Rate (4)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)			
On-peak kWh	3,283,574	-	62,843,52	522,351	0.15908	3,346,418	-	9,997.15	-	9,997.15	-	621,329
Off-peak kWh	5,076,147	-	97,151.14	401,777	0.07915	5,173,298	-	7,689.51	-	7,689.51	-	442,731
Customer Charge	1,672	-	32	41,800	25.00	1,704	-	800.00	-	800.00	-	47,712
Unbilled Test Year Revenues			(53,223)									(3,223)
Fuel			223,920									
HEAP Charge			-									
System Sales Clause			(2,415)									
Capacity Charge			9,428									
Environmental Surcharge			59,331				(38,235)					(38,235)
Purchased Power Adjustment			36,840									
Decommissioning Rider			60,221									
Economic Development Charge			1,672									
Fed Tax Cut			(56,011)									
<b>Total</b>			<b>\$ 1,295,691</b>			<b>\$ (38,235)</b>				<b>\$ 18,487</b>		<b>\$ 1,106,549</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
GENERAL SERVICE - PRIMARY (217,220)  
GS-PR1

Description (1)	Unit Adjustments			Base Revenues Adjustments					Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue	
	Units (2)	Rate (4)	Weather Normalization (7)	Per Books Revenue (6)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)	Customer Annualization (14)				Customer Pro Forma (15)
First 4,450 kWh	2,562,000	0.09574	18,415	245,286			1,763	(7,165.65)	-	239,883	0.10790	270,351
Over 4,450 kWh	5,674,335	0.08993	40,767	510,293		(74,844.94) (165,767.10)	3,668	(14,907.44)	-	499,053	0.09533	529,020
Demand Charge	23,708	6.01	-	142,484		(693)	-	(4,162.45)	-	138,321	8.03	184,812
Customer Charge	890	100.00	-	89,000		(26)	-	(2,600.00)	-	86,400	120.00	103,680
Unbilled Test Year Revenues				(\$10,620)						(10,620)		-
Fuel				228,482								
HEAP Charge				-								
System Sales Clause				(2,614)								
Capacity Charge				9,119								
Environmental Surcharge				59,854				(38,572)		(38,572)		
Purchased Power Adjustment				36,211								
Decommissioning Rider				61,122								
Economic Development Charge				890								
Fed Tax Cut				(54,779)								
<b>Total</b>				<b>\$ 1,314,727</b>			<b>\$ 5,431</b>	<b>(28,836)</b>	<b>-</b>	<b>\$ 914,467</b>	<b>\$</b>	<b>1,077,243</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
GENERAL SERVICE - SUBTRAN 236  
GS-SUB

Description (1)	Unit Adjustments			Base Revenues Adjustments					Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue	
	Units (2)	Rate (4)	Weather Normalization (7)	Per Books Revenue (6)	Weather Normalization (13)	Rate Annualization (12)	Enviro Sur Excl FGD (11)	Customer Annualization (14)				Customer Pro Forma (15)
First 4,450 kWh	106,807	-	-	9,253	-	-	-	(250.07)	-	9,003	0.09763	10,146
Over 4,450 kWh	318,893	-	-	25,961	-	-	103,920	(701.65)	-	25,259	0.08629	26,774
Demand Charge	628	-	-	2,939	-	-	611	(79.42)	-	2,859	6.38	3,898
Customer Charge	37	-	-	14,800	-	-	36	(400.00)	-	14,400	460.00	16,560
Unbilled Test Year Revenues				(\$1,413)								(1,413)
Fuel				10,245								
HEAP Charge				-								
System Sales Clause				(86)								
Capacity Charge				499								
Environmental Surcharge				3,285				(2,117)				(2,117)
Purchased Power Adjustment				1,843								
Decommissioning Rider				3,363								
Economic Development Charge				37								
Fed Tax Cut				(2,770)								
<b>Total</b>				<b>\$ 67,974</b>			<b>\$ (2,117)</b>	<b>\$ (1,431)</b>		<b>\$ 47,992</b>		<b>\$ 55,965</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
LARGE GENERAL SERVICE - SECONDARY (240, 242)  
LGS-SEC

Description (1)	Unit Adjustments			Base Revenues Adjustments						Proposed Rates	Proposed Revenue	
	Units (2)	Weather Normalization (7)	Customer Annualization (8)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)	Customer Annualization (14)	Customer Pro Forma (15)			Adjusted Base Revenue (16)
Billing kWh	295,325,187	-	3,281,390.87	303,151,072	-	276,686.89	383,192	276,686.89	-	25,551,698	0.08796	26,665,168
Billing kW	822,045	-	9,134	831,179	-	80,103.72	-	80,103.72	-	7,289,438	10.39	8,635,948
Excess KVA	49,583	-	551	50,134	-	1,906.19	-	1,906.19	-	173,463	3.46	173,463
Customer Charge	4,320	-	48	4,368	-	4,080.00	-	4,080.00	-	371,280	87.00	423,696
Unbilled Test Year Revenues										10,842		10,842
Fuel												
HEAP Charge												
System Sales Clause												
Capacity Charge												
Environmental Surcharge					(1,251,067)					(1,251,067)		
Purchased Power Adjustment												
Decommissioning Rider												
Economic Development Charge												
Fed Tax Out												
<b>Total</b>					\$ (1,251,067)	\$ 362,777	\$ 383,192	\$ -	\$ -	\$ 32,155,655	\$ -	\$ 35,909,118

**Total** \$ 43,800,120 \$ (1,251,067) \$ 362,777 \$ 383,192 \$ - \$ 32,155,655 \$ 35,909,118

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023

LARGE GENERAL SERVICE LOAD MANAGEMENT TIME-OF-DAY (251)  
LGLSLMTOO

Description (1)	Units			Rate			Per Books Revenue			Unit Adjustments			Base Revenues Adjustments					Proposed Rates	Proposed Revenue
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				
On-peak kWh	729,517	-	0.14426	-	105,240	-	-	-	729,517	-	-	-	-	-	105,240	0.14934	108,946		
Off-peak kWh	1,017,455	-	0.07888	-	80,257	-	-	-	1,017,455	-	-	-	-	-	80,257	0.08695	88,468		
Customer Charge	84	-	85.00	-	7,140	-	-	-	84	-	-	-	-	-	7,140	97.00	8,148		
Unbilled Test Year Revenues					(\$531)										(531)		(\$531)		
Fuel					50,210														
HEAP Charge					-														
System Sales Clause					(563)														
Capacity Charge					2,267														
Environmental Surcharge					12,588					(8,112)					(8,112)				
Purchased Power Adjustment					7,608														
Decommissioning Rider					11,839														
Economic Development Charge					84														
Fed Tax Cut					(11,711)														
<b>Total</b>					<b>\$ 264,429</b>				<b>\$ (8,112)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>183,994</b>	<b>\$</b>	<b>205,031</b>		





KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
LARGE GENERAL SERVICE - TIME OF DAY - PRIMARY (257)  
LGS-PRI TOD

Description (1)	Unit Adjustments			Base Revenues Adjustments							Proposed Rates	Proposed Revenue		
	Units (2)	Per Books Revenue (6)	Weather Normalization (7)	Customer Annualization (8)	Customer Pro Forma (9)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)	Customer Annualization (14)			Customer Pro Forma (15)	Adjusted Base Revenue (16)
On-peak kWh	1,028,280	-	-	-	-	1,028,280	-	-	-	-	-	104,288	0.11238	115,568
Off-peak kWh	1,257,784	-	-	-	-	1,257,784	-	-	-	-	-	66,889	0.06021	75,731
Billing kW	6,346	-	-	-	-	6,346	-	-	-	-	-	51,847	7.76	49,245
Excess kVA	1,536	-	-	-	-	1,536	-	-	-	-	-	5,315	\$3.46	5,315
Customer Charge	24	-	-	-	-	24	-	-	-	-	-	3,060	145.00	3,480
Unbilled Test Year Revenues		\$1,877										1,877		
Fuel		53,587												
HEAP Charge		-												
System Sales Clause		(311)												
Capacity Charge		3,297												
Environmental Surcharge		14,551					(9,397)					(9,397)		
Purchased Power Adjustment		9,268												
Decommissioning Rider		13,658												
Economic Development Charge		24												
Fed Tax Cut		(15,518)												
<b>Total</b>		<b>\$ 311,861</b>				<b>\$</b>	<b>(9,397) \$</b>					<b>\$ 223,879</b>		<b>\$ 251,206</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023

LARGE GENERAL SERVICE - SUBTRANSMISSION (248)  
LGS-SUB

Description (1)	Unit Adjustments			Base Revenues Adjustments							Proposed Rates	Proposed Revenue	
	Units (2)	Rate (4)	Per Books Revenue (6)	Weather Normalization (7)	Customer Annualization (8)	Customer Pro Forma (9)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)			Customer Annualization (14)
Billing kWh	12,948,743	0.05230	677,219	-	996,057.15	-	13,944,800	-	-	52,093.79	-	-	729,313
Billing kW	29,271	6.61000	193,481	-	2,252	-	31,523	-	-	14,883.18	-	-	208,364
Excess KVA	2,721	3.46000	9,415	-	209	-	2,930	-	-	724.20	-	-	10,139
Customer Charge	78	660.00	51,480	-	6	-	84	-	-	3,960.00	-	-	55,440
Unbilled Test Year Revenues			(\$2,020)										(2,020)
Fuel			336,294										
HEAP Charge			-										
System Sales Clause			(3,028)										
Capacity Charge			15,730										
Environmental Surcharge			44,281					(28,536)					(28,536)
Purchased Power Adjustment			39,763										
Decommissioning Rider			46,300										
Economic Development Charge			78										
Fed Tax Cut			(87,201)										
<b>Total</b>			<b>\$ 1,321,792</b>				<b>\$</b>	<b>(28,536)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>71,661</b>	<b>\$ 972,701</b>
													<b>\$ 1,074,228</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
LARGE GENERAL SERVICE - TRANSMISSION (250)  
LGS-TRAN

Description (1)	Units (2)	Rate (4)	Unit Adjustments			Per Books Revenue (6)	Base Revenues Adjustments				Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue
			(3)	Weather Normalization (7)	Customer Annualization (8)		Customer Pro Forma (9)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)			
Billing kWh	-	0.05085	-	-	-	-	-	-	-	-	-	0.05874	-
Billing kW	-	6.16	-	-	-	-	-	-	-	-	-	5.25	-
Excess KVA	-	3.46000	-	-	-	-	-	-	-	-	-	3.46	-
Customer Charge	-	660.00	-	-	-	-	-	-	-	-	-	750.00	0
Unbilled Test Year Revenues		\$0											
Fuel		-											
HEAP Charge		-											
System Sales Clause		-											
Capacity Charge		-											
Environmental Surcharge		-											
Purchased Power Adjustment		-											
Decommissioning Rider		-											
Economic Development Charge		-											
Fed Tax Cut		-											
<b>Total</b>		\$			\$		\$		\$			\$	\$

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023

LARGE GENERAL SERVICE - TIME OF DAY - SECONDARY (256)  
LGS-SEC-TOD

Description (1)	Unit Adjustments			Base Revenues Adjustments					Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue			
	Units (2)	Weather Normalization (7)	Customer Annualization (8)	Per Books Revenue (6)	Rate (4)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)				Weather Normalization (13)	Customer Annualization (14)	Customer Pro Forma (15)
On-peak kWh	2,056,801	-	411,360.20	211,521	0.10284	2,468,161	-	42,304.28	-	42,304.28	-	253,826	0.11793	291,070
Off-peak kWh	2,954,047	-	590,809.40	158,337	0.05360	3,544,856	-	31,667.38	-	31,667.38	-	190,004	0.06194	219,568
Billing kW	9,215	-	1,843	100,628	10.92000	11,058	-	20,125.56	-	20,125.56	-	120,753	9.13	100,960
Excess kVA	4,420	-	884	15,293	3.46	5,304	-	3,058.64	-	3,058.64	-	18,352	3.46	18,352
Customer Charge	50	-	10	4,250	85	60	-	850.00	-	850.00	-	5,100	97.00	5,820
Unbilled Test Year Revenues				\$2,202								2,202		
Fuel				130,839										
HEAP Charge				-										
System Sales Clause				(1,446)										
Capacity Charge				5,804										
Environmental Surcharge				27,616			(17,797)							(17,797)
Purchased Power Adjustment				12,442										
Decommissioning Rider				28,120										
Economic Development Charge				50										
Fed Tax Cut				(33,833)										
<b>Total</b>				<b>\$ 661,824</b>			<b>\$ (17,797)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 98,006</b>	<b>\$ -</b>	<b>\$ 572,440</b>	<b>\$ -</b>	<b>\$ 637,972</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
PUBLIC SCHOOL - SECONDARY (260)  
PS-SEC

Description (1)	Units			Rate			Per Books Revenue			Unit Adjustments			Base Revenues Adjustments			Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)				
Billing kWh	85,222,605	-	0.08432	-	7,185,962	1,427,409	778,999.13	87,428.913	120,359	65,685.21	-	-	-	-	7,372,006	0.08796	7,690,247	
Billing kW	333,879	-	8.77000	-	2,928,119	3,052	336,931	336,931	-	26,765.25	-	-	-	-	2,954,884	10.39	3,500,712	
Excess KVA	9,786	-	3.46000	-	33,860	89	89	9,875	-	309.50	-	-	-	-	34,169	3.46	34,169	
Customer Charge	1,641	-	85.00	-	139,485	15	15	1,656	-	1,275.00	-	-	-	-	140,760	87.00	160,632	
Unbilled Test Year Revenues					(\$33,813)										(33,813)		(33,813)	
Fuel					2,225,501													
HEAP Charge					-													
System Sales Clause					(24,147)													
Capacity Charge					97,054													
Environmental Surcharge					631,702					(407,091)					(407,091)			
Purchased Power Adjustment					437,493													
Decommissioning Rider					654,278													
Economic Development Charge					1,641													
Fed Tax Cut					(670,855)													
<b>Total</b>					<b>\$ 13,706,280</b>				<b>\$</b>	<b>(407,091)</b>	<b>\$</b>	<b>120,359</b>	<b>\$</b>	<b>94,035</b>	<b>10,060,915</b>	<b>\$</b>	<b>11,351,947</b>	

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
PUBLIC SCHOOL - PRIMARY (264)  
PS-PRI

Description (1)	Units (2)	Rate (4)	Unit Adjustments			Adjusted Units (10)	Base Revenues Adjustments				Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue						
			Per Books Revenue (6)	Weather Normalization (7)	Customer Annualization (8)		Customer Pro Forma (9)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)				Customer Annualization (14)	Customer Pro Forma (15)				
Billing kWh	1,696,500	-	0.07356	-	-	1,737,216	-	-	-	-	2,995	-	-	127,790	0.07867	136,667			
Billing kW	6,357	-	7.90000	-	-	6,357	-	-	-	-	-	-	-	50,220	8.95	56,895			
Excess kVA	136	-	3.46000	-	-	136	-	-	-	-	-	-	-	471	3.46	471			
Customer Charge	12	-	127.50	-	-	12	-	-	-	-	-	-	-	1,530	145.00	1,740			
Unbilled Test Year Revenues																	(1,852)		
Fuel																			
HEAP Charge																			
System Sales Clause																			
Capacity Charge																			
Environmental Surcharge																		(6,555)	
Purchased Power Adjustment																			
Decommissioning Rider																			
Economic Development Charge																			
Fed Tax Cut																			
<b>Total</b>																			<b>193,921</b>

\$ 241,715      \$ (6,555)      \$ -      \$ 2,995      \$ -      \$ 171,604      \$ 193,921

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023

INDUSTRIAL GENERAL SERVICE - SECONDARY (356)  
IGS-SEC

Description (1)	Unit Adjustments			Base Revenues Adjustments							Proposed Rates	Proposed Revenue	
	Units (2)	Rate (4)	Per Books Revenue (6)	Weather Normalization (7)	Customer Annualization (8)	Customer Pro Forma (9)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)			Customer Annualization (14)
Billing kWh	15,643,440	0.02698	-	-	-	-	15,643,440	-	-	-	-	-	422,060
Billing kW													
On-Peak	14,382	25.88	-	-	-	-	14,382	-	-	-	-	-	372,206
Off-Peak	13,558	1.80	-	-	-	-	13,558	-	-	-	-	-	24,404
Minimum	18,368	28.77	-	-	-	-	18,368	-	-	-	-	-	528,447
Billing kVAR	94	0.69	-	-	-	-	94	-	-	-	-	-	65
Customer Charge	48	276.00	-	-	-	-	48	-	-	-	-	-	13,248
Unbilled Test Year Revenues													
Fuel			\$3,961										3,961
HEAP Charge			417,283										
System Sales Clause			-										
Capacity Charge			(4,715)										
Environmental Surcharge			8,485										
Purchased Power Adjustment			72,147					(46,494)					(46,494)
Decommissioning Rider			53,214										
Economic Development Charge			74,388										
Fed Tax Cut			48										
			(105,355)										
<b>Total</b>			<b>\$ 1,879,887</b>				<b>\$</b>	<b>(46,494)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ 1,317,898</b>
													<b>\$ 1,415,689</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
INDUSTRIAL GENERAL SERVICE - PRIMARY (330, 358, 370)  
(IGS-FRI)

Description (1)	Units (2)	Rate (4)	Per Books Revenue (6)	Unit Adjustments			Base Revenues Adjustments				Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue	
				Weather Normalization (7)	Customer Annualization (8)	Customer Pro Forma (9)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)				Customer Annualization (14)
Billing kWh	304,821,919	-	8,108,263	-	-	-	325,487,812	-	-	-	549,713	-	-	9,969,892
Billing kW		0.02660												
On-Peak	572,328	22.96	13,140,651	-	20,665,393	-	611,130	-	-	-	890,892	-	-	15,467,698
Off-Peak	517,112	1.78	920,459	-	38,802	-	552,170	-	-	-	62,404	-	-	982,863
Minimum	189,960	25.81	4,902,868	-	12,879	-	202,839	-	-	-	332,398	-	-	4,878,269
Billing kVAR	140,505	0.69	96,949	-	9,526	-	150,031	-	-	-	6,573	-	-	103,521
Customer Charge	472	276.00	130,272	-	32	-	504	-	-	-	8,832	-	-	139,104
CS-IRP Demand Credit	79,835	(3.68)	(293,793)	(3.68)	5,413	-	85,248	-	-	-	(19,918)	-	-	(313,711)
EDR Credit			(158,082)											(158,082)
Unbilled Test Year Revenues			\$67,368											67,368
Fuel			7,921,976											
HEAP Charge			-											
System Sales Clause			(82,990)											
Capacity Charge			172,949											
Environmental Surcharge			1,455,387											(937,902)
Purchased Power Adjustment			1,237,356											
Decommissioning Rider			1,506,760											
Economic Development Charge			472											
Fed Tax Out			(2,049,619)											
<b>Total</b>			<b>\$ 37,077,246</b>				<b>\$ (937,902)</b>				<b>\$ 1,830,893</b>			<b>\$ 31,136,722</b>



KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
INDUSTRIAL GENERAL SERVICE - SUBTRANSMISSION (331, 333, 359, 371)  
IGS-SUB

Description (1)	Units (2)	Rate (4)	Per Books Revenue (6)	Unit Adjustments			Base Revenues Adjustments				Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue
				Weather Normalization (7)	Customer Annualization (8)	Customer Pro Forma (9)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)			
Billing kWh	1,606,676.071	0.02635	42,335,914	-	(6,062,929)	-	1,600,613.142	-	-	(159,758.17)	-	0.03018	48,306,505
Billing kW	2,555,957	16.33	41,739,778	-	(9,645)	-	2,546,312	-	-	(157,504.82)	-	17.89	45,553,520
On-Peak	2,542,082	1.76	4,474,064	-	(9,593)	-	2,532,489	-	-	(16,883.26)	-	1.75	4,431,856
Off-Peak	188,191	19.17	3,607,621	-	(710)	-	187,481	-	-	(13,613.67)	-	16.64	3,119,681
Minimum													
Billing kVAR	183,161	0.69	126,381	-	(691)	-	182,470	-	-	(476.91)	-	0.69	125,904
Customer Charge	265	794.00	210,410	-	(1)	-	264	-	-	(794.00)	-	794.00	209,616
CS-IRP Demand Credit	164,630	(3.68)	(605,838)	-	(621)	-	164,009	-	-	2,286.18	-	(3.68)	(603,552)
Special Contract Billing	135,552,000		2,631,416				135,552,000						2,692,730
EDR Credit			(2,649,164)										(2,649,164)
DRS Credit			(123,019)										(123,019)
Unbilled Test Year Revenues			\$74,350										74,350
Fuel			45,549,883										
HEAP Charge			-										
System Sales Clause			(448,381)										
Capacity Charge			974,063										
Environmental Surcharge			3,325,642					(2,143,160)					(2,143,160)
Purchased Power Adjustment			4,822,778										
Decommissioning Rider			3,421,371										
Economic Development Charge			253										
Fed Tax Cut			(10,809,588)										
<b>Total</b>			<b>\$ 138,656,936</b>				<b>\$ (2,143,160)</b>			<b>\$ (346,745)</b>			<b>\$ 101,138,428</b>
													<b>\$ 89,337,011</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
INDUSTRIAL GENERAL SERVICE - TRANSMISSION (332, 360, 372)  
IGS-TRAN

Description (1)	Units (2)	Rate (4)	Per Books Revenue (6)	Unit Adjustments			Base Revenues Adjustments					Proposed Rates	Proposed Revenue
				Weather Normalization (7)	Customer Annualization (8)	Customer Pro Forma (9)	Adjusted Units (10)	Enviro Sur Excl FGD (11)	Rate Annualization (12)	Weather Normalization (13)	Customer Annualization (14)		
Billing kWh	245,809,083	0.02812	6,420,533	-	-	-	245,809,083	-	-	-	-	0.02881	7,327,589
Billing kW	424,787	16.08	6,830,575	-	-	-	424,787	-	-	-	-	17.52	7,442,268
On-Peak	417,408	1.75	730,464	-	-	-	417,408	-	-	-	-	1.73	722,116
Off-Peak	11,524	18.88	217,573	-	-	-	11,524	-	-	-	-	16.29	187,726
Minimum													
Billing kVAR	47,214	0.69	32,578	-	-	-	47,214	-	-	-	-	0.69	32,578
Customer Charge	36	1,353.00	48,708	-	-	-	36	-	-	-	-	1,353.00	48,708
CS-IRP Demand Credit	34,158	(3.68)	(125,701)	-	-	-	34,158	-	-	-	-	(3.68)	(125,701)
EDR Credit													
Unbilled Test Year Revenues			\$343,079										343,079
Fuel			6,222,077										
HEAP Charge			-										
System Sales Clause			(70,322)										
Capacity Charge			134,818										
Environmental Surcharge			548,613							(353,545)			(353,545)
Purchased Power Adjustment			719,508										
Decommissioning Rider			586,619										
Economic Development Charge			36										
Fed Tax Cut			(1,676,852)										
<b>Total</b>			<b>\$ 20,962,306</b>				<b>\$</b>	<b>(353,545)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$ 15,978,342</b>
													<b>\$ 14,144,263</b>

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
MUNICIPAL WATERWORKS (540)  
MW

Description (1)	Unit Adjustments			Base Revenues Adjustments					Proposed Rates	Proposed Revenue			
	Units (2)	Rate (4)	Per Books Revenue (6)	Weather Normalization (7)	Customer Annualization (8)	Customer Pro Forma (9)	Adjusted Units (10)	Enviro Sur Excl FGD (11)			Rate Annualization (12)	Weather Normalization (13)	Customer Annualization (14)
All kWh	1,766,943	-	173,160	-	(120,083.50)	-	1,646,859	-	-	-	(11,768.18)	-	161,392
Minimum kW	1,187	-	11,609	-	(81)	-	1,106	-	-	-	(788.95)	-	10,820
Customer Charge	103	-	2,575	-	(7)	-	96	-	-	-	(175.00)	-	2,400
Unbilled Test Year Revenues			(\$446)										(446)
Fuel			46,197										
HEAP Charge			-										
System Sales Clause			(488)										
Capacity Charge			2,058										
DSM Surcharge			57										
Environmental Surcharge			10,894					(7,021)					(7,021)
Purchased Power Adjustment			5,416										
Decommissioning Rider			11,194										
Economic Development Charge			103										
Fed Tax Cut			(11,854)										
<b>Total</b>			<b>\$ 250,475</b>				<b>\$</b>	<b>(7,021)</b>	<b>\$</b>	<b>-</b>	<b>(12,732)</b>	<b>-</b>	<b>\$ 167,145</b>
													<b>\$ 185,826</b>

Description (1)	Units (2)	Energy per Lamp	Annual Energy	Rate (4)	0 (5)	Per Books Revenue (6)	Unit Adjustments			Adjusted Units (10)
							Weather Normalization (7)	Customer Annualization (8)	Customer Pro Forma (9)	
Overhead Lighting Service										
High Pressure Sodium										
100 watts, 9,500 Lumens (094)	212,625	484	8,575,875	9.06		1,926,383	-	(16,737)		195,888
150 watts, 16,000 Lumens (113)	209,427	704	12,286,384	10.33		2,163,381	-	(23,475)		185,952
200 watts, 22,000 Lumens (097)	18,882	1,012	1,592,382	12.52		236,403	-	(642)		18,240
400 watts, 50,000 Lumens (098)	3,034	2,000	505,667	19.78		60,013	-	(70)		2,964
250 watts, 28,000 Lumens (103)	36	1,236	3,708	17.84		642	-	-		36
Mercury Vapor										
175 watts, 7,000 Lumens (093)	6,354	864	457,488	11.55		73,389	-	(474)		5,880
400 watts, 20,000 Lumens (095)	871	1,896	137,618	19.88		17,315	-	(19)		852
Post Top Lighting Service										
High Pressure Sodium										
100 watts, 9,500 Lumens (111)	8,782	484	354,207	16.42		144,200	-	(418)		8,364
150 watts, 16,000 Lumens (122)	818	704	47,989	25.83		21,129	-	22		840
250 watts, 28,000 Lumens (120)	25	1,236	2,575	30.07		752	-	(1)		24
400 watts, 50,000 Lumens (126)	39	2,000	6,500	39.47		1,539	-	9		48
Mercury Vapor										
175 watts, 7,000 Lumens (099)	60	864	4,320	13.25		795	-	-		60
Flood Lighting Service										
High Pressure Sodium										
200 watts, 22,000 Lumens (107)	19,871	1,012	1,675,788	14.38		285,745	-	(587)		19,284
400 watts, 50,000 Lumens (109)	47,012	2,000	7,835,333	21.00		987,252	-	(1,460)		45,552
Metal Halide										
250 watts, 20,500 Lumens (110)	2,108	1,204	211,503	17.45		36,785	-	(164)		1,944
400 watts, 36,000 Lumens (116)	10,917	1,896	1,724,886	21.98		239,956	-	(429)		10,488
250 watts, 19,000 Lumens (130)	92	1,204	9,231	22.76		2,094	-	28		120
1000 watts, 110,000 Lumens (131)	1,240	4,540	469,133	40.01		49,612	-	(316)		924
400 watts, 40,000 Lumens (136)	138	1,896	21,804	27.78		3,834	-	6		144
LED										
6,000-8,500 Lumens (150,151,152,153)	113,634	189	1,794,184	6.62		752,257		39,786		153,420
4,300-6,300 Lumens (160)	80	317	2,113	19.05		1,524		40		120
19,500-21,500 Lumens (165)	806	716	48,091	24.75		19,949		1,750		2,556
36,500-38,500 Lumens (166)	415	1,457	50,388	30.40		12,616		569		984
201 Flex										
Facilities Charge										
Pole	50,537			3.61		182,439	-	(198)		50,339
Span	53,943			2.00		107,886	-	(211)		53,732
Lateral	560			6.77		3,791	-	(2)		558

KENTUCKY POWER BILLING ANALYSIS  
PER BOOKS  
TEST YEAR ENDED MARCH 31, 2023  
SL  
STREET LIGHTING (528)

Description (1)	Units (2)	Rate (4)	Per Books Revenue (5)			Unit Adjustments (6)			Adjusted Units (10)			Enviro Sur Excl FGD (11)			Rate Annualization (12)			Weather Normalization (13)			Customer Annualization (14)			Customer Pro Forma (15)			Adjusted Base Revenue (16)	Proposed Rates	Proposed Revenue
			Revenue	Weather Normalization	Customer Annualization	Customer Pro Forma	Weather Normalization	Customer Annualization	Customer Pro Forma	Adjusted Units	Enviro Sur Excl FGD	Rate Annualization	Weather Normalization	Customer Annualization	Customer Pro Forma	Adjusted Base Revenue	Proposed Rates	Proposed Revenue											
OH Service on Distribution Poles																													
100 watts, 9,500 Lumens	90,012	7.61	684,981	-	73	90,085	-	555	-	685,547	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.49	764,821		
150 watts, 16,000 Lumens	1,200	8.36	10,032	-	1	1,201	-	8	-	10,040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.32	11,193		
200 watts, 22,000 Lumens	26,652	9.90	263,855	-	22	26,674	-	214	-	264,069	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.04	294,477		
400 watts, 50,000 Lumens	6,252	13.00	81,276	-	5	6,257	-	66	-	81,342	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14.50	90,727		
LED - 7,900-9,900 Lumens																													
LED - 7,900-9,900 Lumens	3,504	8.71	30,520	-	3	3,507	-	25	-	30,545	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.71	34,051		
LED - 10,500-12,500 Lumens	132	11.19	1,477	-	0	132	-	1	-	1,478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.48	1,649		
LED - 24,000-26,000 Lumens	120	13.34	1,601	-	0	120	-	1	-	1,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14.87	1,786		
Post Top 4,300-6,300 Lumens	1,104	9.05	9,991	-	1	1,105	-	8	-	9,999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.09	11,148		
Post Top 7,300-9,300 Lumens	-	20.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Flood 19,500-21,500 Lumens	14,689	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Service on New Wood Distribution Poles																													
100 watts, 9,500 Lumens	5,316	11.90	63,260	-	4	5,320	-	51	-	63,312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.27	70,600		
150 watts, 16,000 Lumens	312	12.75	3,978	-	0	312	-	3	-	3,981	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14.22	4,440		
200 watts, 22,000 Lumens	6,300	14.30	90,000	-	5	6,305	-	73	-	90,163	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.94	100,503		
400 watts, 50,000 Lumens	1,548	18.35	28,406	-	1	1,549	-	23	-	28,429	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.46	31,698		
LED - 7,900-9,900 Lumens																													
LED - 7,900-9,900 Lumens	72	14.36	1,034	-	0	72	-	1	-	1,035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.01	1,154		
LED - 10,500-12,500 Lumens	16,85	16.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
LED - 24,000-26,000 Lumens	19,00	19.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Post Top 4,300-6,300 Lumens	14,70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Post Top 7,300-9,300 Lumens	25,73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Flood 19,500-21,500 Lumens	20,35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Service on New Metal or Concrete Poles																													
100 watts, 9,500 Lumens	-	24.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
150 watts, 16,000 Lumens	1,068	25.70	27,25	-	1	1,069	-	24	-	29,127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27.65	32,472		
200 watts, 22,000 Lumens	852	27.25	23,213	-	1	853	-	21	-	25,679	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28.66	30,336		
400 watts, 50,000 Lumens	-	30.35	-	-	1	-	-	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33.84	26,655		
LED - 7,900-9,900 Lumens																													
LED - 7,900-9,900 Lumens	12	25.10	301	-	0	12	-	0	-	301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29.86	339		
LED - 10,500-12,500 Lumens	24	26.78	642	-	0	24	-	1	-	675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31.34	753		
LED - 24,000-26,000 Lumens	24	28.11	675	-	0	24	-	1	-	709	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Post Top 4,300-6,300 Lumens	36,74	25.85	949	-	-	36,74	-	-	-	949	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Post Top 7,300-9,300 Lumens	29,42	36.74	1,081	-	-	29,42	-	-	-	1,081	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Flood 19,500-21,500 Lumens	15	29.42	441	-	-	15	-	-	-	441	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Unbilled Test Year Revenues																													
base fuel	6,426,444	0.02612	220,089	-	-	220,089	-	-	-	220,089	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	220,099	
FAC	-	-	230,284	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
HEAP Charge																													
System Sales Clause	-	-	(2,881)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Capacity Charge	-	-	9,035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Environmental Surcharge																													
Purchased Power Adjustment	-	-	100,774	-	-	-	-	-	-	(64,942)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Decommissioning Rider	-	-	6,152	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Economic Development Charge	-	-	103,954	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Fed Tax Cut	-	-	(56,627)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total</b>			<b>\$ 1,837,274</b>			<b>\$ (64,942)</b>		<b>\$ 1,075</b>		<b>\$ 1,482,715</b>																<b>\$</b>	<b>1,700,801</b>		

KENTUCKY POWER COMPANY  
TYPICAL ELECTRIC BILL COMPARISON  
GOING LEVEL VS PROPOSED RATES

Current Tariff	Proposed Tariff	Billing Demand		Metered Energy	Current Bill	Proposed Bill	Bill Increase	% Change
		Peak	O P Exc					
<b>RS</b>	<b>RS</b>			250	\$ 49.64	\$ 57.61	\$ 7.97	16.1%
				500	\$ 80.76	\$ 94.10	\$ 13.34	16.5%
				1,000	\$ 142.99	\$ 167.07	\$ 24.08	16.8%
				1,200	\$ 167.89	\$ 196.26	\$ 28.37	16.9%
				1,400	\$ 192.78	\$ 225.45	\$ 32.67	16.9%
				1,500	\$ 205.23	\$ 240.05	\$ 34.82	17.0%
				1,700	\$ 230.11	\$ 269.23	\$ 39.12	17.0%
				2,000	\$ 267.45	\$ 313.01	\$ 45.56	17.0%
				4,000	\$ 516.39	\$ 604.91	\$ 88.52	17.1%
				5,000	\$ 640.86	\$ 750.86	\$ 110.00	17.2%
<b>RS - Optional Seasonal</b>	<b>RS-S Winter</b>			338	\$ 60.53	\$ 67.00	\$ 6.47	10.7%
				675	\$ 102.53	\$ 112.88	\$ 10.35	10.1%
				1,350	\$ 186.55	\$ 204.64	\$ 18.09	9.7%
				1,620	\$ 220.16	\$ 241.36	\$ 21.20	9.6%
				1,890	\$ 253.77	\$ 278.07	\$ 24.30	9.6%
				2,025	\$ 270.56	\$ 296.41	\$ 25.85	9.6%
				2,295	\$ 304.18	\$ 333.12	\$ 28.94	9.5%
				2,700	\$ 354.58	\$ 388.18	\$ 33.60	9.5%
				5,400	\$ 690.65	\$ 755.24	\$ 64.59	9.4%
				6,750	\$ 858.67	\$ 938.76	\$ 80.09	9.3%
<b>RS - Optional Seasonal</b>	<b>RS-S All Other</b>			206	\$ 44.20	\$ 52.91	\$ 8.71	19.7%
				412	\$ 69.87	\$ 84.69	\$ 14.82	21.2%
				825	\$ 121.20	\$ 148.25	\$ 27.05	22.3%
				990	\$ 141.74	\$ 173.67	\$ 31.93	22.5%
				1,155	\$ 162.29	\$ 199.11	\$ 36.82	22.7%
				1,237	\$ 172.56	\$ 211.82	\$ 39.26	22.8%
				1,402	\$ 193.09	\$ 237.24	\$ 44.15	22.9%
				1,650	\$ 223.89	\$ 275.38	\$ 51.49	23.0%
				3,300	\$ 429.27	\$ 529.65	\$ 100.38	23.4%
				4,125	\$ 531.95	\$ 656.77	\$ 124.82	23.5%
<b>RS-TOD</b> On-Peak % Off-Peak %	<b>RS-TOD</b> 30% 70%			500	\$ 79.63	\$ 90.40	\$ 10.77	13.5%
				750	\$ 108.35	\$ 123.46	\$ 15.11	13.9%
				1,000	\$ 137.09	\$ 156.53	\$ 19.44	14.2%
				1,500	\$ 194.56	\$ 222.67	\$ 28.11	14.4%
				2,000	\$ 252.01	\$ 288.79	\$ 36.78	14.6%
				3,000	\$ 366.93	\$ 421.06	\$ 54.13	14.8%
<b>GS-SEC</b>		-	-	250	\$ 57.39	\$ 63.85	\$ 6.46	11.3%
		-	-	350	\$ 69.24	\$ 77.09	\$ 7.85	11.3%
		-	-	455	\$ 81.69	\$ 90.99	\$ 9.30	11.4%
		-	-	750	\$ 116.67	\$ 130.06	\$ 13.39	11.5%
		-	-	1,000	\$ 146.32	\$ 163.17	\$ 16.85	11.5%
		-	-	2,000	\$ 264.88	\$ 295.58	\$ 30.70	11.6%
	-	-	4,000	\$ 502.02	\$ 560.42	\$ 58.40	11.6%	
<b>GS-SEC</b> 25%	25%	15	-	2,738	\$ 387.60	\$ 439.56	\$ 51.96	13.4%
		25	-	4,563	\$ 673.67	\$ 772.14	\$ 98.47	14.6%
		31	-	5,658	\$ 837.58	\$ 956.01	\$ 118.43	14.1%
		50	-	9,125	\$ 1,356.61	\$ 1,538.25	\$ 181.64	13.4%
		75	-	13,688	\$ 2,039.55	\$ 2,304.36	\$ 264.81	13.0%
<b>GS-SEC</b> 50%	50%	15	-	5,475	\$ 704.46	\$ 786.42	\$ 81.96	11.6%
		25	-	9,125	\$ 1,180.27	\$ 1,306.66	\$ 126.39	10.7%
		31	-	11,315	\$ 1,465.76	\$ 1,618.82	\$ 153.06	10.4%
		50	-	18,250	\$ 2,369.81	\$ 2,607.30	\$ 237.49	10.0%
		75	-	27,375	\$ 3,559.35	\$ 3,907.93	\$ 348.58	9.8%
<b>GS-PRI</b> 25%	25%	15	-	2,738	\$ 425.49	\$ 488.88	\$ 63.39	14.9%
		25	-	4,563	\$ 679.35	\$ 784.37	\$ 105.02	15.5%
		40	-	7,300	\$ 1,044.22	\$ 1,194.33	\$ 150.11	14.4%
		50	-	9,125	\$ 1,287.47	\$ 1,467.62	\$ 180.15	14.0%
		75	-	13,688	\$ 1,895.59	\$ 2,150.89	\$ 255.30	13.5%
		90	-	16,425	\$ 2,260.45	\$ 2,560.83	\$ 300.38	13.3%
<b>GS-PRI</b> 50%	50%	25	-	9,125	\$ 1,127.14	\$ 1,256.79	\$ 129.65	11.5%
		43	-	15,695	\$ 1,887.40	\$ 2,088.89	\$ 201.49	10.7%
		50	-	18,250	\$ 2,183.04	\$ 2,412.47	\$ 229.43	10.5%
		60	-	21,900	\$ 2,605.40	\$ 2,874.74	\$ 269.34	10.3%

KENTUCKY POWER COMPANY  
TYPICAL ELECTRIC BILL COMPARISON  
GOING LEVEL VS PROPOSED RATES

Current Tariff	Proposed Tariff	Billing Demand		Metered Energy	Current Bill	Proposed Bill	Bill Increase	% Change
		Peak	O P Exc					
		85		31,025	\$ 3,661.30	\$ 4,030.42	\$ 369.12	10.1%
		95	-	34,675	\$ 4,083.68	\$ 4,492.70	\$ 409.02	10.0%
<b>GS-SUB</b>		15	-	2,738	\$ 711.91	\$ 810.52	\$ 98.61	13.9%
25%	25%	25	-	4,563	\$ 933.91	\$ 1,068.91	\$ 135.00	14.5%
		40	-	7,300	\$ 1,252.61	\$ 1,426.47	\$ 173.86	13.9%
		50	-	9,125	\$ 1,465.07	\$ 1,664.83	\$ 199.76	13.6%
		75	-	13,688	\$ 1,996.22	\$ 2,260.75	\$ 264.53	13.3%
		90	-	16,425	\$ 2,314.92	\$ 2,618.31	\$ 303.39	13.1%
<b>GS-SUB</b>		25	-	9,125	\$ 1,340.22	\$ 1,497.48	\$ 157.26	11.7%
50%	50%	43	-	15,695	\$ 2,015.19	\$ 2,235.11	\$ 219.92	10.9%
		52	-	18,980	\$ 2,352.68	\$ 2,603.94	\$ 251.26	10.7%
		60	-	21,900	\$ 2,652.67	\$ 2,931.77	\$ 279.10	10.5%
		85	-	31,025	\$ 3,590.12	\$ 3,956.26	\$ 366.14	10.2%
		95	-	34,675	\$ 3,965.11	\$ 4,366.06	\$ 400.95	10.1%
<b>LGS-SEC</b>	<b>LGS-SEC</b>	100	-	29,200	\$ 3,720.77	\$ 4,001.06	\$ 280.29	7.5%
Load Factor	40%	150	-	43,800	\$ 5,535.28	\$ 5,949.71	\$ 414.43	7.5%
		200	-	58,400	\$ 7,349.78	\$ 7,898.35	\$ 548.57	7.5%
		300	-	87,600	\$ 10,978.77	\$ 11,795.64	\$ 816.87	7.4%
		500	-	146,000	\$ 18,236.79	\$ 19,590.23	\$ 1,353.44	7.4%
<b>LGS-SEC</b>	<b>LGS-SEC</b>	100	-	36,500	\$ 4,372.19	\$ 4,679.05	\$ 306.86	7.0%
Load Factor	50%	170	-	62,050	\$ 7,368.48	\$ 7,881.74	\$ 513.26	7.0%
		250	-	91,250	\$ 10,792.81	\$ 11,541.96	\$ 749.15	6.9%
		500	-	182,500	\$ 21,493.84	\$ 22,980.14	\$ 1,486.30	6.9%
		750	-	273,750	\$ 32,194.87	\$ 34,418.32	\$ 2,223.45	6.9%
<b>LGS-SEC</b>	<b>LGS-SEC</b>	100	-	43,800	\$ 5,023.60	\$ 5,357.03	\$ 333.43	6.6%
Load Factor	60%	170	-	74,460	\$ 8,475.88	\$ 9,034.31	\$ 558.43	6.6%
		250	-	109,500	\$ 12,421.34	\$ 13,236.92	\$ 815.58	6.6%
		500	-	219,000	\$ 24,750.89	\$ 26,370.05	\$ 1,619.16	6.5%
		750	-	328,500	\$ 37,080.45	\$ 39,503.19	\$ 2,422.74	6.5%
<b>LGS-SEC</b>	<b>LGS-SEC</b>	100	-	51,100	\$ 5,675.00	\$ 6,035.01	\$ 360.01	6.3%
Load Factor	70%	170	-	86,870	\$ 9,583.27	\$ 10,186.88	\$ 603.61	6.3%
		250	-	127,750	\$ 14,049.86	\$ 14,931.87	\$ 882.01	6.3%
		500	-	255,500	\$ 28,007.95	\$ 29,759.97	\$ 1,752.02	6.3%
		750	-	383,250	\$ 41,966.04	\$ 44,588.07	\$ 2,622.03	6.2%
<b>LGS-PRI</b>	<b>LGS-PRI</b>	125	-	36,500	\$ 4,138.23	\$ 4,473.50	\$ 335.27	8.1%
Load Factor	40%	225	-	65,700	\$ 7,339.12	\$ 7,928.60	\$ 589.48	8.0%
		315	-	91,980	\$ 10,219.91	\$ 11,038.18	\$ 818.27	8.0%
		550	-	160,600	\$ 17,742.00	\$ 19,157.66	\$ 1,415.66	8.0%
		750	-	219,000	\$ 24,143.77	\$ 26,067.86	\$ 1,924.09	8.0%
<b>LGS-PRI</b>	<b>LGS-PRI</b>	125	-	45,625	\$ 4,847.73	\$ 5,229.62	\$ 381.89	7.9%
Load Factor	50%	225	-	82,125	\$ 8,616.21	\$ 9,289.61	\$ 673.40	7.8%
		315	-	114,975	\$ 12,007.83	\$ 12,943.60	\$ 935.77	7.8%
		550	-	200,750	\$ 20,863.75	\$ 22,484.58	\$ 1,620.83	7.8%
		750	-	273,750	\$ 28,400.71	\$ 30,604.57	\$ 2,203.86	7.8%
<b>LGS-PRI</b>	<b>LGS-PRI</b>	125	-	54,750	\$ 5,557.21	\$ 5,985.73	\$ 428.52	7.7%
Load Factor	60%	225	-	98,550	\$ 9,893.29	\$ 10,650.63	\$ 757.34	7.7%
		315	-	137,970	\$ 13,795.74	\$ 14,849.02	\$ 1,053.28	7.6%
		550	-	240,900	\$ 23,985.51	\$ 25,811.51	\$ 1,826.00	7.6%
		750	-	328,500	\$ 32,657.65	\$ 35,141.29	\$ 2,483.64	7.6%
<b>LGS-PRI</b>	<b>LGS-PRI</b>	125	-	63,875	\$ 6,266.71	\$ 6,741.86	\$ 475.15	7.6%
Load Factor	70%	225	-	114,975	\$ 11,170.36	\$ 12,011.63	\$ 841.27	7.5%
		315	-	160,965	\$ 15,583.66	\$ 16,754.44	\$ 1,170.78	7.5%
		550	-	281,050	\$ 27,107.26	\$ 29,138.42	\$ 2,031.16	7.5%
		750	-	383,250	\$ 36,914.58	\$ 39,677.99	\$ 2,763.41	7.5%
<b>LGS-SUB</b>	<b>LGS-SUB</b>	250	-	73,000	\$ 6,707.30	\$ 7,036.15	\$ 328.85	4.9%
Load Factor	40%	350	-	102,200	\$ 9,108.08	\$ 9,532.47	\$ 424.39	4.7%
		450	-	131,400	\$ 11,508.85	\$ 12,028.78	\$ 519.93	4.5%
		600	-	175,200	\$ 15,110.02	\$ 15,773.26	\$ 663.24	4.4%
		750	-	219,000	\$ 18,711.17	\$ 19,517.72	\$ 806.55	4.3%
<b>LGS-SUB</b>	<b>LGS-SUB</b>	250	-	91,250	\$ 7,712.25	\$ 8,177.06	\$ 464.81	6.0%
Load Factor	50%	350	-	127,750	\$ 10,515.01	\$ 11,129.74	\$ 614.73	5.8%
		450	-	164,250	\$ 13,317.76	\$ 14,082.42	\$ 764.66	5.7%
		600	-	219,000	\$ 17,521.88	\$ 18,511.43	\$ 989.55	5.6%

KENTUCKY POWER COMPANY  
TYPICAL ELECTRIC BILL COMPARISON  
GOING LEVEL VS PROPOSED RATES

Current Tariff	Proposed Tariff	Billing Demand		Metered Energy	Current Bill	Proposed Bill	Bill Increase	% Change		
		Peak	O P Exc							
		750	-	273,750	\$ 21,726.02	\$ 22,940.45	\$ 1,214.43	5.6%		
LGS-SUB Load Factor	LGS-SUB 60%	250	-	109,500	\$ 8,717.19	\$ 9,317.97	\$ 600.78	6.9%		
		350	-	153,300	\$ 11,921.92	\$ 12,727.01	\$ 805.09	6.8%		
		450	-	197,100	\$ 15,126.66	\$ 16,136.06	\$ 1,009.40	6.7%		
		600	-	262,800	\$ 19,933.75	\$ 21,249.61	\$ 1,315.86	6.6%		
		750	-	328,500	\$ 24,740.85	\$ 26,363.18	\$ 1,622.33	6.6%		
LGS-SUB Load Factor	LGS-SUB 70%	250	-	127,750	\$ 9,722.15	\$ 10,458.88	\$ 736.73	7.6%		
		350	-	178,850	\$ 13,328.85	\$ 14,324.28	\$ 995.43	7.5%		
		450	-	229,950	\$ 16,935.57	\$ 18,189.69	\$ 1,254.12	7.4%		
		600	-	306,600	\$ 22,345.63	\$ 23,987.80	\$ 1,642.17	7.3%		
		750	-	383,250	\$ 27,755.70	\$ 29,785.91	\$ 2,030.21	7.3%		
LGS-TRAN Load Factor	LGS-TRAN 50%	250	-	91,250	\$ 7,451.00	\$ 8,033.47	\$ 582.47	7.8%		
		350	-	127,750	\$ 10,149.27	\$ 10,928.72	\$ 779.45	7.7%		
		450	-	164,250	\$ 12,847.52	\$ 13,823.96	\$ 976.44	7.6%		
		600	-	219,000	\$ 16,894.90	\$ 18,166.81	\$ 1,271.91	7.5%		
LGS-TRAN Load Factor	LGS-TRAN 60%	250	-	109,500	\$ 8,427.72	\$ 9,154.17	\$ 726.45	8.6%		
		350	-	153,300	\$ 11,516.65	\$ 12,497.68	\$ 981.03	8.5%		
		450	-	197,100	\$ 14,605.60	\$ 15,841.21	\$ 1,235.61	8.5%		
		600	-	262,800	\$ 19,239.00	\$ 20,856.49	\$ 1,617.49	8.4%		
LGS-TRAN Load Factor	LGS-TRAN 70%	250	-	127,750	\$ 9,404.42	\$ 10,274.87	\$ 870.45	9.3%		
		350	-	178,850	\$ 12,884.04	\$ 14,066.67	\$ 1,182.63	9.2%		
		450	-	229,950	\$ 16,363.67	\$ 17,858.47	\$ 1,494.80	9.1%		
		600	-	306,600	\$ 21,583.10	\$ 23,546.17	\$ 1,963.07	9.1%		
LGS-TRAN Load Factor	LGS-TRAN 80%	250	-	146,000	\$ 10,381.13	\$ 11,395.57	\$ 1,014.44	9.8%		
		350	-	204,400	\$ 14,251.43	\$ 15,635.65	\$ 1,384.22	9.7%		
		450	-	262,800	\$ 18,121.74	\$ 19,875.73	\$ 1,753.99	9.7%		
		600	-	350,400	\$ 23,927.19	\$ 26,235.85	\$ 2,308.66	9.6%		
IGS-SEC Load Factor	IGS-SEC 65%	1,000	0	474,500	\$ 42,330.16	\$ 46,218.58	\$ 3,888.42	9.2%		
		5,000	0	2,372,500	\$ 210,468.43	\$ 229,910.53	\$ 19,442.10	9.2%		
		10,000	0	4,745,000	\$ 420,641.27	\$ 459,525.47	\$ 38,884.20	9.2%		
		15,000	0	7,117,500	\$ 630,814.11	\$ 689,140.41	\$ 58,326.30	9.2%		
		20,000	0	9,490,000	\$ 840,986.94	\$ 918,755.34	\$ 77,768.40	9.2%		
		1,000	200	474,500	\$ 42,714.32	\$ 46,610.74	\$ 3,896.42	9.1%		
		5,000	500	2,372,500	\$ 211,428.83	\$ 230,890.93	\$ 19,462.10	9.2%		
		10,000	500	4,745,000	\$ 421,601.67	\$ 460,505.87	\$ 38,904.20	9.2%		
		15,000	750	7,117,500	\$ 632,254.71	\$ 690,611.01	\$ 58,356.30	9.2%		
		20,000	1,000	9,490,000	\$ 842,907.74	\$ 920,716.14	\$ 77,808.40	9.2%		
		IGS-SEC Load Factor	IGS-SEC 85%	1,000	0	620,500	\$ 46,424.91	\$ 51,066.69	\$ 4,641.78	10.0%
				5,000	0	3,102,500	\$ 230,942.23	\$ 254,151.13	\$ 23,208.90	10.0%
10,000	0			6,205,000	\$ 461,588.86	\$ 508,006.66	\$ 46,417.80	10.1%		
15,000	0			9,307,500	\$ 692,235.49	\$ 761,862.19	\$ 69,626.70	10.1%		
20,000	0			12,410,000	\$ 922,882.12	\$ 1,015,717.72	\$ 92,835.60	10.1%		
1,000	200			620,500	\$ 46,809.07	\$ 51,458.85	\$ 4,649.78	9.9%		
5,000	500			3,102,500	\$ 231,902.63	\$ 255,131.53	\$ 23,228.90	10.0%		
10,000	500			6,205,000	\$ 462,549.26	\$ 508,987.06	\$ 46,437.80	10.0%		
15,000	750			9,307,500	\$ 693,676.09	\$ 763,332.79	\$ 69,656.70	10.0%		
20,000	1,000			12,410,000	\$ 924,802.92	\$ 1,017,678.52	\$ 92,875.60	10.0%		
IGS-PRI Load Factor	IGS-PRI 65%			1,000	0	474,500	\$ 39,021.79	\$ 43,284.03	\$ 4,262.24	10.9%
				5,000	0	2,372,500	\$ 193,926.57	\$ 215,237.75	\$ 21,311.18	11.0%
		10,000	0	4,745,000	\$ 387,557.55	\$ 430,179.90	\$ 42,622.35	11.0%		
		15,000	0	7,117,500	\$ 581,188.53	\$ 645,122.06	\$ 63,933.53	11.0%		
		20,000	0	9,490,000	\$ 774,819.51	\$ 860,064.21	\$ 85,244.70	11.0%		
		1,000	200	474,500	\$ 39,401.68	\$ 43,663.92	\$ 4,262.24	10.8%		
		5,000	500	2,372,500	\$ 194,876.30	\$ 216,187.48	\$ 21,311.18	10.9%		
		10,000	500	4,745,000	\$ 388,507.28	\$ 431,129.63	\$ 42,622.35	11.0%		
		15,000	750	7,117,500	\$ 582,613.13	\$ 646,546.66	\$ 63,933.53	11.0%		
		20,000	1,000	9,490,000	\$ 776,718.96	\$ 861,963.66	\$ 85,244.70	11.0%		
		IGS-PRI Load Factor	IGS-PRI 85%	1,000	0	620,500	\$ 43,057.34	\$ 47,907.96	\$ 4,850.62	11.3%
				5,000	0	3,102,500	\$ 214,104.35	\$ 238,357.43	\$ 24,253.08	11.3%
10,000	0			6,205,000	\$ 427,913.11	\$ 476,419.26	\$ 48,506.15	11.3%		
15,000	0			9,307,500	\$ 641,721.87	\$ 714,481.10	\$ 72,759.23	11.3%		
20,000	0			12,410,000	\$ 855,530.62	\$ 952,542.92	\$ 97,012.30	11.3%		
1,000	200			620,500	\$ 43,437.23	\$ 48,287.85	\$ 4,850.62	11.2%		
5,000	500			3,102,500	\$ 215,054.08	\$ 239,307.16	\$ 24,253.08	11.3%		
10,000	500			6,205,000	\$ 428,862.83	\$ 477,368.98	\$ 48,506.15	11.3%		



KENTUCKY POWER COMPANY  
TYPICAL ELECTRIC BILL COMPARISON  
GOING LEVEL VS PROPOSED RATES

Current Tariff	Proposed Tariff	Billing Demand		Metered Energy	Current Bill	Proposed Bill	Bill Increase	% Change
		Peak	O P Exc					
		15,000	750	9,307,500	\$ 643,146.46	\$ 715,905.69	\$ 72,759.23	11.3%
		20,000	1,000	12,410,000	\$ 857,430.08	\$ 954,442.38	\$ 97,012.30	11.3%
<b>IGS-SUB</b>	<b>IGS-SUB</b>	1,000	0	474,500	\$ 32,373.03	\$ 35,750.36	\$ 3,377.33	10.4%
Load Factor	65%	5,000	0	2,372,500	\$ 158,471.72	\$ 175,358.39	\$ 16,886.67	10.7%
		10,000	0	4,745,000	\$ 316,095.06	\$ 349,868.41	\$ 33,773.35	10.7%
		15,000	0	7,117,500	\$ 473,718.42	\$ 524,378.44	\$ 50,660.02	10.7%
		20,000	0	9,490,000	\$ 631,341.77	\$ 698,888.47	\$ 67,546.70	10.7%
		1,000	200	474,500	\$ 32,748.65	\$ 36,123.98	\$ 3,375.33	10.3%
		5,000	500	2,372,500	\$ 159,410.77	\$ 176,292.44	\$ 16,881.67	10.6%
		10,000	750	4,745,000	\$ 317,503.64	\$ 351,269.49	\$ 33,765.85	10.6%
		15,000	1,000	7,117,500	\$ 475,596.54	\$ 526,246.56	\$ 50,650.02	10.6%
		20,000	1,000	9,490,000	\$ 633,219.88	\$ 700,756.58	\$ 67,536.70	10.7%
<b>IGS-SUB</b>	<b>IGS-SUB</b>	1,000	0	620,500	\$ 36,369.63	\$ 40,306.14	\$ 3,936.51	10.8%
Load Factor	85%	5,000	0	3,102,500	\$ 178,454.75	\$ 198,137.32	\$ 19,682.57	11.0%
		10,000	0	6,205,000	\$ 356,061.12	\$ 395,426.27	\$ 39,365.15	11.1%
		15,000	0	9,307,500	\$ 533,667.52	\$ 592,715.24	\$ 59,047.72	11.1%
		20,000	0	12,410,000	\$ 711,273.89	\$ 790,004.19	\$ 78,730.30	11.1%
		1,000	200	620,500	\$ 36,745.25	\$ 40,679.76	\$ 3,934.51	10.7%
		5,000	500	3,102,500	\$ 179,393.80	\$ 199,071.37	\$ 19,677.57	11.0%
		10,000	750	6,205,000	\$ 357,469.71	\$ 396,827.36	\$ 39,357.65	11.0%
		15,000	1,000	9,307,500	\$ 535,545.63	\$ 594,583.35	\$ 59,037.72	11.0%
		20,000	1,000	12,410,000	\$ 713,152.00	\$ 791,872.30	\$ 78,720.30	11.0%
<b>IGS-TRAN</b>	<b>IGS-TRAN</b>	5,000	0	3,102,500	\$ 176,955.91	\$ 195,604.14	\$ 18,648.23	10.5%
Load Factor	85%	10,000	0	6,205,000	\$ 352,466.93	\$ 389,763.38	\$ 37,296.45	10.6%
		15,000	0	9,307,500	\$ 527,977.97	\$ 583,922.65	\$ 55,944.68	10.6%
		20,000	0	12,410,000	\$ 703,489.00	\$ 778,081.90	\$ 74,592.90	10.6%
		5,000	500	3,102,500	\$ 177,889.63	\$ 196,527.86	\$ 18,638.23	10.5%
		10,000	750	6,205,000	\$ 353,867.52	\$ 391,148.97	\$ 37,281.45	10.5%
		15,000	1,000	9,307,500	\$ 529,845.42	\$ 585,770.10	\$ 55,924.68	10.6%
		20,000	1,000	12,410,000	\$ 705,356.44	\$ 779,929.34	\$ 74,572.90	10.6%

Tariff Class	Customer Classification	Current Test Year Revenue**	General Base Rate Increase***	REA Increase	Proposed Total Net Increase	Proposed Revenue	Percent Change
		a	b	c	d = b+c	e = a+d	f = d/a
RS*	RS	\$ 301,554,660	\$ 54,920,104	\$ 158,121	\$ 55,078,225	\$ 356,632,885	18.26%
GS*	GS	\$ 108,376,756	\$ 13,757,531	\$ -	\$ 13,757,531	\$ 122,134,287	12.69%
LGS*	LGS	\$ 72,328,787	\$ 6,422,439	\$ -	\$ 6,422,439	\$ 78,751,226	8.88%
IGS	IGS	\$ 198,576,375	\$ 17,068,044	\$ -	\$ 17,068,044	\$ 215,644,419	8.60%
MW	MW	\$ 250,475	\$ 18,624	\$ -	\$ 18,624	\$ 269,100	7.44%
OL	OL	\$ 10,245,675	\$ 1,516,832	\$ -	\$ 1,516,832	\$ 11,762,508	14.80%
SL	SL	\$ 1,937,274	\$ 218,086	\$ -	\$ 218,086	\$ 2,155,360	11.26%
COGEN/SPP II	COGEN/SPP II	N/A	NA	NA	N/A	N/A	N/A
		\$ 693,270,003	\$ 93,921,660	\$ 158,121	\$ 94,079,781	\$ 787,349,785	13.57%

\* TOD tariffs have been included in the major class they belong to

\*\* Test Year Billing Analysis Revenue

\*\*\*Proposed rate billing analysis, differs from proposed increase by revenue verification (rounding) differences

**KENTUCKY POWER COMPANY**

Line No.	Description		
1	Total KPSC Jurisdiction Capitalization	(Section V, Schedule 1, line 18)	\$ 1,812,539,575
2	Total KPSC Jurisdiction Rate Base	(Section V, Schedule 1, line 16)	\$ 1,793,487,856
3	Difference (Capitalization less Rate Base)		\$ 19,051,719

**Summary of Differences**

<u>Assets</u>			
4	Net Plant		4,435,007
5	Other Property and Investments		30,467,290
6	Cash and Cash Equivalents		1,884,026
7	Accounts Receivable Net		53,764,690
8	Accrued Utility Revenues		19,060,496
9	Energy Trading Contracts		1,810,584
10	Prepayments and Other Current Assets		(46,760,821)
11	Regulatory Assets		642,868,338
12	Unamortized Debt		1,780,608
13	Other Deferred Debits		19,376,507
14	Accumulated Deferred Income Taxes		57,703,617
15	Subtotal (4 through 14)		<u>786,390,341</u>
<u>Capital and Liabilities</u>			
16	Long Term Debt		0
17	Obligations Under Capital Leases - Noncurrent		(707,671)
18	Accumulated Provisions - Misc. - NonCurrent		(26,907,607)
19	Accounts Payable		(81,549,862)
20	Trading Deposits		0
21	Taxes Accrued		(28,990,384)
22	Interest Accrued		(9,204,285)
23	Obligations Under Capital Leases - Current		(198,798)
24	Energy Contracts		(795,718)
25	Other Current and Accrued Liabilities		(12,272,571)
26	Deferred Income Taxes		(40,811,226)
27	Regulatory Liabilities		(157,225,419)
28	Other Deferred Credits		(7,842,042)
29	Subtotal (16 through 29)		<u>(366,505,583)</u>
30	Total (15 + 29)		<u><b>419,884,758</b></u>
31	Less: AFUDC in CWIP	(Section V, Schedule 4, column 2, line 212)	<u>(5,377,687)</u>
32	Subtotal (31)		<u>5,377,687</u>
33	<b>Difference (pre-adjustments) (30 + 32)</b>		<u><b>425,262,445</b></u>
<b>Effect of Adjustments</b>			
34	Adjustments to Capitalization		(219,588,516)
35	Jurisdictional Adjustment		(115,846,551)
36	Adjustments to Cash Working Capital		(7,686,462)
37	Adjustments to Rate Base		<u>(63,089,197)</u>
38	Subtotal (34 through 37)		<u>(406,210,726)</u>
39	<b>Overall Difference (34 + 39)</b>		<u><u><b>19,051,719</b></u></u>

<u>Rate Base</u> <u>Adj #</u>	<u>Section V Exhibit 1</u> <u>Schedule 3</u> <u>Capitalization</u>	<u>Section V Exhibit 1</u> <u>Schedule 4</u> <u>Rate Base</u>	<u>Difference in</u> <u>Capitalization &amp;</u> <u>Rate Base</u>
Totals from Balance Sheet Detail:	2,218,586,748	1,793,324,303	425,262,445
<u>Adjustments</u>			
Proforma Debt Adjustment	-	-	-
FRECO A/C 124 Property	(655,168)		(655,168)
Non-Utility	(571,711)		(571,711)
Subtotal	<u>2,217,359,868</u>	<u>1,793,324,303</u>	<u>424,035,565</u>
Jurisdictional Allocation & Non-Applicable ADIT Adjustment	(28,563,629)	87,282,922	(115,846,551)
Subtotal	<u>2,188,796,239</u>	<u>1,880,607,225</u>	<u>308,189,014</u>
<u>Going-Level Adjustments to Cash Working Capital &amp; Other Ratebase Items</u>			
Decommissioning Removal	(218,361,636)		(218,361,636)
61 Cash Working Capital	-	7,686,462	(7,686,462)
4 FGD Movement from Base to Environmental (Mitchell)	(148,127,866)	(145,905,949)	(2,221,917)
4 Removal of Mitchell FGD Consumables	(1,870,709)	(1,844,518)	(26,191)
39 Mitchell Coal Stock	(16,521,461)	(16,290,160)	(231,301)
54 Removal NERC Compliance Asset from Cap.	(3,161,736)	(1,868,501)	(1,293,235)
60 Removal Rockport Deferral from Cap	(40,020,354)	-	(40,020,354)
63 Total ADIT Adjustment	<u>51,807,098</u>	<u>71,103,297</u>	<u>(19,296,199)</u>
Adjustment Subtotals	<u>(376,256,664)</u>	<u>(87,119,369)</u>	<u>(289,137,295)</u>
<b>Total</b>	<b>1,812,539,575</b>	<b>1,793,487,856</b>	<b>19,051,719</b>

ASSETS	Section IV	Section V Exhibit 1	All Balance Sheet	Section V Exhibit 1	Difference in
	Page 3 & 4 Per Books 3/1/2023	Schedule 3 Capitalization	Items Not in Capitalization	Schedule 4 Rate Base	Capitalization & Rate Base
1010001 Plant in Service	3,150,978,678 A		3,150,978,678	3,150,978,678	0
1010008 Cloud Implement - PIS	1,038,352 A		1,038,352	1,038,352	0
1011001 Capital Leases	594,517		594,517	594,517	0
1011012 Accrued Capital Leases	0		0	0	0
1011031 Operating Lease	380,146		380,146	380,146	0
1011032 Accrued Operating Leases	295,185		295,185	295,185	0
1011036 Prov - Operating Lease Assets	(158,729)		(158,729)	(158,729)	0
1060001 Const Not Classifd	140,372,868 B		140,372,868	140,372,868	0
1060007 Cloud Implement - CCNC	12,633 B		12,633	12,633	0
1823022 HRJ 765KV Post Service AFUDC	323,208		323,208	323,208	0
1823054 HRJ 765KV Depreciation Expense	50,347		50,347	50,347	0
Plant in Service	3,293,887,205		3,293,887,205	3,293,887,205	0
1011006 Prov-Leased Assets	(247,949)		(247,949)	(247,949)	0
<b>ELECTRIC UTILITY PLANT</b>	<b>3,293,639,256</b>		<b>3,293,639,256</b>	<b>3,293,639,256</b>	<b>0</b>
1080001 A/P for Deprec of PIt	1,145,999,904		1,145,999,904	1,145,999,904	0
1080005 RWIP - Project Detail	(11,021,572)		(11,021,572)	(11,021,572)	0
1080011 Cost of Removal Reserve	84,262,059		84,262,059	84,262,059	0
1080013 ARO Removal Deprec - Accretion	(4,435,007)		(4,435,007)	0	(4,435,007)
less Accum Provision - Depre, Depl	1,214,805,384 C		1,214,805,384	1,219,240,392	(4,435,007)
1110001 A/P for Amort of PIt	28,745,567 D		28,745,567	28,745,567	0
1110007 Cloud Implement - A/P Amrt PIt	348,863 D		348,863	348,863	0
less Accum Provision - Amort.	29,094,430		29,094,430	29,094,430	0
<b>NET ELECTRIC UTILITY PLANT</b>	<b>2,049,739,441</b>		<b>2,049,739,441</b>	<b>2,045,304,434</b>	<b>4,435,007</b>
1050001 Held For Fut Use	801,671		801,671	801,671	0
1070001 CWIP - Project	143,279,696		143,279,696	143,279,696	0
1070007 Cloud Implementation Costs	1,167,707		1,167,707	1,167,707	0
	<b>145,249,075</b>		<b>145,249,075</b>	<b>145,249,075</b>	<b>0</b>
<b>Subtotal as Shown in Application</b>					
Original Cost - Electric Plant in Service	3,292,402,531 A + B				
Accum Prov for Depr, Depl & Amort	1,243,899,815 C + D				
<b>Net Original Cost</b>	<b>4,536,302,346</b>				
1210001 Nonutility Property - Owned	571,711		571,711		571,711
Gross NonUtility Property	571,711		571,711	0	571,711
1220001 Depr&Amrt of Nonutl Prop-Ownd	167,260		167,260		167,260
1220003 Depr&Amrt of Nonutl Prop-WIP	69,988		69,988		69,988
Less Depr & Amort NonUtility Property	237,248		237,248	0	237,248
1240002 Oth Investments-Nonassociated	0		0		0
1240005 Spec Allowance Inv NDC	0		0		0
1240007 Deferred Compensation Benefits	30,407		30,407		30,407
1240027 Other Property - RWIP	(35,121)		(35,121)		(35,121)
1240028 Other Property - RETIRE	46,947		46,947	0	46,947
1240029 Other Property - CPR	655,168		655,168		655,168
1240092 Fbr Opt Lns-In Kind Sv-Invest	49,983		49,983		49,983
Other Investments	747,384		747,384	0	747,384
1290001 Non-UMWA PRW Funded Position	20,178,146		20,178,146		20,178,146
1290002 SFAS 106 - Non-UMWA PRW	821,458		821,458		821,458
Other Special Funds	20,999,603		20,999,603	0	20,999,603
1581000 SO2 Allowance Inventory	8,385,838		8,385,838	0	8,385,838
Allowance - NonCurrent	8,385,838		8,385,838	0	8,385,838
1750002 Long-Term Unreal Gns - Non Aff	0		0		0
1750022 I/T Asset MTL Collateral	0		0		0
Long Term Energy Trading Contracts	0		0		0
<b>OTHER PROPERTY AND INVESTMENTS</b>	<b>30,467,290</b>		<b>30,467,290</b>	<b>0</b>	<b>30,467,290</b>
1310000 Cash	1,828,262		1,828,262		1,828,262
1340018 Spec Deposits - Elect Trading	2,999,191		2,999,191	2,999,191	0
1340043 Spec Deposit UBS Securities	0		0		0
1340048 Spec Deposits-Trading Contra	(411)		(411)	(411)	0
1340050 Spec Deposit Mizuho Securities	0		0		0
1340051 Spec Deposit RBC	411		411	411	0
1340053 Deposits Flexible Spending	55,764		55,764		55,764
1340057 Wells Fargo Securities, LLC	811		811	811	0
Cash and Cash Equivalents	4,884,028		4,884,028	3,000,003	1,884,026
1450000 Corp Borrow Prg (NR-Assoc)	0		0		0
Advances to Affiliates	0		0	0	0
1420001 Customer A/R - Electric	34,611,327		34,611,327		34,611,327
1420014 Customer A/R-System Sales	869,930		869,930		869,930
1420019 Transmission Sales Receivable	13,572		13,572		13,572
1420022 Cust A/R - Factored	0		0		0
1420023 Cust A/R-System Sales - MLR	0		0		0
1420024 Cust A/R-Options & Swaps - MLR	(0)		(0)		(0)
1420027 Low Inc Energy Asst Pr (IEAP)	52,115		52,115		52,115
1420028 Emergency LEAP	887,875		887,875		887,875
1420033 Cooling Assistance Prg (COOL)	150		150		150
1420042 Cust A/R - Special Contracts	(0)		(0)		(0)
1420044 Customer A/R - Estimated	366,022		366,022		366,022
1420050 PJM AR Accrual	289,326		289,326		289,326
1420054 Accrued Power Brokers	0		0		0
1420058 Cust A/R-Contra-Home Warranty	(109,696)		(109,696)		(109,696)
1420059 AR PS Bill-Cust Home Warranty	19,745		19,745		19,745
1420060 PJM Trans Enhancement Refund	664,222		664,222		664,222
1420102 AR Peoplesoft Billing - Cust	2,707,591		2,707,591		2,707,591
1420103 AR Long-Term-Customer	1,206,986		1,206,986		1,206,986
Acct Rec - Customers	41,579,165		41,579,165	0	41,579,165
1430002 Allowances	0		0		0
1430022 2001 Employee Biweekly Pay Cnv	16,092		16,092		16,092
1430081 Damage Recovery - Third Party	0		0		0
1430083 Damage Recovery Offset Demand	0		0		0
1430101 Other Accounts Rec - Misc	0		0		0
1430102 AR Peoplesoft Billing - Misc	28,599		28,599		28,599
Acct Rec - Miscellaneous	44,690		44,690	0	44,690
1440001 Uncoll Accts-Elect Receivables	696,683		696,683		696,683
1440002 Uncoll Accts-Other Receivables	7,794		7,794		7,794
Acct Rec - AP for Uncollectible Accounts	704,478		704,478	0	704,478
1460001 A/R Assoc Co - InterUnit G/L	11,755,104		11,755,104		11,755,104
1460006 A/R Assoc Co - Intercompany	508,213		508,213		508,213
1460009 A/R Assoc Co - InterUnit A/P	0		0		0
1460011 A/R Assoc Co - Multi Pmts	488,475		488,475		488,475
1460025 Fleet - M4 - A/R	93,519		93,519		93,519
Acct Rec - Associated Companies	12,845,312		12,845,312	0	12,845,312
Accts Receivable	53,764,690		53,764,690		53,764,690
1510001 Fuel Stock - Coal	33,743,480		33,743,480	33,743,480	0
1510002 Fuel Stock - oil	1,304,229		1,304,229	1,304,229	0
1510003 Fuel Stock - Gas	0		0	0	0
1510020 Fuel Stock Coal - Intransit	3,835,868		3,835,868	3,835,868	0
1520000 Fuel Stock Exp Undistributed	1,132,047		1,132,047		1,132,047
Fuel Stock	40,015,625		40,015,625	40,015,625	0
1581000 SO2 Allowance Inventory	8,385,838		8,385,838	8,385,838	0
1581003 SO2 Allowance Inventory - Curr	82,744		82,744	82,744	0

ASSETS	Section IV	Section V Exhibit 1	All Balance Sheet	Section V Exhibit 1	Difference in
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1581009 CSAPR Current SO2 Inv	20,325		20,325	20,325	0
Allowance Inventory	8,488,907		8,488,907	8,488,907	0
1581000 SO2 Allowance Inventory	8,385,838		8,385,838	0	8,385,838
Less SO2 Allowance Inventory	8,385,838		8,385,838	0	8,385,838
1540001 M&S - Regular	18,649,425		18,649,425	18,649,425	0
1540003 Material in Transit	20,347		20,347	20,347	0
1540004 M&S - Exempt Material	85,727		85,727	85,727	0
1540006 M&S - Lime and Limestone	1,769,531		1,769,531	1,769,531	0
1540012 Materials & Supplies - Urea	306,089		306,089	306,089	0
1540013 Transportation Inventory	695,927		695,927	695,927	0
1540022 M&S-Lime & Limestone Intransit	101,178		101,178	101,178	0
1540023 M&S Inv - Urea In-Transit	1,192,701		1,192,701	1,192,701	0
1540033 Inventory Pending Inspection	8,636		8,636	8,636	0
Plant Materials and Supplies	22,829,561		22,829,561	22,829,561	0
1730000 Accrued Utility Revenues	19,060,496		19,060,496		19,060,496
1730002 Acrd Utility Rev-Factored-Assc	0		0		0
Accrued Utility Revenues	19,060,496		19,060,496	0	19,060,496
1750001 Curr. Unreal Gains - NonAffil	1,810,584		1,810,584		1,810,584
1750002 Acrd Utility Rev-Factored-Assc	0		0		0
Energy Trading	1,810,584		1,810,584	0	1,810,584
1650001 Prepaid Insurance	246,066		246,066	246,066	0
165000221 Prepaid Taxes	0		0	0	0
165000222 Prepaid Taxes	0		0	0	0
1650006 Other Prepayments	138,229		138,229	138,229	0
1650009 Prepaid Carry Cost-Factored AR	0		0	0	0
1650010 Prepaid Pension Benefits	13,594,831		13,594,831	13,594,831	0
165001122 Prepaid Sales Taxes	0		0	0	0
165001123 Prepaid Sales Taxes	475,610		475,610	475,610	0
165001222 Prepaid Use Taxes	0		0	0	0
165001223 Prepaid Use Taxes	50,815		50,815	50,815	0
1650014 FAS 158 Qual Contra Asset	(13,594,831)		(13,594,831)		(13,594,831)
1650021 Prepaid Insurance - EIS	(0)		(0)	(0)	0
1650023 Prepaid Lease	6,145		6,145	6,145	0
1650035 PRW Without MED-D Benefits	28,069,873		28,069,873	28,069,873	0
1650036 PRW for Med-D Benefits	0		0	0	0
1650037 FAS158 Contra-PRW Exclud Med-D	(28,069,873)		(28,069,873)		(28,069,873)
1650041 Prepaid Regulatory Fees	230,980		230,980	230,980	0
1720000 Rents Receivable	3,289,722		3,289,722	3,289,722	0
Prepayments & Other Current Assets	(3,948,271)		(3,948,271)	42,812,550	(46,760,821)
CURRENT ASSETS	146,905,619		146,905,619	117,146,646	29,758,974
1823000 Other Regulatory Assets	(0)		(0)		(0)
1823007 SFAS 112 Postemployment Benef	3,268,874		3,268,874	3,268,874	0
1823009 DSM Incentives	4,519,280		4,519,280	4,519,280	0
1823010 Energy Efficiency Recovery	(64,484,462)		(64,484,462)	(64,484,462)	0
1823011 DSM Lost Revenues	16,278,445		16,278,445	16,278,445	0
1823012 DSM Program Costs	43,686,736		43,686,736	43,686,736	0
1823037 KY Steam Maint O/U	182,158		182,158	182,158	0
1823063 Unrecovered Fuel Cost	5,466,132		5,466,132	5,466,132	0
1823077 Unreal Loss on Fwd Commitments	796,129		796,129	796,129	0
1823078 Deferred Storm Expense	0		0	0	0
1823108 Reg Asset - Rate Case Expenses	142,436		142,436	142,436	0
1823115 Defd Equity Carry Chg-Non Fuel	0		0	0	0
1823118 BridgeCo TO Funding	0		0	0	0
1823120 Other PJM Integration	0		0	0	0
1823121 Carry Chgs-RTO Startup Costs	0		0	0	0
1823122 Alliance RTO Deferred Expense	0		0	0	0
1823165 REG ASSET FAS 158 QUAL PLAN	17,090,489		17,090,489	17,090,489	0
1823166 REG ASSET FAS 158 OPEB PLAN	7,070,270		7,070,270	7,070,270	0
1823167 REG Asset FAS 158 SERP PLAN	(104,046)		(104,046)	(104,046)	0
1823188 Deferred Carbon Mgmt Research	0		0	0	0
1823299 SFAS 106 Medicare Subsidy	379,084		379,084	379,084	0
1823301 SFAS 109 Flow Thru Defrd FIT	42,331,331		42,331,331	42,331,331	0
1823302 SFAS 109 Flow Thru Defrd SIT	93,527,599		93,527,599	93,527,599	0
1823306 Net CCS FEED Study Costs	602,272		602,272	602,272	0
182332821 FERC Formula Rates Under Recvr	804,899		804,899	804,899	0
182332822 FERC Formula Rates Under Recvr	10,459		10,459	10,459	0
1823376 Cost of Removal-Big Sandy Coal	(25,047,332)		(25,047,332)	(25,047,332)	0
1823377 NBV - AROs Retired Plants	5,331,195		5,331,195	5,331,195	0
1823378 M&S - Retiring Plants	3,015,785		3,015,785	3,015,785	0
1823379 Unrecovered Plant - Big Sandy	256,509,062		256,509,062	256,509,062	0
1823380 Spent AROs - Big Sandy Coal	110,018,096		110,018,096	110,018,096	0
1823410 BS1OR Unrecognized Equity CC	(1,749,280)		(1,749,280)	(1,749,280)	0
1823411 BS1OR Under Recovery CC	2,197,392		2,197,392	2,197,392	0
1823414 Capacity Charge Tariff Rev	0		0	0	0
1823429 Rockport Capacity Def-Eqy CC	(4,131,989)		(4,131,989)	(4,131,989)	0
1823430 Rockport Capacity CC Deferral	8,457,483		8,457,483	8,457,483	0
1823431 Rockport Capacity Deferral	46,333,182		46,333,182	46,333,182	0
1823515 IGCC Pre-Construction Costs	918,565		918,565	918,565	0
1823516 BS1OR Under Recovery	(526,762)		(526,762)	(526,762)	0
1823517 Big Sandy Recov O/U Balancing	(55,071,303)		(55,071,303)	(55,071,303)	0
1823518 BSRR Unit 2 O&M	932,164		932,164	932,164	0
1823519 Unrecovered Purch Power-PPA	0		0	0	0
1823520 Deferred Dep - Environmental	1,656,284		1,656,284	1,656,284	0
1823536 CC-NERC Compl/Cyber Unrec Eqty	(272,230)		(272,230)	(272,230)	0
1823537 CC-NERC Compliance/Cyber Sec	552,734		552,734	552,734	0
1823538 Def Degr-NERC Compl/CyberSec	1,853,193		1,853,193	1,853,193	0
1823547 Def Degr-Big Sandy Unit 1 Gas	259,649		259,649	259,649	0
1823550 Def Prop Tax-Big Sandy U1 Gas	89,859		89,859	89,859	0
1823557 CC-NERC Compl/Cyber Unrec Eqty	45,175,540		45,175,540	45,175,540	0
1823571 CC-NERC Compliance/Cyber Sec	79,399		79,399	79,399	0
1823620 2020 KY Storm Deferral	10,509,844		10,509,844	10,509,844	0
1823623 2021 KY Storm Deferral	45,996,003		45,996,003	45,996,003	0
1823685 KY ELC Deferral	783,791		783,791	783,791	0
1823698 2022 KY Major Storm Deferral	17,429,926		17,429,926	17,429,926	0
Regulatory Assets	642,868,338		642,868,338	0	642,868,338
1890004 Loss Rec Debt-Debentures	325,291		325,291		325,291
Unamortized Loss on Reacquired Debt	325,291		325,291	0	325,291
1810002 Unamort Debt Exp - Inst Pur Cn	85,651		85,651		85,651
1810003 Unamort Debt Exp Notes Payable	52,783		52,783		52,783
1810006 Unamort Debt Exp - Sr Unsec Nt	1,316,883		1,316,883		1,316,883
Unamortized Debt Expense	1,455,317		1,455,317	0	1,455,317
1840063 Corporate Charge Card Clearing	2,575		2,575		2,575
Clearing Accounts	2,575		2,575	0	2,575
1830000 Prelim Surv&Investgtn Chrgs	673,840		673,840		673,840
1830004 Prelim Survey & Investgtn Resrv	0		0	0	0
1860000 MDD-Internal Billing Only	0		0	0	0
1860001 Allowances	0		0	0	0
1860002 Deferred Expenses	2,435		2,435		2,435
1860005 Unidentified Cash Receipts	0		0	0	0
1860007 Billings and Deferred Projects	206,204		206,204		206,204
186000321 Deferred Property Taxes	704,591		704,591		704,591
186000322 Deferred Property Taxes	16,026,483		16,026,483		16,026,483
1860077 Agency Fees - Factored A/R	0		0		0

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186008122 Defd Property Tax - Cap Leases	0		0		0
186008123 Defd Property Tax - Cap Leases	425,849		425,849		425,849
1860087 Estimated Barging Bills	0		0		0
1860153 Unamortized Credit Line Fees	282,522		282,522		282,522
1860166 Def Lease Assets - Non Taxable	0		0		0
1860185 Long Term Assoc AR	1,025,177		1,025,177		1,025,177
1860192 Trnsce OU Acctg for Def Asset	33,811		33,811		33,811
1860332 Prov Opr Lease Assets-Gen&Misc	(6,978)		(6,978)		(6,978)
Other Deferred Debits	19,373,932		19,373,932	0	19,373,932
1900010 ADIT Federal - Pension OCI	0		0		0
1900011 ADIT Federal Non-UMWA PRW OCI	0		0		0
1900015 ADIT-Fed-Hdg-CF-Int Rate	0		0		0
1901001 Accum Deferred FIT - Other*	10,446,658		10,446,658	11,227,656	(780,998)
1901002 Accum Deferred SIT - Other	14,773,672		14,773,672	14,773,672	0
1902001 Accum Defd FIT - Oth Inc & Ded	968,606		968,606		968,606
1903001 Acc Dfd FIT - FAS109 Flow Thru	19,637,112		19,637,112		19,637,112
1904001 Accum Dfd FIT - FAS 109 Excess	37,878,897		37,878,897		37,878,897
Accumulated Deferred Income Taxes	83,704,945		83,704,945	26,001,328	57,703,617
TOTAL DEFERRED CHARGES	104,862,060		104,862,060	26,001,328	78,860,732
<b>TOTAL ASSETS</b>	<b>3,120,091,822</b>		<b>3,120,091,822</b>	<b>2,333,701,482</b>	<b>786,390,341</b>
CAPITALIZATION and LIABILITIES					
COMMON STOCK					
2010001 Common Stock Issued-Affiliated	50,450,000	50,450,000	0	0	0
Common Stock	50,450,000	50,450,000	0	0	0
2080000 Donations Recvd from StckHldrs	523,324,094	523,324,094	0	0	0
2110000 Miscellaneous Paid-in Capital	151,683	151,683	0	0	0
2110018 DSIT Apportionment Adj.	2,811,185	2,811,185	0	0	0
2190006 OCI-Min Pen Liab FAS 158-Qual	0	0	0	0	0
2190007 OCI-Min Pen Liab FAS 158-OPEB	0	0	0	0	0
2190015 Accum OCI-Hdg-CF-Int Rate	0	0	0	0	0
Paid-in-Capital	526,286,962	526,286,962	0	0	0
Retained Earnings	348,225,234	348,225,234	0	0	0
COMMON SHAREHOLDERS' EQUITY	924,962,196	924,962,196	0	0	0
2240005 Other Long Term Debt - Other	0	0	0	0	0
2240006 Senior Unsecured Notes	690,000,000	690,000,000	0	0	0
2240502 Intl Purchase Contracts-Curr	65,000,000	65,000,000	0	0	0
2240505 Oth LTD - Other - Current	425,000,000	425,000,000	0	0	0
Senior Unsecured Notes	1,180,000,000	1,180,000,000	0	0	0
2260006 Unam Disc LTD-Dr-Sr Unsec Note	0	0	0	0	0
Long-Term Debt	1,180,000,000	1,180,000,000	0	0	0
CAPITALIZATION	2,104,962,196	2,104,962,196	0	0	0
2270001 Obligatns Undr Cap Lse-Noncurr	269,443		(269,443)		(269,443)
2270003 Accrued Noncurr Lease Oblig	0		0		0
2270031 Oblig undr Oper Lease-Non Curr	228,920		(228,920)		(228,920)
2270033 Accrued Noncurr Oper Lease Oblig	209,308		(209,308)		(209,308)
Obligations Under Capital Lease-NonCurrent	707,671		(707,671)	0	(707,671)
2282003 Accm Prv I/D - Worker's Com	291,420		(291,420)		(291,420)
2282011 Accm Prv I/D - Asbestos - Curr	111,171		(111,171)		(111,171)
2282012 Accm Prv I/D - Asbestos	810,314		(810,314)		(810,314)
2283000 Accm Prv for Pensions&Benefits	190,729		(190,729)		(190,729)
2283002 Supplemental Savings Plan	23,545		(23,545)		(23,545)
2283005 SFAS 112 Postemployment Benef	1,875,477		(1,875,477)		(1,875,477)
2283006 SFAS 87 - Pensions	(211,388)		211,388		211,388
2283007 Perf Share Incentive Plan	0		0		0
2283013 Incentive Comp Deferral Plan	58,914		(58,914)		(58,914)
2283015 FAS 158 SER Payable Long Term	(108,293)		108,293		108,293
2283016 FAS 158 Qual Payable Long Term	3,707,045		(3,707,045)		(3,707,045)
2284027 Econ. Development Fund NonCurr	0		0		0
2290002 Accumulated Provision Rate Relief	1,564,659		(1,564,659)		(1,564,659)
2300001 Asset Retirement Obligations	18,564,217		(18,564,217)		(18,564,217)
2300002 ARO - Current	29,797		(29,797)		(29,797)
2440002 LT Unreal Losses - Non Affil	308		(308)		(308)
2440022 LT Liability MTM Collateral	308		(308)		(308)
Accumulated Provision - Miscellaneous	26,907,607		(26,907,607)	0	(26,907,607)
Other NonCurrent Liabilities	27,615,278	0	(27,615,278)	0	(27,615,278)
2330000 Corp Borrow Program (NP-Assoc)	113,624,552	113,624,552	0	0	0
2320001 Accounts Payable - Regular	10,003,816		(10,003,816)		(10,003,816)
2320002 Unvouchered Invoices	14,674,838		(14,674,838)		(14,674,838)
2320003 Retention	2,387,345		(2,387,345)		(2,387,345)
2320008 Miscellaneous Liabilities	115,778		(115,778)		(115,778)
2320011 Uninvoiced Fuel	4,198,600		(4,198,600)		(4,198,600)
2320052 Accounts Payable - Purch Power	170,737		(170,737)		(170,737)
2320053 Elect Trad-Options&Swaps	0		(0)		(0)
2320054 Emission Allowance Trading	0		0		0
2320056 Gas Physicals	0		0		0
2320062 Broker Fees Payable	0		0		0
2320073 A/P Misc Dedic. Power	7,661		(7,661)		(7,661)
2320076 Corporate Credit Card Liab	76,428		(76,428)		(76,428)
2320077 INDUS Unvouchered Liabilities	4,517,603		(4,517,603)		(4,517,603)
2320079 Broker Commisn Spark/Merch Gen	0		0		0
2320083 PJM Net AP Accrual	(0)		0		0
2320086 Accrued Broker - Power	0		0		0
2320095 Home Warranty Payables	130,548		(130,548)		(130,548)
2320100 PJM Greenhat Default Payable	0		0		0
2320101 RTO AP Accrual for Cong Deriv	1,810,584		(1,810,584)		(1,810,584)
A/P General	38,093,937		(38,093,937)	0	(38,093,937)
2340001 A/P Assoc Co - InterUnit G/L	38,987,520		(38,987,520)		(38,987,520)
2340011 A/P-Assoc Co-AEPSC-Agent	0		0		0
2340025 A/P Assoc Co - CM Bills	7,734		(7,734)		(7,734)
2340027 A/P Assoc Co - Intercompany	347,414		(347,414)		(347,414)
2340029 A/P Assoc Co - AEPSC Bills	4,104,202		(4,104,202)		(4,104,202)
2340030 A/P Assoc Co - InterUnit A/P	8,782		(8,782)		(8,782)
2340032 A/P Assoc Co - Multi Pmts	0		0		0
2340035 Fleet - MA - A/P	274		(274)		(274)
A/P Associated Companies	43,455,925		(43,455,925)	0	(43,455,925)
2350001 Customer Deposits-Active	39,415,318		(39,415,318)		(39,415,318)
2350003 Deposits - Trading Activity	209,262		(209,262)		(209,262)
Customer Deposits	39,624,580		(39,624,580)		(39,624,580)
2360001 Federal Income Tax	481,576		(481,576)		(481,576)
236000215 State Income Taxes	0		(0)		(0)
236000216 State Income Taxes	(1)		1		1
236000217 State Income Taxes	(917,884)		917,884		917,884
236000218 State Income Taxes	(327,214)		327,214		327,214
236000219 State Income Taxes	(1,422,416)		1,422,416		1,422,416
236000220 State Income Taxes	1,756,360		(1,756,360)		(1,756,360)
236000221 State Income Taxes	(195,005)		195,005		195,005
236000222 State Income Taxes	1,482,400		(1,482,400)		(1,482,400)

ASSETS	Section IV	Section V Exhibit 1	All Balance Sheet	Section V Exhibit 1	Difference in
	Page 3 & 4 Per Books 3/31/2023	Schedule 3 Capitalization	Items Not in Capitalization	Schedule 4 Rate Base	Capitalization & Rate Base
23600023 State Income Taxes	459,011		(459,011)		(459,011)
236000319 Local Income Tax	(49,346)		49,346		49,346
2360004 FICA	114,673		(114,673)		(114,673)
2360005 Federal Unemployment Tax	45		(45)		(45)
2360006 State Unemployment Tax	80		(80)		(80)
236000700 State Sales and Use Taxes	0		0		0
236000719 State Sales and Use Taxes	0		0		0
236000720 State Sales and Use Taxes	0		0		0
236000721 State Sales and Use Taxes	7,780		(7,780)		(7,780)
236000722 State Sales and Use Taxes	0		(0)		(0)
236000723 State Sales and Use Taxes	801,796		(801,796)		(801,796)
236000819 Real Personal Property Taxes	1,800,059		(1,800,059)		(1,800,059)
236000820 Real Personal Property Taxes	1,191,978		(1,191,978)		(1,191,978)
236000821 Real Personal Property Taxes	(932,327)		932,327		932,327
236000822 Real Personal Property Taxes	22,334,568		(22,334,568)		(22,334,568)
236001217 State Franchise Taxes	(225,823)		225,823		225,823
236001218 State Franchise Taxes	174,650		(174,650)		(174,650)
236001219 State Franchise Taxes	243,115		(243,115)		(243,115)
236001220 State Franchise Taxes	48,643		(48,643)		(48,643)
236001321 State Business Occupatn Taxes	(4,296)		4,296		4,296
236001322 State Business Occupatn Taxes	0		0		0
236001323 State Business Occupatn Taxes	536,408		(536,408)		(536,408)
236001622 State Gross Receipts Tax	0		0		0
236001623 State Gross Receipts Tax	1,710		(1,710)		(1,710)
236001719 Municipal License Fees Accrd	(145)		145		145
236001720 Municipal License Fees Accrd	(200)		200		200
236001722 Municipal License Fees Accrd	(175)		175		175
236002222 State License Registration Tax	(20)		20		20
236003320 Pers Prop Tax-Cap Leases	274,523		(274,523)		(274,523)
236003321 Pers Prop Tax-Cap Leases	363,106		(363,106)		(363,106)
236003322 Pers Prop Tax-Cap Leases	377,753		(377,753)		(377,753)
236003323 Pers Prop Tax-Cap Leases	567,800		(567,800)		(567,800)
236003522 Real Prop Tax-Cap Leases	0		0		0
236003523 Real Prop Tax-Cap Leases	3,402		(3,402)		(3,402)
2360037 FICA - Incentive accrual	43,801		(43,801)		(43,801)
2360038 Reorg Payroll Tax Accrual	0		0		0
2360502 State Inc Tax-Short Term FIN48	0		0		0
2360601 Fed Inc Tax-Long Term FIN48	0		0		0
2360602 State Inc Tax-Long Term FIN48	0		0		0
2360702 SEC Accum Defd SIT - FIN 48	0		0		0
2360801 Federal Income Tax - IRS Audit	0		0		0
2360901 Accum Defd FIT - IRS Audit	0		0		0
Taxes Accrued	28,990,384		(28,990,384)	0	(28,990,384)
2370002 Interest Accrued-Inst Pur Con	636,458		(636,458)		(636,458)
2370005 Interest Accrd-Other LT Debt	3,226,578		(3,226,578)		(3,226,578)
2370006 Interest Accrd-Sen Unsec Notes	4,964,895		(4,964,895)		(4,964,895)
2370007 Interest Accrd-Customer Depsts	376,353		(376,353)		(376,353)
2370018 Accrued Margin Interest	0		(0)		(0)
2370048 Acrd Int. - FIT Reserve - LT	0		0		0
2370048 Acrd Int. - SIT Reserve - LT	0		0		0
2370048 Acrd Int. - SIT Reserve - ST	0		0		0
Interest Accrued	9,204,285		(9,204,285)	0	(9,204,285)
2430001 Oblig Under Cap Leases - Curr	77,124		(77,124)		(77,124)
2430003 Accrued Cur Lease Oblig	0		0		0
2430031 Oblig undr Oper Lease -Current	35,797		(35,797)		(35,797)
2430033 Acrued Current Oper Lease Oblig	85,877		(85,877)		(85,877)
Obligation Under Capital Leases	198,798		(198,798)	0	(198,798)
2440001 Curr. Unreal Losses - NonAffil	795,821		(795,821)		(795,821)
2440002 LT Unreal Losses - Non Affil	308		(308)		(308)
2440021 S/T Liability MTM Collateral	(103)		103		103
2440022 L/T Liability MTM Collateral	(308)		308		308
Energy Contracts Current	795,718		(795,718)	0	(795,718)
2410001 Federal Income Tax Withheld	0		0		0
2410002 State Income Tax Withheld	0		0		0
2410003 Local Income Tax Withheld	0		0		0
2410004 State Sales Tax Collected	568,417		(568,417)		(568,417)
2410006 School District Tax Withheld	0		0		0
2410008 Franchise Fee Collected	537,573		(537,573)		(537,573)
2410009 KY Utility Gr Receipts Lic Tax	703,708		(703,708)		(703,708)
Tax Collections Payable	1,809,699		(1,809,699)	0	(1,809,699)
2420514 Revenue Refunds: Accrued	30,761		(30,761)		(30,761)
Revenue Refunds: Accrued	30,761		(30,761)	0	(30,761)
2420504 Accrued Lease Expense	0		0		0
Accrued Rents - NonAffiliated	0		0		0
Accrued Rents	0		0		0
2420020 Vacation Pay - This Year	2,326,876		(2,326,876)		(2,326,876)
2420021 Vacation Pay - Next Year	452,001		(452,001)		(452,001)
Accrued Vacations	2,778,877		(2,778,877)	0	(2,778,877)
2420051 Non-Productive Payroll	131,382		(131,382)		(131,382)
2420053 Perf Share Incentive Plan	0		0		0
Miscellaneous Employee Benefits	131,382		(131,382)	0	(131,382)
Employee Benefits	2,910,259		(2,910,259)	0	(2,910,259)
2420000 Misc Current & Accrued Liab	0		0		0
2420002 P/R Ded - Medical Insurance	96,013		(96,013)		(96,013)
2420003 P/R Ded - Dental Insurance	9,490		(9,490)		(9,490)
2420013 P/R Ded - LTD Ins Premiums	1,411		(1,411)		(1,411)
Payroll Deductions	106,914		(106,914)	0	(106,914)
2420532 Adm Liab-Curr-S/Ins-W/C	268,143		(268,143)		(268,143)
Accrued Workers' Compensation	268,143		(268,143)	0	(268,143)
2420027 FAS 112 CURRENT LIAB	1,393,393		(1,393,393)		(1,393,393)
2420046 FAS 158 SERP Payable - Current	4,247		(4,247)		(4,247)
2420071 P/R Ded - Vision Plan	3,495		(3,495)		(3,495)
2420072 P/R - Payroll Adjustment	17,023		(17,023)		(17,023)
2420076 P/R Savings Plan - Incentive	24,173		(24,173)		(24,173)
2420083 Active Med and Dental IBNR	0		0		0
2420088 Econ. Development Fund Curr	296,869		(296,869)		(296,869)
2420511 Control Cash Disburse Account	1,539,595		(1,539,595)		(1,539,595)
2420515 Severance Accrual	0		0		0
2420512 Unclaimed Funds	7,541		(7,541)		(7,541)
2420542 Acc Cash Franchise Req	94,957		(94,957)		(94,957)
2420558 Admitted Liab NC-Self/Ins-W/C	1,884,603		(1,884,603)		(1,884,603)
242059219 Sales Use Tax - Lease Equip	0		0		0
242059220 Sales Use Tax - Lease Equip	0		0		0
2420618 Accrued Payroll	929,726		(929,726)		(929,726)
2420623 Dist. Cust Ops & Reg Svcs ICP	505,580		(505,580)		(505,580)
2420624 Corp & Shrd Srv Incentive Plan	30,053		(30,053)		(30,053)
2420635 Generation Incentive Plan	51,218		(51,218)		(51,218)
2420643 Accrued Audit Fees	87,469		(87,469)		(87,469)
2420651 Reorg Severance Accrual	244,045		(244,045)		(244,045)
2420660 AEP Transmission ICP	18,480		(18,480)		(18,480)
2420700 Quality of Service	13,645		(13,645)		(13,645)
2420715 KY RPD Rider Liability	684		(684)		(684)
Miscellaneous Current and Accrued Liab	7,146,795		(7,146,795)	0	(7,146,795)
Other Current and Accrued Liabilities	12,272,571		(12,272,571)	0	(12,272,571)
Current Liabilities	286,260,750	113,624,552	(172,636,198)	(39,624,580)	(133,011,618)
2811001 Acc Dfd FIT - Accel Amort Prop*	42,994,987		(42,994,987)		0
2814001 Acc Dfd FIT - FAS 109 Excess	(16,404,250)		16,404,250		16,404,250
2821001 Accum Defd FIT - Utility Prop*	332,164,089		(332,164,089)	(332,945,085) *	780,997
2823001 Acc Dfrd FIT FAS 109 Flow Thru	35,318,408		(35,318,408)		(35,318,408)
2824001 Acc Dfrd FIT - SFAS 109 Excess	(89,198,026)		89,198,026		89,198,026



ASSETS	Section IV Page 3 & 4 Per Books 3/31/2023	Section V Exhibit 1 Schedule 3 Capitalization	All Balance Sheet Items Not in Capitalization	Section V Exhibit 1 Schedule 4 Rate Base	Difference in Capitalization & Rate Base		
2831001 Accum Deferred FIT - Other*	116,351,166		(116,351,166)	(116,351,166)	0		
2831102 Acc Dfd SIT-WV Pollution Contrl*	2,059,182		(2,059,182)	(2,059,182)	0		
2832001 Accum Dfrd FIT - Oth Inc & Ded	0		(0)		(0)		
2833001 Acc Dfd FIT FAS 109 Flow Thru	26,650,044		(26,650,044)		(26,650,044)		
2833002 Acc Dfrd SIT FAS 109 Flow Thru	93,527,599		(93,527,599)		(93,527,599)		
2834001 Acc Dfrd FIT - SFAS 109 Excess Deferred Income Taxes	<u>(8,301,552)</u> 535,161,646		<u>(8,301,552)</u> (535,161,646)		<u>8,301,552</u> (494,350,421)		(40,811,226)
<div style="border: 1px solid black; padding: 2px; width: fit-content;">                     *Differences in accumulated deferred federal income tax account balances are due to tax accounting preparation for filing purposes                 </div>							
2550001 Accum Deferred ITC - Federal Deferred Investment Tax Credits	<u>(0)</u> (0)	<u>(0)</u> (0)	0 0	0 0	0 0		0 0
2540011 Over Recovered Fuel Cost Over Recover of Fuel Cost	0 0		0 0		0 0		0 0
2540237 KY Steam Main O/U	2,097,760		(2,097,760)		(2,097,760)		
2540047 Unreal Gain on Fwd Commitments	0		0		0		
2540071 KY Enhanced Reliability Liab	0		0		0		
2540105 Home Energy Assist Prgm - KPCO	0		0		0		
2540125 OSS Margin Sharing	933,030		(933,030)		(933,030)		
2540230 PJM trans enhancement reg liab	1,871,208		(1,871,208)		(1,871,208)		
2543246 Capacity Charge Tariff OverRec	488,174		(488,174)		(488,174)		
2543247 KY - DSM Over Recovery Other Regulatory Liability	<u>52,532</u> 5,442,705		<u>(52,532)</u> (5,442,705)		<u>52,532</u> (5,442,705)		
2543001 SFAS109 Flow Thru Def FIT Liab	(11)		11		11		
2544001 SFAS 109 Excess Deferred FIT FAS109 DFIT Reclass (Acct 254) Regulatory Liabilities	<u>151,782,725</u> 151,782,714 157,225,419		<u>(151,782,725)</u> (151,782,714) (157,225,419)	0 0	<u>151,782,725</u> (151,782,714) (157,225,419)		
2520000 Customer Adv for Construction Customer Advances for Construction	<u>100,134</u> 100,134		<u>(100,134)</u> (100,134)	<u>(100,134)</u> (100,134)	0 0		
2530000 Other Deferred Credits	0		0		0		
2530004 Allowances	0		0		0		
2530022 Customer Advance Receipts	2,262,540		(2,262,540)		(2,262,540)		
2530050 Deferred Rev -Pole Attachments	627,352		(627,352)	(627,352)	0		
2530067 IPP - System Upgrade Credits	0		(0)		(0)		
2530092 Fbr Opt Lns-In Kind Sv-Dfd Gns	49,983		(49,983)		(49,983)		
2530101 MACSS Unidentified EDI Cash	2,076		(2,076)		(2,076)		
2530112 Other Deferred Credits-Curr	174,872		(174,872)		(174,872)		
2530114 Federl Mitigation Deferral(NSR)	0		0		0		
2530124 Contr In Aid of Constr Advance	297,005		(297,005)	(297,005)	0		
2530137 Fbr Opt Lns-Sold Defld Rev	1,638		(1,638)		(1,638)		
2530177 Deferred Rev-Bonus Lease Curr	22,767		(22,767)		(22,767)		
2530178 Deferred Rev-Bonus Lease NC	0		0		0		
2530185 O/U Accounting of ExpensesT	137		(137)		(137)		
2530188 Long Term Assoc AP	5,243,423		(5,243,423)		(5,243,423)		
2530190 QUAL OF SVC PENALTIES - LT Other Deferred Credits	84,615 8,766,399		(84,615) (8,766,399)		(84,615) (8,766,399)		(7,842,042)
Deferred Credits	<u>8,866,533</u>	0	<u>(8,866,533)</u>	<u>(1,024,491)</u>	<u>(7,842,042)</u>		
DEFERRED CREDITS & REGULATED LIABILITIES	701,253,598	(0)	(701,253,598)	(495,374,912)	(205,878,687)		
<b>CAPITAL &amp; LIABILITIES</b>	<b>3,120,091,822</b>	<b>2,218,586,748</b>	<b>(901,505,075)</b>	<b>(534,999,492)</b>	<b>(366,505,583)</b>		
AFUDC in CWIP			0	(5,377,687.00)	5,377,687		
	3,120,091,822	2,218,586,748	(901,505,075)	(540,377,179)	(361,127,896)		
Assets	3,120,091,822	0	3,120,091,822	2,333,701,482	786,390,341		
Liabilities	<u>3,120,091,822</u>	<u>2,218,586,748</u>	<u>(901,505,075)</u>	<u>(540,377,179)</u>	<u>(361,127,896)</u>		
	(0)	2,218,586,748	2,218,586,748	1,793,324,303	425,262,445	425,262,445	0
				1,793,324,302			
				1			

**KPSC Case No. 2023-00159**  
**Section II - Application**  
**Filing Requirements**  
**Exhibit M**

<u>Account</u>	<u>Description</u>
1010001	Plant in Service
1010008	Cloud Implement - PIS
1011001	Capital Leases
1011006	Prov-Leased Assets
1011012	Accrued Capital Leases
1011031	Operating Lease
1011032	Accrued Operating Leases
1011036	Prov - Operating Lease Assets
1050001	Held For Fut Use
1060001	Const Not Classifd
1060007	Cloud Implement - CCNC
1070000	Construction Work In Progress
1070001	CWIP - Project
1070007	Cloud Implementation Costs
1080001	A/P for Deprec of Plt
1080005	RWIP - Project Detail
1080011	Cost of Removal Reserve
1080013	ARO Removal Deprec - Accretion
1110001	A/P for Amort of Plt
1110007	Cloud Implement - A/P Amrt Plt
1210001	Nonutility Property - Owned
1220001	Depr&Amrt of Nonutl Prop-Ownd
1220003	Depr&Amrt of Nonutl Prop-WIP
1240002	Oth Investments-Nonassociated
1240007	Deferred Compensation Benefits
1240027	Other Property - RWIP
1240028	Other Property - RETIRE
1240029	Other Property - CPR
1240092	Fbr Opt Lns-In Kind Sv-Invest
1290000	Pension Net Funded Position
1290001	Non-UMWA PRW Funded Position
1290002	SFAS 106 - Non-UMWA PRW
1290003	SFAS 87 - Pension
1310000	Cash
1340018	Spec Deposits - Elect Trading
1340048	Spec Deposits-Trading Contra
1340051	Spec Depost RBC
1340053	Deposits - Flexible Spending
1340057	Wells Fargo Securities, LLC
1350004	Cash Adv-Employee Expenses
1420001	Customer A/R - Electric
1420014	Customer A/R-System Sales
1420019	Transmission Sales Receivable
1420022	Cust A/R - Factored
1420023	Cust A/R-System Sales - MLR
1420024	Cust A/R-Options & Swaps - MLR
1420027	Low Inc Energy Asst Pr (LIEAP)
1420028	Emergency LIEAP
1420033	Cooling Assistance Prg (COOL)

1420042	Cust A/R - Special Contracts
1420044	Customer A/R - Estimated
1420050	PJM AR Accrual
1420054	Accrued Power Brokers
1420058	Cust A/R-Contra-Home Warranty
1420059	AR PS Bill-Cust Home Warranty
1420060	PJM Trans Enhancement Refund
1420062	Emergency Rent Assist ERUAP
1420102	AR Peoplesoft Billing - Cust
1420103	AR Long-Term-Customer
1430022	2001 Employee Biweekly Pay Cnv
1430023	A/R PeopleSoft Billing System
1430081	Damage Recovery - Third Party
1430083	Damage Recovery Offset Demand
1430101	Other Accounts Rec - Misc
1430102	AR Peoplesoft Billing - Misc
1440001	Uncoll Accts-Elect Receivables
1440002	Uncoll Accts-Other Receivables
1460001	A/R Assoc Co - InterUnit G/L
1460006	A/R Assoc Co - Intercompany
1460009	A/R Assoc Co - InterUnit A/P
1460011	A/R Assoc Co - Multi Pmts
1460025	Fleet - M4 - A/R
1510001	Fuel Stock - Coal
1510002	Fuel Stock - Oil
1510003	Fuel Stock - Gas
1510020	Fuel Stock Coal - Intransit
1520000	Fuel Stock Exp Undistributed
1540001	M&S - Regular
1540003	Material in Transit
1540004	M&S - Exempt Material
1540006	M&S - Lime and Limestone
1540012	Materials & Supplies - Urea
1540013	Transportation Inventory
1540016	MMS - Truck Stock
1540022	M&S-Lime & Limestone Intransit
1540023	M&S Inv - Urea In-Transit
1540033	Inventory Pending Inspection
1581000	SO2 Allowance Inventory
1581003	SO2 Allowance Inventory - Curr
1581009	CSAPR Current SO2 Inv
1630004	Strs Exp-T&D Satellite Storerm
1630019	Stores Exp - Big Sandy Plant
1630031	Stores Exp - T&D General
1630033	Stores Exp - All Busin Units
1630109	Strs Exp - ACCT-COUNT-ADJ
1650001	Prepaid Insurance
165000221	Prepaid Taxes
165000222	Prepaid Taxes
1650005	Prepaid Employee Benefits
1650006	Other Prepayments
1650009	Prepaid Carry Cost-Factored AR
1650010	Prepaid Pension Benefits
165001121	Prepaid Sales Taxes
165001122	Prepaid Sales Taxes

165001123	Prepaid Sales Taxes
165001221	Prepaid Use Taxes
165001222	Prepaid Use Taxes
165001223	Prepaid Use Taxes
1650014	FAS 158 Qual Contra Asset
1650021	Prepaid Insurance - EIS
1650023	Prepaid Lease
1650035	PRW Without MED-D Benefits
1650037	FAS158 Contra-PRW Exclud Med-D
1650041	Prepaid Regulatory Fees
1720000	Rents Receivable
1730000	Accrued Utility Revenues
1730002	Acrd Utility Rev-Factored-Assc
1750001	Curr. Unreal Gains - NonAffil
1750002	Long-Term Unreal Gns - Non Aff
1750021	S/T Asset MTM Collateral
1750022	L/T Asset MTM Collateral
1810002	Unamort Debt Exp - Inst Pur Cn
1810003	Unamort Debt Exp Notes Payable
1810006	Unamort Debt Exp - Sr Unsec Nt
1823000	Other Regulatory Assets
1823007	SFAS 112 Postemployment Benef
1823009	DSM Incentives
1823010	Energy Efficiency Recovery
1823011	DSM Lost Revenues
1823012	DSM Program Costs
1823022	HRJ 765kV Post Service AFUDC
1823037	KY Steam Maint O/U
1823054	HRJ 765kV Depreciation Expense
1823063	Unrecovered Fuel Cost
1823077	Unreal Loss on Fwd Commitments
1823078	Approved Deferred Storm Exp
1823108	Reg Asset - Rate Case Expenses
1823165	REG ASSET FAS 158 QUAL PLAN
1823166	REG ASSET FAS 158 OPEB PLAN
1823167	REG Asset FAS 158 SERP Plan
1823196	OSS Margin Sharing
1823299	SFAS 106 Medicare Subsidy
1823301	SFAS 109 Flow Thru Defd FIT
1823302	SFAS 109 Flow Thru Defrd SIT
1823306	Net CCS FEED Study Costs
182332820	FERC Formula Rates Under Recvr
182332821	FERC Formula Rates Under Recvr
182332822	FERC Formula Rates Under Recvr
182332823	FERC Formula Rates Under Recvr
1823376	Cost of Removal-Big Sandy Coal
1823377	NBV - AROs Retired Plants
1823378	M&S - Retiring Plants
1823379	Unrecovered Plant - Big Sandy
1823380	Spent AROs - Big Sandy Coal
1823410	BS1OR Unrecognized Equity CC
1823411	BS1OR Under Recovery CC
1823414	Capacity Charge Tariff Rev
1823429	Rockport Capacity Def-Eqty CC
1823430	Rockport Capacity CC Deferral

1823431	Rockport Capacity Deferral
1823515	IGCC Pre-Construction Costs
1823516	BS1OR Under Recovery
1823517	Big Sandy Recov O/U Balancing
1823518	BSDR Unit 2 O&M
1823520	Under Recovery-Environmental
1823536	CC-NERC Compl/Cyber Unrec Eqty
1823537	CC-NERC Compliance/Cyber Sec
1823538	Def Depr-NERC Compli/Cybersec
1823547	Def Depr-Big Sandy Unit 1 Gas
1823550	Def Prop Tax-Big Sandy U1 Gas
1823557	KY Under-recovered PPA Rider
1823571	GreenHat Settlement Reg Deferr
1823620	2020 KY Storm Deferral
1823623	2021 KY Storm deferral
1823626	KY Deferred Interest on Note
1823662	LSE Formula Rate Defer-Dep
1823685	KY ELG Deferral
1823698	2022 KY Major Storm Deferral
1830000	Prelimin Surv&Investgtn Chrgs
1840001	Bldg Servcs Oper Exp-Clearing
1840002	Accounts Pay Adj - Clearing
1840004	Undistributed Payroll-Clearing
1840006	Telephone Expense - Clearing
1840026	Oth Accts Rec - Cash Clearing
1840027	Oth Accts Rec - A/R Clearing
1840028	Non T/L Payroll-Clearing
1840029	Transp-Assigned Vehicles
1840031	Affil Transactions-Cash Clrng
1840057	Cell Phone/Pager - Clearing
1840063	Corporate Charge Card Clearing
1840064	DHLC Clearing Account
1840066	PPE / Safety Equipment
1850000	Temporary Facilities
1860001	Allowances
1860002	Deferred Expenses
186000320	Deferred Property Taxes
186000321	Deferred Property Taxes
186000322	Deferred Property Taxes
1860005	Unidentified Cash Receipts
1860007	Billings and Deferred Projects
1860015	Billings Paid Union Benefits
1860077	Agency Fees - Factored A/R
186008122	Defd Property Tax - Cap Lease
186008123	Defd Property Tax - Cap Lease
1860087	Estimated Barging Bills
1860092	Compatible Unit/Wrk 2k Sys Clr
1860153	Unamortized Credit Line Fees
1860166	Def Lease Assets - Non Taxable
1860185	Long Term Assoc AR
1860192	Trnsrce OU Acctg for Def Asset
1860332	Prov Opr Lease Assets-Gen&Misc
1890004	Loss Rec Debt-Debentures
1900010	ADIT Federal - Pension OCI
1900011	ADIT Federal Non-UMWA PRW OCI

1901001	Accum Deferred FIT - Other
1901002	Accum Deferred SIT - Other
1902001	Accum Defd FIT - Oth Inc & Ded
1903001	Acc Dfd FIT - FAS109 Flow Thru
1904001	Accum Dfd FIT - FAS 109 Excess
2010001	Common Stock Issued-Affiliated
2080000	Donations Recvd from Stckhldrs
2110000	Miscellaneous Paid-In Capital
2110018	DSIT Apportionment Adj.
2160001	Unapprp Retnd Erngs-Unrstrictd
2190006	OCI-Min Pen Liab FAS 158-Qual
2190007	OCI-Min Pen Liab FAS 158-OPEB
2240002	Installment Purchase Contracts
2240005	Other Long Term Debt - Other
2240006	Senior Unsecured Notes
2240502	Instl Purchase Contracts-Curr
2240505	Oth LTD - Other - Current
2270001	Obligatns Undr Cap Lse-Noncurr
2270003	Accrued Noncur Lease Oblig
2270031	Oblig undr Oper Lease-Non Curr
2270033	Acrued Noncur Oper Lease Oblig
2282003	Accm Prv I/D - Worker's Com
2282011	Accm Prv I/D - Asbestos - Curr
2282012	Accm Prv I/D - Asbestos
2283000	Accm Prv for Pensions&Benefits
2283002	Supplemental Savings Plan
2283005	SFAS 112 Postemployment Benef
2283006	SFAS 87 - Pensions
2283013	Incentive Comp Deferral Plan
2283015	FAS 158 SERP Payable Long Term
2283016	FAS 158 Qual Payable Long Term
2290002	Acc Prv Rate Refnds-Nonassoc
2300001	Asset Retirement Obligations
2300002	ARO - Current
2320001	Accounts Payable - Regular
2320002	Unvouchered Invoices
2320003	Retention
2320008	Miscellaneous Liabilities
2320011	Uninvoiced Fuel
2320052	Accounts Payable - Purch Power
2320053	Elect Trad-Options&Swaps
2320054	Emission Allowance Trading
2320062	Broker Fees Payable
2320073	A/P Misc Dedic. Power
2320076	Corporate Credit Card Liab
2320077	INDUS Unvouchered Liabilities
2320083	PJM Net AP Accrual
2320086	Accrued Broker - Power
2320094	Customer A/P - REC Activity
2320095	Home Warranty Payables
2320100	PJM Greenhat Default Payable
2320101	RTO AP Accrual for Cong Deriv
2330000	Corp Borrow Program (NP-Assoc)
2340001	A/P Assoc Co - InterUnit G/L
2340025	A/P Assoc Co - CM Bills

2340027 A/P Assoc Co - Intercompany  
2340029 A/P Assoc Co - AEPSC Bills  
2340030 A/P Assoc Co - InterUnit A/P  
2340032 A/P Assoc Co - Multi Pmts  
2340035 Fleet - M4 - A/P  
2350001 Customer Deposits-Active  
2350003 Deposits - Trading Activity  
2360001 Federal Income Tax  
236000215 State Income Taxes  
236000216 State Income Taxes  
236000217 State Income Taxes  
236000218 State Income Taxes  
236000219 State Income Taxes  
236000220 State Income Taxes  
236000221 State Income Taxes  
236000222 State Income Taxes  
236000223 State Income Taxes  
236000319 Local Income Tax  
2360004 FICA  
2360005 Federal Unemployment Tax  
2360006 State Unemployment Tax  
236000700 State Sales and Use Taxes  
236000718 State Sales and Use Taxes  
236000721 State Sales and Use Taxes  
236000722 State Sales and Use Taxes  
236000723 State Sales and Use Taxes  
236000819 Real Personal Property Taxes  
236000820 Real Personal Property Taxes  
236000821 Real Personal Property Taxes  
236000822 Real Personal Property Taxes  
236001217 State Franchise Taxes  
236001218 State Franchise Taxes  
236001219 State Franchise Taxes  
236001220 State Franchise Taxes  
236001321 State Business Occupatn Taxes  
236001322 State Business Occupatn Taxes  
236001323 State Business Occupatn Taxes  
236001619 State Gross Receipts Tax  
236001620 State Gross Receipts Tax  
236001621 State Gross Receipts Tax  
236001622 State Gross Receipts Tax  
236001623 State Gross Receipts Tax  
236001719 Municipal License Fees Accrd  
236001720 Municipal License Fees Accrd  
236001722 Municipal License Fees Accrd  
236002219 State License Registration Tax  
236002222 State License Registration Tax  
236003320 Pers Prop Tax-Cap Leases  
236003321 Pers Prop Tax-Cap Leases  
236003322 Pers Prop Tax-Cap Leases  
236003323 Pers Prop Tax-Cap Leases  
236003522 Real Prop Tax-Cap Leases  
236003523 Real Prop Tax-Cap Leases  
2360037 FICA - Incentive accrual  
2360105 FICA - CARES ACT

2360602	State Inc Tax-Long Term FIN48
2370002	Interest Accrued-Inst Pur Con
2370005	Interest Accrd-Other LT Debt
2370006	Interest Accrd-Sen Unsec Notes
2370007	Interest Accrd-Customer Depsts
2370018	Accrued Margin Interest
2410003	Local Income Tax Withheld
2410004	State Sales Tax Collected
2410008	Franchise Fee Collected
2410009	KY Utility Gr Receipts Lic Tax
2420000	Misc Current & Accrued Liab
2420002	P/R Ded - Medical Insurance
2420003	P/R Ded - Dental Insurance
2420009	Depend Care/Flex Medical Spend
2420010	P/R Ded - Dependent Life Ins
2420013	P/R Ded - LTD Ins Premiums
2420016	P/R Ded-Crt Ordrr/Grnshmt/Tx Lv
2420017	P/R Ded - AD&D and OAD&D Ins
2420018	P/R Ded-Reg&Spec Life Ins Prem
2420020	Vacation Pay - This Year
2420021	Vacation Pay - Next Year
2420027	FAS 112 CURRENT LIAB
2420046	FAS 158 SERP Payable - Current
2420051	Non-Productive Payroll
2420071	P/R Ded - Vision Plan
2420072	P/R - Payroll Adjustment
2420076	P/R Savings Plan - Incentive
2420088	Econ. Development Fund Curr
2420501	Accrued Insurance Premiums
2420504	Accrued Lease Expense
2420511	Control Cash Disburse Account
2420512	Unclaimed Funds
2420514	Revenue Refunds Accrued
2420532	Adm Liab-Cur-S/Ins-W/C
2420542	Acc Cash Franchise Req
2420554	P/R Ded - Stock Purchase Plan
2420558	Admitted Liab NC-Self/Ins-W/C
242059221	Sales Use Tax - Leased Equip
242059222	Sales Use Tax - Leased Equip
2420618	Accrued Payroll
2420623	Distr, Cust Ops & Reg Svcs ICP
2420624	Corp & Shrd Srv Incentive Plan
2420635	Generation Incentive Plan
2420643	Accrued Audit Fees
2420656	Federal Mitigation Accru (NSR)
2420660	AEP Transmission ICP
2420700	Quality of Service
2420715	KY RPO Rider Liability
2430001	Oblig Under Cap Leases - Curr
2430003	Accrued Cur Lease Oblig
2430031	Oblig undr Oper Lease -Current
2430033	Acrued Curent Oper Lease Oblig
2440001	Curr. Unreal Losses - NonAffil
2440002	LT Unreal Losses - Non Affil
2440021	S/T Liability MTM Collateral



2440022	L/T Liability MTM Collateral
2520000	Customer Adv for Construction
2530000	Other Deferred Credits
2530022	Customer Advance Receipts
2530050	Deferred Rev -Pole Attachments
2530067	IPP - System Upgrade Credits
2530089	ABD - Deferrd Revenues
2530092	Fbr Opt Lns-In Kind Sv-Dfd Gns
2530101	MACSS Unidentified EDI Cash
2530112	Other Deferred Credits-Curr
2530124	Contr In Aid of Constr Advance
2530137	Fbr Opt Lns-Sold-Defd Rev
2530177	Deferred Rev-Bonus Lease Curr
2530178	Deferred Rev-Bonus Lease NC
2530185	O\U Accounting of ExpensesT
2530188	Long Term Assoc AP
2530190	QUAL OF SVC PENALTIES - LT
2540047	Unreal Gain on Fwd Commitments
2540071	KY Enhanced Reliability Liab
2540105	Home Energy Assist Prgm - KPCO
2540125	OSS Margin Sharing
2540230	PJM trans enhancement reg liab
2540237	KY Steam Main O/U
2543001	SFAS109 Flow Thru Def FIT Liab
2543246	Capacity Charge Tariff OverRec
2543247	KY - DSM Over Recovery
2543557	KY Over-recovered PPA Rider
2544001	SFAS 109 Exces Deferred FIT
2550001	Accum Deferred ITC - Federal
2811001	Acc Dfd FIT - Accel Amort Prop
2814001	Acc Dfd FIT - FAS 109 Excess
2821001	Accum Defd FIT - Utility Prop
2823001	Acc Dfrd FIT FAS 109 Flow Thru
2824001	Acc Dfrd FIT - SFAS 109 Excess
2831001	Accum Deferred FIT - Other
2831102	Acc Dfd SIT-WV Pollution Cntrl
2832001	Accum Dfrd FIT - Oth Inc & Ded
2833001	Acc Dfd FIT FAS 109 Flow Thru
2833002	Acc Dfrd SIT FAS 109 Flow Thru
2834001	Acc Defd FIT - SFAS 109 Excess
4030001	Depreciation Exp
4030029	Over/Undr Depr Exp Var Riders
4031001	Depr - Asset Retirement Oblig
4040001	Amort. of Plant
4040007	Cloud Implement - Amort Plant
4060001	Amort of Plt Acq Adj
4073000	Regulatory Debits
4073014	Regulatory Debit - BSDR
4081002	FICA
4081003	Federal Unemployment Tax
408100518	Real Personal Property Taxes
408100519	Real Personal Property Taxes
408100520	Real Personal Property Taxes
408100521	Real Personal Property Taxes
408100522	Real Personal Property Taxes

408100619 State Gross Receipts Tax  
408100620 State Gross Receipts Tax  
408100621 State Gross Receipts Tax  
408100622 State Gross Receipts Tax  
408100623 State Gross Receipts Tax  
4081007 State Unemployment Tax  
408100820 State Franchise Taxes  
408101420 Federal Excise Taxes  
408101421 Federal Excise Taxes  
408101422 Federal Excise Taxes  
408101423 Federal Excise Taxes  
408101719 St Lic-Rgstrtion Tax-Fees  
408101821 St Publ Serv Comm Tax-Fees  
408101900 State Sales and Use Taxes  
408101918 State Sales and Use Taxes  
408101920 State Sales and Use Taxes  
408101921 State Sales and Use Taxes  
408101922 State Sales and Use Taxes  
408101923 State Sales and Use Taxes  
408102020 State Business Occup Taxes  
408102021 State Business Occup Taxes  
408102022 State Business Occup Taxes  
408102023 State Business Occup Taxes  
408102920 Real-Pers Prop Tax-Cap Leases  
408102921 Real-Pers Prop Tax-Cap Leases  
408102922 Real-Pers Prop Tax-Cap Leases  
408102923 Real-Pers Prop Tax-Cap Leases  
4081033 Fringe Benefit Loading - FICA  
4081034 Fringe Benefit Loading - FUT  
4081035 Fringe Benefit Loading - SUT  
408103620 Real Prop Tax-Cap Leases  
408103621 Real Prop Tax-Cap Leases  
408103622 Real Prop Tax-Cap Leases  
408103623 Real Prop Tax-Cap Leases  
408200520 Real Personal Property Taxes  
408200521 Real Personal Property Taxes  
408200522 Real Personal Property Taxes  
4091001 Income Taxes, UOI - Federal  
409100221 Income Taxes UOI - State  
409100222 Income Taxes UOI - State  
409100223 Income Taxes UOI - State  
4092001 Inc Tax, Oth Inc&Ded-Federal  
409200220 Inc Tax Oth Inc Ded - State  
409200222 Inc Tax Oth Inc Ded - State  
409200223 Inc Tax Oth Inc Ded - State  
4101001 Prov Def I/T Util Op Inc-Fed  
4101002 Prov Def I/T Util Op Inc-State  
4102001 Prov Def I/T Oth I&D - Federal  
4111001 Prv Def I/T-Cr Util Op Inc-Fed  
4111002 Prv Def I/T-Cr UtilOpInc-State  
4111005 Accretion Expense  
4112001 Prv Def I/T-Cr Oth I&D-Fed  
4116000 Gain From Disposition of Plant  
4118002 Comp. Allow Gains Title IV SO2  
4118008 Comp Allow Gain CSAPR Seas NOx

4170004	Rev from Non-Util Oper NonAfil
4171009	Office Supplies & Expense
4180001	Non-Operatng Rental Income
4180005	Non-Opratng Rntal Inc-Depr
4190002	Int & Dividend Inc - Nonassoc
4190005	Interest Income - Assoc CBP
4191000	Allw Oth Fnds Usd Drng Cnstr
4210001	Misc Non-Operating Inc-Assoc
4210002	Misc Non-Op Inc-NonAsc-Rents
4210005	Misc Non-Op Inc-NonAsc-Timber
4210007	Misc Non-Op Inc - NonAsc - Oth
4210009	Misc Non-Op Exp - NonAssoc
4210031	Pwr Sales Outside Svc Territry
4211000	Gain on Dspstion of Property
4212000	Loss on Dspstion of Property
4261000	Donations
4263001	Penalties
4263003	Penalties - Quality of Service
4264000	Civic and Political Activity
4264001	Non-deduct Lobbying per IRS
4265001	Other Deductions - Associated
4265002	Other Deductions - Nonassoc
4265004	Social & Service Club Dues
4265007	Regulatory Expenses
4265009	Factored Cust A/R Exp - Affil
4265010	Fact Cust A/R-Bad Debts-Affil
4265033	Transition Costs
4270002	Int on LTD - Install Pur Contr
4270005	Int on LTD - Other LTD
4270006	Int on LTD - Sen Unsec Notes
4280002	Amrtz Debt Dscnt&Exp-Instl Pur
4280003	Amrtz Debt Dscnt&Exp-N/P
4280006	Amrtz Dscnt&Exp-Sn Unsec Note
4281004	Amrtz Loss Rquired Debt-Dbnt
4300003	Int to Assoc Co - CBP
4310001	Other Interest Expense
4310002	Interest on Customer Deposits
4310007	Lines Of Credit
4320000	Allw Brrwed Fnds Used Cnstr-Cr
4400001	Residential Sales-W/Space Htg
4400002	Residential Sales-W/O Space Ht
4400005	Residential Fuel Rev
4420001	Commercial Sales
4420002	Industrial Sales (Excl Mines)
4420004	Ind Sales-NonAffil(Incl Mines)
4420006	Sales to Pub Auth - Schools
4420007	Sales to Pub Auth - Ex Schools
4420013	Commercial Fuel Rev
4420016	Industrial Fuel Rev
4440000	Public Street/Highway Lighting
4440002	Public St & Hwy Light Fuel Rev
4470006	Sales for Resale-Bookout Sales
4470010	Sales for Resale-Bookout Purch
4470027	Whsal/Muni/Pb Ath Fuel Rev
4470033	Whsal/Muni/Pub Auth Base Rev

4470074	Sale for Resale-Aff-Trnf Price
4470082	Financial Electric Realized
4470089	PJM Energy Sales Margin
4470098	PJM Oper.Reserve Rev-OSS
4470099	Capacity Cr. Net Sales
4470100	PJM FTR Revenue-OSS
4470103	PJM Energy Sales Cost
4470107	PJM NITS Purch-NonAff.
4470110	PJM TO Admin. Exp.-NonAff.
4470115	PJM Meter Corrections-OSS
4470116	PJM Meter Corrections-LSE
4470126	PJM Incremental Imp Cong-OSS
4470131	Non-Trading Bookout Purch-OSS
4470143	Financial Hedge Realized
4470150	Transm. Rev.-Dedic. Whsl/Muni
4470151	Trading Auction Sales Affil
4470175	OSS Sharing Reclass - Retail
4470176	OSS Sharing Reclass-Reduction
4470206	PJM Trans loss credits-OSS
4470209	PJM transm loss charges-OSS
4470214	PJM 30m Suppl Reserve CR OSS
4470215	PJM 30m Suppl Reserve CH OSS
4470220	PJM Regulation - OSS
4470221	PJM Spinning Reserve - OSS
4470222	PJM Reactive - OSS
4491002	Prov Rate Refund-Nonaffiliated
4491003	Prov Rate Refund - Retail
4491004	Prov Rate Refund - Affiliated
4500000	Forfeited Discounts
4510001	Misc Service Rev - Nonaffil
4540001	Rent From Elect Property - Af
4540002	Rent From Elect Property-NAC
4540004	Rent From Elect Prop-ABD-Nonaf
4540005	Rent from Elec Prop-Pole Attch
4560007	Oth Elect Rev - DSM Program
4560012	Oth Elect Rev - Nonaffiliated
4560015	Other Electric Revenues - ABD
4560043	Oth Elec Rv-Trn-Aff-Trnf Price
4561005	PJM Point to Point Trans Svc
4561006	PJM Trans Owner Admin Rev
4561007	PJM Network Integ Trans Svc
4561019	Oth Elec Rev Trans Non Affil
4561028	PJM Pow Fac Cre Rev Whsl Cu-NA
4561029	PJM NITS Revenue Whsl Cus-NAff
4561030	PJM TO Serv Rev Whls Cus-NAff
4561033	PJM NITS Revenue - Affiliated
4561034	PJM TO Adm. Serv Rev - Aff
4561035	PJM Affiliated Trans NITS Cost
4561036	PJM Affiliated Trans TO Cost
4561058	NonAffil PJM Trans Enhncmt Rev
4561059	Affil PJM Trans Enhancmnt Rev
4561060	Affil PJM Trans Enhancmnt Cost
4561061	NAff PJM RTEP Rev for Whsl-FR
4561062	PROVISION RTO Cost - Affi
4561063	PROVISION RTO Rev Affiliated

4561064	PROVISION RTO Rev WhslCus-NAf
4561065	PROVISION RTO Rev - NonAff
5000000	Oper Supervision & Engineering
5000001	Oper Super & Eng-RATA-Affil
5010000	Fuel
5010001	Fuel Consumed
5010003	Fuel - Procure Unload & Handle
5010005	Fuel - Deferred
5010012	Ash Sales Proceeds
5010013	Fuel Survey Activity
5010019	Fuel Oil Consumed
5010020	Nat Gas Consumed Steam
5010021	Transp Gas Consumed Steam
5010027	Gypsum handling/disposal costs
5010028	Gypsum Sales Proceeds
5010031	Fuel Contract Termination Adj.
5010034	Gas Transp Res Fees-Steam
5010040	Gas Procuremnt Sales Net
5020000	Steam Expenses
5020002	Urea Expense
5020003	Trona Expense
5020004	Lime-Related Expenses
5020005	Polymer expense
5020007	Lime Hydrate Expense
5020020	Misc Consumable Exp
5050000	Electric Expenses
5060000	Misc Steam Power Expenses
5060002	Misc Steam Power Exp-Assoc
5060003	Removal Cost Expense - Steam
5060004	NSR Settlement Expense
5060011	BSRR O/U Recovery-Oper Costs
5060025	Misc Stm Pwr Exp Environmental
5070000	Rents
5090000	Allow Consum Title IV SO2
5090009	Allow Consumpt CSAPR SO2
5100000	Maint Supv & Engineering
5110000	Maintenance of Structures
5120000	Maintenance of Boiler Plant
5120025	Maint of Blr Plt Environmental
5120034	BSDR O/U Recovery - Maint Cost
5120037	KY Steam Maint O/U
5130000	Maintenance of Electric Plant
5140000	Maintenance of Misc Steam Plt
5140025	Maint MiscStmPlt Environmental
5490000	Misc Other Pwer Generation Exp
5500004	Wind Easement Exp - NonLease
5500005	Lease Expense - Wind Leases
5540001	Maint of Oth Pwr Gen Plt-GT
5550001	Purch Pwr-NonTrading-Nonassoc
5550004	Purchased Power-Pool Capacity
5550027	Purch Pwr-Non-Fuel Portion-Aff
5550029	Purch Power-Assoc-Trnsfr Price
5550039	PJM Inadvertent Mtr Res-OSS
5550040	PJM Inadvertent Mtr Res-LSE
5550046	Purch Power-Fuel Portion-Affil

5550074	PJM Reactive-Charge
5550075	PJM Reactive-Credit
5550076	PJM Black Start-Charge
5550078	PJM Regulation-Charge
5550079	PJM Regulation-Credit
5550080	PJM Hourly Net Purch.-FERC
5550083	PJM Spinning Reserve-Charge
5550084	PJM Spinning Reserve-Credit
5550090	PJM 30m Suppl Rserv Charge LSE
5550123	PJM OpRes-LSE-Charge
5550124	PJM Implicit Congestion-LSE
5550132	PJM FTR Revenue-LSE
5550137	PJM OpRes-LSE-Credit
5550153	PurchPower-Rockport Def-NonAff
5550326	PJM Transm Loss Charges - LSE
5550327	PJM Transm Loss Credits-LSE
5550328	PJM FC Penalty Credit
5550329	PJM FC Penalty Charge
5560000	Sys Control & Load Dispatching
5570000	Other Expenses
5570007	Other Pwr Exp - Wholesale RECs
5570020	MATL-COMPUTER HARDWARE
5570021	MATL-CONSUMABLES
5570024	MATL-REPAIR PARTS
5600000	Oper Supervision & Engineering
5611000	Load Dispatch - Reliability
5612000	Load Dispatch-Mntr&Op TransSys
5614000	PJM Admin-SSC&DS-OSS
5614001	PJM Admin-SSC&DS-Internal
5614007	RTO Admin Default LSE.
5614008	PJM Admin Defaults OSS
5614009	GreenHat Settlement
5615000	Reliability,Plng&Stds Develop
5616000	Transmission Service Studies
5618000	PJM Admin-RP&SDS-OSS
5618001	PJM Admin-RP&SDS- Internal
5620001	Station Expenses - Nonassoc
5630000	Overhead Line Expenses
5640000	Underground Line Expenses
5650002	Transmssn Elec by Others-NAC
5650007	Tran Elec by Oth-Aff-Trn Price
5650012	PJM Trans Enhancement Charge
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## **Report of Independent Auditors**

To the Management and Board of Directors of Kentucky Power Company

### ***Opinion***

We have audited the accompanying financial statements of Kentucky Power Company (the “Company”), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, of comprehensive income (loss), of changes in common shareholder's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors’ Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*PricewaterhouseCoopers LLP*

Columbus, Ohio  
February 23, 2023

American Electric Power  
10000 East  
Columbus, Ohio 43215



November 17, 1997

Peter J. DeMarzio  
Executive Vice President  
Supervisory Chief  
Chief Accounting Officer  
414 221 1861

Mr. Bryan K. Craig  
Acting Director, Division of Electric  
and Hydropower Operations  
Office of the Chief Accountant  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

Dear Mr. Craig:

We have reviewed the audit report (copy attached) forwarded to us on October 30, 1997. The report summarizes the Results of the FERC audit staff's examination of the Books and Records of Kentucky Power Company for the period January 1, 1992 through December 31, 1996 in Docket No. FA96-40-000 and FA96-40-001.

Our comments on the three report issues are noted herein. Should you have any questions concerning our comments, please do not hesitate to contact the undersigned or Leonard V. Assante, Controller of AEPSC.

I. Compliance Exceptions

1. Accounting for Settlement Costs

Kentucky Power's Response

We agree with the recommendation that settlement costs on employment litigation be recorded below the line and have revised our accounting procedures accordingly. Attached is a copy of July 9, 1997 memorandum from G. R. Knorr, Assistant Controller of AEPSC, revising our procedures.

November 17, 1997  
Bryan K. Craig  
Page 2  
Kentucky Power Company

2. Miscellaneous Accounting Misclassification

**Kentucky Power's Response**

We agree with the recommendation concerning Account 228.3 (Accumulated Provision for Pensions and Benefits) and have revised our accounting procedures accordingly. Attached is a copy of our August 13, 1997 memorandum from G. S. Campbell/H. E. McCoy revising our procedures.

II. Deferred Matter


1. Accounting Classification for Service Company Billings

**Kentucky Power's Response**

The FERC audit report makes no recommendation on this issue pending further study by the FERC's Office of the Chief Accountant. We reserve our right to respond to this issue when the FERC's study is completed and released for comment.

I would like to take this opportunity to express our support for the new centralized approach to auditing AEP's electric operating subsidiaries. The new approach reduced the total time required to complete the audit of all AEP subsidiaries and reduced the cost to both AEP and the FERC. I would also like to thank Lucretia Smith and the fine staff of auditors that performed an efficient audit while minimizing disruption of our accounting operations.

Respectfully submitted,

  
Peter J. DeMaria  
PJD:bw  
Attachments

RIMS

**FEDERAL ENERGY REGULATORY COMMISSION**

WASHINGTON, D.C. 20426

In Reply Refer To:  
OCA-DE/HO  
Docket Nos. FA96-40-000  
and FA96-40-001

OCT 30 1997

Kentucky Power Company  
Attention: Mr. Len Assante  
Controller  
1 Riverside Plaza  
Columbus, OH 43215

Elec. Cor.

Ladies and Gentlemen:

The Division of Electric and Hydropower Operations of the Office of the Chief Accountant has examined the books and records of Kentucky Power Company for the period January 1, 1992, through December 31, 1996. The purpose of the examination was to evaluate your Company's compliance with Commission accounting and reporting regulations contained in the Uniform System of Accounts, Annual Report FERC Form No. 1, and the related regulations. The examination included selective tests of the accounting records, review of the internal control structure, and other tests and procedures considered necessary under the circumstances.

The Division of Electric and Hydropower Operations recommended corrective actions on certain findings of noncompliance with the Commission's accounting, financial reporting, and/or related regulations. Part I of the enclosed audit report describes the findings and recommendations. By letter dated August 29, 1997, your Company agreed to adopt the recommended corrective actions in Part I. I hereby approve and direct the recommended corrective actions in Part I.

The issue set forth in Part II on the accounting classification of service company billings is deferred for further study. The issue has been assigned as Docket No. FA96-40-001.

The Kentucky Power Commission did not respond with any objections to the foregoing matters.

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Kentucky Power Company

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The Commission delegated authority to act in this matter to the Acting Director, Division of Electric and Hydropower Operations under 18 C.F.R. § 375.303. This letter order constitutes final agency action on the corrective actions approved and directed in this report. Within 30 days of the date of this order, your Company may file a request for rehearing by the Commission under 18 C.F.R. § 385.713.

This letter order is without prejudice to the Commission's right to require hereafter any later adjustments arising from additional information that may come to its attention.

Sincerely,

*Bryan K. Craig*

Bryan K. Craig  
Acting Director,  
Division of Electric  
and Hydropower Operations

Enclosure

Results of the Examination  
of the  
Books and Records  
of

**Kentucky Power Company**  
Docket Nos. FA96-40-000  
and FA96-40-001

For the Period  
1/1/92 through 12/31/96

Conducted by  
Division of Audits  
Office of the Chief Accountant  
Federal Energy Regulatory Commission



Kentucky Power Company

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1.	Accounting Classification for Service Company Billings . . .	3

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**Kentucky Power Company**

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**I. Compliance Exceptions**

Kentucky Power Company (the Company) agreed to the recommended corrective actions on the following compliance matters:

**1. Accounting for Settlement Costs**

The Company used the wrong accounts to record costs to settle employment suits.

**Recommendation**

We recommend the Company revise procedures to ensure it records settlement payments in Account 426.5, Other Deductions, consistent with the requirements of the Uniform System of Accounts.

**Facts**

During 1995 and 1996, the AEP Service Company paid certain employment settlement costs. It recorded the settlement fees of \$47,500 in Work Order No. 9988 - AEPSC Overheads. The Service Company allocated this work order to all the AEP Service Company Work Orders based on salaries. The Service Company then billed out to the AEP System companies all its costs based upon SEC approved allocations for each individual work order. As a result, the Company recorded these settlement costs in every account charged as a result of the AEP Service Company billing. The effect of these transactions on the individual operating companies was not material.

**Discussion of Accounting Requirements**

Accounting Release No. 12, issued February 12, 1980, requires companies to charge expenditures resulting from compromise settlements or consent decrees to Account 426.5.

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**2. Miscellaneous Accounting Classification**

The Company classified a transaction in the wrong account. The following indicates the nature of the item misclassified, the account the Company used, and the proper account for such transactions:

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Kentucky Power Company

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<b>Description</b>	<b>Account Used</b>	<b>Proper Account</b>
Post-Retirement Benefits Other than Pensions - Liability	228.4	228.3

**Recommendation**

We recommend the Company adopt procedures to ensure that it records similar charges in the future consistent with the requirements of the Uniform Systems of Accounts.

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Kentucky Power Company

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## II. Deferred Matter

### 1. Accounting Classification for Service Company Billings

AEPSC is a subsidiary of American Electric Power Corporation (AEP). It provides various services to affiliated AEP subsidiaries, including system planning, engineering, financial, accounting, public affairs, fuel procurement and customer services.

AEPSC is subject to the Public Utility Holding Company Act (PUCHA) which the Securities and Exchange Commission (SEC) administers. AEPSC maintains its accounts based on the SEC's Uniform System of Accounts for mutual service companies.

AEPSC first assigns all costs to various expense and other accounts. Then, it assigns all direct and indirect costs to various billable projects or work orders. 1/ Direct costs include labor and labor fringes, such as payroll taxes and employee benefits. Indirect amounts include overhead amounts not specifically assignable to the work orders, such as administrative and general salaries, miscellaneous general expenses, depreciation, maintenance of general plant, etc.

AEPSC bills interest on working capital loans and income taxes to the various operating companies as separate items apart from the normal fully allocated billable work orders.

AEPSC's invoices rendered to the Company and the other AEP subsidiaries include a cost breakdown for each work order between direct and overhead costs. The subsidiaries use the accounting classifications AEPSC provides to assign costs to its various accounts. Under this procedure, the AEP subsidiaries classified certain AEPSC administrative and general expenses, payroll taxes, etc., to accounts other than those that it would charge if it directly incurred the expenditures. For example, charges for direct labor costs to particular projects and accounts included additional costs related to employment taxes, pensions, other employee benefits, administrative and general expenses, and depreciation and maintenance of the office building owned by AEPSC.

Also, the AEP subsidiaries recorded income taxes and interest costs separately billed by AEPSC in Account 930.2, Miscellaneous General Expenses.

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1/ When AEPSC performs specific work for more than one company within the holding company group, it uses an SEC approved method for assigning the cost among the various members.

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**Kentucky Power Company**

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**Discussion of Accounting Requirements**

General Instruction No. 14, Transactions with Associated Companies, of the Uniform System of Accounts States:

Each utility shall keep its accounts and records so as to be able to furnish accurately and expeditiously statements of all transactions with associated companies. The statements may be required to show the general nature of the transactions, the amounts involved therein and the amounts included in each account prescribed herein with respect to such transactions. **Transactions with associated companies shall be recorded in the appropriate accounts for transactions of the same nature.** Nothing herein contained, however, shall be construed as restraining the utility from subdividing accounts for the purpose of recording separately transactions with associated companies. [Emphasis added.]

The Office of the Chief Accountant is currently studying the issue of classification of affiliated company charges on an industry-wide basis. Therefore, the Division of Audits did not make any recommendations on the subject pending completion of the study and any resulting FERC action. The accounting for the classification of affiliated company charges will be resolved in a separate docket, Docket No. FA96-40-001.

Date July 9, 1997


Subject Employment Settlement Costs

From G. R. Knerr

To File

Accounting Release 12 (AR-12) issued by the Office of the Chief Accountant at FERC requires all expenditures related to discriminatory employment practices to be recorded below-the-line as other income deductions. Fines and penalties are to be recorded in Account 426.3, Penalties, and all other costs, including settlement costs paid to the plaintiffs, are to be recorded in Account 426.5, Other deductions.

In the future, whenever such costs are paid by AEP Service Corporation, the expenditures should be classified to the appropriate FERC account (see above) and to Work Order No. 1011, Miscellaneous non-operating expenses. Work Order No. 1011 will transfer the incurred costs to first-tier AEP client companies for recording below-the-line.

  
G. R. Knerr

cc P. J. DeMaria  
L. V. Assante  
T. F. Bowman - Canton  
G. E. Laurey  
F. L. Sagan

AMERICAN  
ELECTRIC  
POWER

Date August 13, 1997  
Subject Reclassification of Benefits Liabilities

From Greg Campbell/Hugh McCoy  
To Tim Bowman - Canton  
Jerry Knorr - Columbus  
George Lantry - Columbus  
Maurice McIntyre - Ft. Wayne  
Tom Mitchell - Roanoke

Our practice in accounting for accumulated liabilities for pension benefits recorded under SFAS 87, postretirement benefits (OPEB) recorded under SFAS 106, and postemployment benefits recorded under SFAS 112 has been to record the liabilities to Account 228.4, Accumulated Miscellaneous Operating Provisions. We did not use Account 228.3, Accumulated Provision for Pensions and Benefits, because the description of Account 228.3 seems to exclude benefits funded through an irrevocable trust fund.

Nevertheless, during the course of the recent FERC audit, the FERC Staff informed us that our OPEB liability should be recorded to Account 228.3, rather than 228.4. The Staff also referred us to the FERC's May 7, 1993 OPEB accounting guidance in Docket No. A193-4-000, which also provides for the use of Account 228.3. Therefore, the accumulated liability for benefits recorded under SFAS 87, 106, and 112 as of July 31, 1997 that is currently recorded in Account 228.4 should be reclassified in August 1997 business to Account 228.3, Accumulated Provision for Pensions and Benefits.

Please contact us if you should have any questions on this matter.

  
Greg Campbell/Hugh McCoy

cc: Len Assante  
Geoff Dean  
Pete DeMarko  
Bill Scott  
Deloitte & Touche

them/acc-228/08-13-97

lruu-Sytem

FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

THIS FILING IS
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission OR <input type="checkbox"/> Resubmission No.

**FERC FINANCIAL REPORT  
FERC FORM No. 1: Annual Report of  
Major Electric Utilities, Licensees  
and Others and Supplemental  
Form 3-Q: Quarterly Financial Report**

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

<b>Exact Legal Name of Respondent (Company)</b> Kentucky Power Company	<b>Year/Period of Report</b> End of: 2022/ Q4
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FERC FORM NO. 1 (REV. 02-04)



FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

**INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q**

FERC Form

Page 3 of 189

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

## GENERAL INFORMATION

### Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

### Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities, Licensees, and Others Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- one million megawatt hours of total annual sales,
- 100 megawatt hours of annual sales for resale,
- 500 megawatt hours of annual power exchanges delivered, or
- 500 megawatt hours of annual wheeling for others (deliveries plus losses).

### What and Where to Submit

Submit FERC Form Nos. 1 and 3-Q electronically through the eCollection portal at <https://eCollection.ferc.gov>, and according to the specifications in the Form 1 and 3-Q taxonomies.

The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:  
Secretary  
Federal Energy Regulatory Commission 888 First Street,  
NE  
Washington, DC 20426

For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of [COMPANY NAME] for the year ended on which we have reported separately under date of [DATE], we have also reviewed schedules [NAME OF SCHEDULES] of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases." The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. Further instructions are found on the Commission's website at <https://www.ferc.gov/ferc-online/ferc-online/frequently-asked-questions-faqs-efilingferc-online>.

Federal, State, and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <https://www.ferc.gov/general-information-0/electric-industry-forms>.

### When to Submit

FERC Forms 1 and 3-Q must be filed by the following schedule:

FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and

FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

### Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal

FERC Form

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Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

## GENERAL INSTRUCTIONS

Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below).

Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

For any resubmissions, please explain the reason for the resubmission in a footnote to the data field.

Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

**FNS - Firm Network Transmission Service for Self.** "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

**FNO - Firm Network Service for Others.** "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

**LFP - for Long-Term Firm Point-to-Point Transmission Reservations.** "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

**OLF - Other Long-Term Firm Transmission Service.** Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

**SFP - Short-Term Firm Point-to-Point Transmission Reservations.** Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

**NF - Non-Firm Transmission Service,** where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

**OS - Other Transmission Service.** Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

**AD - Out-of-Period Adjustments.** Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

### DEFINITIONS

**Commission Authorization (Comm. Auth.)** -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

**Respondent** -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

## EXCERPTS FROM THE LAW

### Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit:

'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

'Person' means an individual or a corporation;

'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; .....

'project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

'To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to

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be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304.

Every Licensee and every public utility shall file with the Commission such annual and other periodic or special\* reports as the Commission may by rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities,

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depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies".10

"Sec. 309.

The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

### GENERAL PENALTIES

The Commission may assess up to \$1 million per day per violation of its rules and regulations. See FPA § 316(a) (2005), 16 U.S.C. § 825o (a).

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<b>FERC FORM NO. 1 REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER</b>		
<b>IDENTIFICATION</b>		
01 Exact Legal Name of Respondent Kentucky Power Company		02 Year/ Period of Report End of: 2022/ Q4
03 Previous Name and Date of Change (If name changed during year) /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 1 Riverside Plaza, Columbus, OH 43215-2373		
05 Name of Contact Person Jason M. Johnson		06 Title of Contact Person Accountant
07 Address of Contact Person (Street, City, State, Zip Code) 1 Riverside Plaza, Columbus, OH 43215-2373		
08 Telephone of Contact Person, Including Area Code 614- 716-1000	09 This Report is An Original / A Resubmission (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 04/12/2023
<b>Annual Corporate Officer Certification</b>		
The undersigned officer certifies that:  I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.		
01 Name Jeffrey W Hoersdig	03 Signature Jeffrey W Hoersdig	04 Date Signed (Mo, Da, Yr) 04/12/2023
02 Title Assistant Controller		
Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		

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Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>LIST OF SCHEDULES (Electric Utility)</b>				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
	Identification	<a href="#">1</a>		
	List of Schedules	<a href="#">2</a>		
1	General Information	<a href="#">101</a>		
2	Control Over Respondent	<a href="#">102</a>		
3	Corporations Controlled by Respondent	<a href="#">103</a>		
4	Officers	<a href="#">104</a>		
5	Directors	<a href="#">105</a>		
6	Information on Formula Rates	<a href="#">106</a>		
7	Important Changes During the Year	<a href="#">108</a>		
8	Comparative Balance Sheet	<a href="#">110</a>	116-NA	
9	Statement of Income for the Year	<a href="#">114</a>		
10	Statement of Retained Earnings for the Year	<a href="#">118</a>		
12	Statement of Cash Flows	<a href="#">120</a>		
12	Notes to Financial Statements	<a href="#">122</a>		
13	Statement of Accum Other Comp Income, Comp Income, and Hedging Activities	<a href="#">122a</a>		
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	<a href="#">200</a>		
15	Nuclear Fuel Materials	<a href="#">202</a>		
16	Electric Plant in Service	<a href="#">204</a>		
17	Electric Plant Leased to Others	<a href="#">213</a>		
18	Electric Plant Held for Future Use	<a href="#">214</a>		
19	Construction Work in Progress-Electric	<a href="#">216</a>		
20	Accumulated Provision for Depreciation of Electric Utility Plant	<a href="#">219</a>		
21	Investment of Subsidiary Companies	<a href="#">224</a>		
22	Materials and Supplies	<a href="#">227</a>		
23	Allowances	<a href="#">228</a>		
24	Extraordinary Property Losses	<a href="#">230a</a>		
25		<a href="#">230b</a>		

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26	Unrecovered Plant and Regulatory Study Costs   Transmission Service and Generation Interconnection Study Costs	<a href="#">231</a>	
27	Other Regulatory Assets	<a href="#">232</a>	
28	Miscellaneous Deferred Debits	<a href="#">233</a>	
29	Accumulated Deferred Income Taxes	<a href="#">234</a>	
30	Capital Stock	<a href="#">250</a>	
31	Other Paid-in Capital	<a href="#">253</a>	
32	Capital Stock Expense	<a href="#">254b</a>	
33	Long-Term Debt	<a href="#">256</a>	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	<a href="#">261</a>	
35	Taxes Accrued, Prepaid and Charged During the Year	<a href="#">262</a>	
36	Accumulated Deferred Investment Tax Credits	<a href="#">266</a>	
37	Other Deferred Credits	<a href="#">269</a>	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	<a href="#">272</a>	
39	Accumulated Deferred Income Taxes-Other Property	<a href="#">274</a>	
40	Accumulated Deferred Income Taxes-Other	<a href="#">276</a>	
41	Other Regulatory Liabilities	<a href="#">278</a>	
42	Electric Operating Revenues	<a href="#">300</a>	
43	Regional Transmission Service Revenues (Account 457.1)	<a href="#">302</a>	NA
44	Sales of Electricity by Rate Schedules	<a href="#">304</a>	
45	Sales for Resale	<a href="#">310</a>	
46	Electric Operation and Maintenance Expenses	<a href="#">320</a>	
47	Purchased Power	<a href="#">326</a>	
48	Transmission of Electricity for Others	<a href="#">328</a>	
49	Transmission of Electricity by ISO/RTOs	<a href="#">331</a>	NA
50	Transmission of Electricity by Others	<a href="#">332</a>	
51	Miscellaneous General Expenses-Electric	<a href="#">335</a>	
52	Depreciation and Amortization of Electric Plant (Account 403, 404, 405)	<a href="#">336</a>	
53	Regulatory Commission Expenses	<a href="#">350</a>	
54	Research, Development and Demonstration Activities	<a href="#">352</a>	
55	Distribution of Salaries and Wages	<a href="#">354</a>	
56	Common Utility Plant and Expenses	<a href="#">356</a>	
57		<a href="#">397</a>	

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	Amounts included in ISO/RTO Settlement Statements		
58	Purchase and Sale of Ancillary Services	<a href="#">398</a>	
59	Monthly Transmission System Peak Load	<a href="#">400</a>	
60	Monthly ISO/RTO Transmission System Peak Load	<a href="#">400a</a>	NA
61	Electric Energy Account	<a href="#">401a</a>	
62	Monthly Peaks and Output	<a href="#">401b</a>	
63	Steam Electric Generating Plant Statistics	<a href="#">402</a>	
64	Hydroelectric Generating Plant Statistics	<a href="#">406</a>	
65	Pumped Storage Generating Plant Statistics	<a href="#">408</a>	
66	Generating Plant Statistics Pages	<a href="#">410</a>	
0	Energy Storage Operations (Large Plants)	<a href="#">414</a>	
67	Transmission Line Statistics Pages	<a href="#">422</a>	
68	Transmission Lines Added During Year	<a href="#">424</a>	
69	Substations	<a href="#">426</a>	
70	Transactions with Associated (Affiliated) Companies	<a href="#">429</a>	
71	Footnote Data	<a href="#">450</a>	
<b>Stockholders' Reports (check appropriate box)</b>			
Stockholders' Reports Check appropriate box:			
<input type="checkbox"/> Two copies will be submitted			
<input type="checkbox"/> No annual report to stockholders is prepared			

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>GENERAL INFORMATION</b>			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>Jeffrey W. Hoersdig, Assistant Controller</p> <p>1 Riverside Plaza Columbus, OH 43215-2373</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p>Kentucky - July 21, 1919</p> <p>State of Incorporation:</p> <p>Date of Incorporation:</p> <p>Incorporated Under Special Law:</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>(a) Name of Receiver or Trustee Holding Property of the Respondent:</p> <p>(b) Date Receiver took Possession of Respondent Property:</p> <p>(c) Authority by which the Receivership or Trusteeship was created:</p> <p>(d) Date when possession by receiver or trustee ceased:</p>			
<p>4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>Electric - Kentucky</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes</p> <p>(2) <input checked="" type="checkbox"/> No</p>			

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>CONTROL OVER RESPONDENT</b>			
1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.			
American Electric Power Company, Inc. - Ownership of 100% of Respondent's Common Stock			

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Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>CORPORATIONS CONTROLLED BY RESPONDENT</b>				
<p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.</p> <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p>Definitions</p> <p>1. See the Uniform System of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p>				
Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
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Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4	
<b>OFFICERS</b>					
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.</p>					
Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)	Date Started in Period (d)	Date Ended in Period (e)
1	<a href="#">Footnote</a>				

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

(a) Concept: OfficerTitle

**Schedule Page: 104 Line No.: 1 Column: a**

The following table provides summary information concerning compensation earned by our Chief Executive Officer, our two Chief Financial Officers during 2022, the three other most highly compensated executive officers and one additional former executive officer whose compensation would have been among the three other most highly compensated executive officers if she had been an executive officer at year end. We refer collectively to this group as the named executive officers.

Name and Principal Position	Year	Salary \$(1)	Bonus \$(5)	Stock Awards \$(2)	Non-Equity Incentive Plan Compensation \$(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings \$(4)	All Other Compensation \$(5)	Total \$(5)
<b>Nicholas K. Akins</b> Chair of the Board and Chief Executive Officer	2022	1,510,000		10,824,690	3,620,000	204,063	216,755	16,375,508
<b>Julia A. Sloat</b> Executive Vice President and Chief Financial Officer	2022	779,769		3,948,384	1,010,000		77,810	5,815,963
<b>Ann P. Kelly</b> Executive Vice President and Chief Financial Officer	2022	61,923		393,121	55,750		9,974	520,768
<b>David M. Feinberg</b> Executive Vice President, General Counsel and Secretary	2022	714,000		1,623,710	805,000		63,163	3,205,873
<b>Charles E. Zebula</b> Executive Vice President - Portfolio Optimization	2022	593,000		1,407,162	705,000		67,856	2,773,018
<b>Paul Chodak, III</b> Executive Vice President - Generation	2022	551,500	—	1,407,162	622,890	—	63,366	2,644,918
<b>Lisa M. Barton</b> Former Exec. Vice President and Chief Operations Officer	2022	686,054	—	2,597,880	—	15,083	154,503	3,453,520

(1) Amounts in the salary column are composed of executive salaries earned for the year shown, which include 260 days of pay for 2022, which is the number of workdays and holidays in a standard year.

(2) The amounts reported in this column reflect the aggregate grant date fair value calculated in accordance with FASB ASC Topic 718 of the performance shares, restricted stock units (RSUs) and unrestricted shares granted under our Long-Term Incentive Plan. See Note 15 to the Consolidated Financial Statements included in our Form 10-K for the year ended December 31, 2022 for a discussion of the relevant assumptions used in calculating these amounts. The number of shares realized and the value of the performance shares, if any, will depend on the Company's performance during a 3-year performance period. The potential payout can range from 0 percent to 200 percent of the target number of performance shares, plus any dividend equivalents. The value of the performance shares will be based on three measures: a Board approved cumulative operating earnings per share measure (Cumulative EPS 50%), a total shareholder return relative to peer companies (Relative TSR 40%) and a carbon free capacity mix (Carbon Free Capacity 10%). The grant date fair value of the 2022 performance shares that are based on Cumulative EPS was computed in accordance with FASB ASC Topic 718 and was measured based on the closing price of AEP's common stock on the grant date. The maximum amount payable for the 2022 performance shares that are based on Cumulative EPS measured on the grant date was \$7,500,054 for Mr. Akins; \$1,350,018 for Ms. Sloat; \$109,965 for Ms. Kelly; \$1,125,029 for Mr. Feinberg; \$974,951 for Mr. Zebula; \$974,951 for Mr. Chodak and \$1,799,996 for Ms. Barton. The maximum amount payable for the 2022 performance shares that are based on Carbon Free Capacity is equal to \$1,500,011 for Mr. Akins; \$270,004 for Ms. Sloat; \$21,993 for Ms. Kelly; \$225,006 for Mr. Feinberg; \$194,990 for Mr. Zebula; \$194,990 for Mr. Chodak and \$359,999 for Ms. Barton. The grant date fair value of the 2022 performance shares that are based on Relative TSR is calculated using a Monte-Carlo model as of the date of grant, in accordance with FASB ASC Topic 718. Because the performance shares that are based on Relative TSR are subject to market conditions as defined under FASB ASC Topic 718, they did not have a maximum value on the grant date that differed from the grant date fair values presented in the table. Instead, the maximum value is factored into the calculation of the grant date fair value. The values realized from the 2020 performance shares are included in the Option Exercises and Stock Vested for 2022 table.

(3) The amounts shown in this column reflect annual incentive compensation paid for the year shown.

(4) The amounts shown in this column are attributable to the increase in the actuarial values of each of the named executive officer's combined benefits under AEP's qualified and non-qualified defined benefit pension plans determined using interest rate and mortality assumptions consistent with those used in the Company's financial statements. Negative values of (\$41,465), (\$131,041) (\$245,983) and (\$27,352) for Ms. Sloat and Messrs. Feinberg, Zebula and Chodak, respectively, were replaced with \$0 for the purposes of the Summary Compensation Table. See the Pension Benefits for 2022 table and related footnotes for additional information. See Note 8 to the Consolidated Financial Statements included in our Form 10-K for the year ended December 31, 2022 for a discussion of the relevant assumptions. None of the named executive officers received preferential or above-market earnings on deferred compensation.

(5) Amounts shown in the All Other Compensation column for 2022 include: (a) Company matching contributions to the Company's Retirement Savings Plan, (b) Company matching contributions to the Company's Supplemental Retirement Savings Plan, (c) perquisites, (d) vacation payout, and (e) severance benefits. The 2022 values for these items are listed in the following table:

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Type	Nicholas K. Akins	Julia A. Sloat	Ann P. Kelly	David M. Feinberg	Charles E. Zebula	Paul Chodak, III	Lisa M. Barton
Retirement Savings Plan Match	13,725	13,725	1,212	13,725	13,725	13,725	13,725
Supplemental Retirement Savings Plan Match	182,475	49,829		49,438	41,746	35,516	57,890
Relocation			8,762				
Perquisites	20,555	14,256			12,385	14,125	14,125
Vacation Payout	—	—	—	—	—	—	68,763
Severance	—	—	—	—	—	—	—
<b>Total</b>	<b>\$216,755</b>	<b>\$77,810</b>	<b>\$9,974</b>	<b>\$63,163</b>	<b>\$67,856</b>	<b>\$63,366</b>	<b>\$154,503</b>

(6) Ms. Sloat's compensation is provided only for the years in which she was an executive officer of the Company.

Perquisites provided in 2022 included: financial counseling and tax preparation services and, for Mr. Akins, director's group travel accident insurance premium. Executive officers may also have the occasional personal use of event tickets when such tickets are not being used for business purposes, however, there is no associated incremental cost. From time-to-time executive officers may receive customary gifts from third parties that sponsor events (subject to our policies on conflicts of interest).

Provided Ms. Barton complies with the terms of her Executive Severance, Noncompetition and Release of All Claims Agreement, she will receive \$1,520,700 in cash severance benefits and up to \$15,650 in outplacement services in 2023 in connection with her 2022 separation from AEP employment.

Mr. Akins has entered into an Aircraft Time Sharing Agreement that allows him to use our corporate aircraft for personal use for a limited number of hours each year. The Aircraft Time Sharing Agreement requires Mr. Akins to reimburse the Company for the cost of his personal use of corporate aircraft in accordance with limits set forth in Federal Aviation Administration regulations. Mr. Akins reimbursed the Company all incremental costs incurred in connection with personal flights under the Aircraft Timesharing Agreement including fuel, oil, hangar costs, crew travel expenses, catering, landing fees and other incremental airport fees. Accordingly, no value is shown for these amounts in the Summary Compensation Table. If the aircraft flies empty before picking up or after dropping off Mr. Akins at a destination on a personal flight, the cost of the empty flight is included in the incremental cost for which Mr. Akins reimburses the Company. Since AEP aircraft are used predominantly for business purposes, we do not include fixed costs that do not change in amount based on usage, such as depreciation and pilot salaries.

Due to her promotion to CEO, in February 2023 the Company entered into a TSA with Ms. Sloat on substantively the same terms as Mr. Akins' TSA.

FERC FORM No. 1 (ED. 12-96)

FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>DIRECTORS</b>				
<p>1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), name and abbreviated titles of the directors who are officers of the respondent.</p> <p>2. Provide the principle place of business in column (b), designate members of the Executive Committee in column (c), and the Chairman of the Executive Committee in column (d).</p>				
Line No.	Name (and Title) of Director (a)	Principal Business Address (b)	Member of the Executive Committee (c)	Chairman of the Executive Committee (d)
1	Nicholas K. Akins, Chairman of the Board and Chief Executive Officer	Columbus, Ohio	false	false
2	Julia A. Sloat, Vice President and Chief Financial Officer	Columbus, Ohio	false	false
3	Christian T. Beam, Executive Vice President, Energy Services	Columbus, Ohio	false	false
4	Paul Chodak, Vice President	Columbus, Ohio	false	false
5	David M. Feinberg, Vice President and Secretary	Columbus, Ohio	false	false
6	Ann P. Kelly, Vice President and Chief Financial Officer	Columbus, Ohio	false	false
7	Brett D. Mattison, President and Chief Operating Officer	Columbus, Ohio	false	false
8	Therace M. Risch, Vice President	Columbus, Ohio	false	false
9	Toby L. Thomas, Vice President	Columbus, Ohio	false	false
10	Peggy I. Simmons, Executive Vice President, Utilities	Columbus, Ohio	false	false
11	Rajagopalan. Sundararajan, Executive Vice President, External Affairs	Columbus, Ohio	false	false
12	Phillip R. Ulrich, Vice President	Columbus, Ohio	false	false
13	Lisa M. Barton, Vice President	Columbus, Ohio	false	false
14	Charles R. Patton	Columbus, Ohio	false	false

FERC FORM No. 1 (ED. 12-95)



FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>INFORMATION ON FORMULA RATES</b>			
Does the respondent have formula rates?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.			
Line No.	FERC Rate Schedule or Tariff Number (a)	FERC Proceeding (b)	
1	PJM Interconnection LLC - Attachment H-14	ER17-405	

FERC FORM No. 1 (NEW. 12-08)

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FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>INFORMATION ON FORMULA RATES - FERC Rate Schedule/Tariff Number FERC Proceeding</b>					
Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
If yes, provide a listing of such filings as contained on the Commission's eLibrary website.					
Line No.	Accession No. (a)	Document Date / Filed Date (b)	Docket No. (c)	Description (d)	Formula Rate FERC Rate Schedule Number or Tariff Number (e)
1	20221208-5094	12/08/2022	ER17-405	AEP PJM OATT Proj Transmission	PJM OATT Attachment H-14
2	20221101-5174	11/01/2022	ER17-405	AEP PJM OATT Proj Transmission	PJM OATT Attachment H-14
3	20220527-5370	05/27/2022	ER17-405	AEP PJM OATT Proj Transmission	PJM OATT Attachment H-14

FERC FORM NO. 1 (NEW. 12-08)

FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>INFORMATION ON FORMULA RATES - Formula Rate Variances</b>				
<p>1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.</p> <p>2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.</p> <p>3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.</p> <p>4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.</p>				
Line No.	Page No(s). (a)	Schedule (b)	Column (c)	Line No. (d)
1	204-207	Electric Plant in Service	g	49
2	214	Electric Plant Held for Future Use	d	46
3	216	Construction Work in Progress	b	1
4	219	Accumulated Depreciation	b	21
5	310-311	Sales for Resale	k	1
6	320	Electric Operations & Maintenance Expense	b	5
7	320	Electric Operations & Maintenance Expense	b	25
8	320	Electric Operations & Maintenance Expense	b	31
9	321	Electric Operations & Maintenance Expense	b	93
10	323	Electric Operations & Maintenance Expense	b	185
11	336	Depreciation Expense	b	7
12	354	Distribution of Wages and Salaries	b	28

FERC FORM No. 1 (NEW. 12-08)

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FERC Form

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Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>IMPORTANT CHANGES DURING THE QUARTER/YEAR</b>			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <ol style="list-style-type: none"> <li>1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</li> <li>2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</li> <li>3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</li> <li>4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.</li> <li>5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.</li> <li>6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.</li> <li>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</li> <li>8. State the estimated annual effect and nature of any important wage scale changes during the year.</li> <li>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</li> <li>10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Pages 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</li> <li>11. (Reserved.)</li> <li>12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.</li> <li>13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.</li> <li>14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.</li> </ol>			
None			
None			
None			
None			
None			
None			
Kentucky Power Term Loan Extension \$125M KY State Commission Authority: Case No. 2019-00072 Issued: 3/6/2020 Maturity: 9/6/2022 Kentucky credit Agreement \$150M, State Authority: Cause No 2021-00131 (1st \$75M), Cause No 2022-00205 (2nd \$75M) Issued: 7/22/2022 , Maturity: 12/31/2023. Kentucky Second amendment to the March 6,2020 credit Agreement \$125M has been extended to December 31, 2023, State Authority: Cause No 2022-00205 Issue:9/06/2022, Maturity: 12/31/2023			
None			
8. 449 Employees represented by IBEW978 granted a 2% wage increase 1/2/2022 120 employees represented by UMUA 492 granted a 2% wage increase 1/2/2022 79 employees represented by IBEW978 granted a 4% wage increase 4/1/2022 126 employees represented by UWUA 492 granted a 3% wage increase 6/1/2022			
Please refer to the Notes to Financial Statements pages 122-123			
None			

FERC Form

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Filed Date: 04/12/2023

Not Used
Rajagopalan Sundararajan elected as Director Effective on 07/02/2022 David M. Feinberg elected as Vice President Effective on 08/25/2022 Peggy I. Simmons elected as Director Effective on 09/22/2022 Christian T. Beam elected as Director Effective on 09/22/2022 Philip R. Ulrich elected as Director Effective on 09/22/2022 and Vice President Effective on 09/14/2022 Lisa M. Barton Resigned as a Director on 09/20/2022 Charles R. Patton Resigned as a Director on 07/02/2022 Timothy C. Kerns Resigned as a Vice president- Generation Assets on 09/03/2022 Joel H Jansen elected as Vice President effective on 10/28/2022 Ann P Kelly elected as Vice President & Chief Financial Officer effective on 11/30/2022 and Director effective 12/14/2022 Nicholas K Akins resigned as Director, Chairman of the Board and Chief Executive Officer effective on 12/31/2022 Lisa M Barton resigned as Vice President effective on 11/01/2022 Julia A Sloat resigned as Vice President and Chief Financial Officer effective on 11/29/2022 Brett D Mattison resigned President and Vice President effective on 12/31/2022
Proprietary capital ratio exceeds 30%

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FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200	3,267,854,352	3,147,348,972
3	Construction Work in Progress (107)	200	138,936,649	95,340,895
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,406,791,001	3,242,689,868
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	1,230,384,120	1,159,640,985
6	Net Utility Plant (Enter Total of line 4 less 5)		2,176,406,881	2,083,048,883
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,176,406,881	2,083,048,883
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)			
17	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		571,711	6,554,403
19	(Less) Accum. Prov. for Depr. and Amort. (122)		235,580	151,941
20	Investments in Associated Companies (123)			
21	Investment in Subsidiary Companies (123.1)	224		
23	Noncurrent Portion of Allowances	228	8,378,701	8,458,403
24	Other Investments (124)		751,735	1,804,869
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)			
29	Special Funds (Non Major Only) (129)		20,531,281	60,332,681

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Filed Date: 04/12/2023

30	Long-Term Portion of Derivative Assets (175)			
31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		29,997,848	76,998,414
33	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)			
35	Cash (131)		2,683,920	763,386
36	Special Deposits (132-134)		1,000,594	14,266,645
37	Working Fund (135)			
38	Temporary Cash Investments (136)			
39	Notes Receivable (141)			
40	Customer Accounts Receivable (142)		62,174,770	15,642,267
41	Other Accounts Receivable (143)		71,556	56,847
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		1,012,937	3,389
43	Notes Receivable from Associated Companies (145)			
44	Accounts Receivable from Assoc. Companies (146)		10,817,819	24,535,392
45	Fuel Stock (151)	227	21,071,010	9,489,812
46	Fuel Stock Expenses Undistributed (152)	227	922,553	599,696
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227	26,061,672	20,420,653
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		
52	Allowances (158.1 and 158.2)	228	8,498,981	8,552,442
53	(Less) Noncurrent Portion of Allowances	228	8,378,701	8,458,403
54	Stores Expense Undistributed (163)	227		
55	Gas Stored Underground - Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		1,476,784	1,995,946
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			
60	Rents Receivable (172)		2,624,119	2,619,316
61	Accrued Utility Revenues (173)		35,002,399	16,646,864
62	Miscellaneous Current and Accrued Assets (174)			

FERC Form

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63	Derivative Instrument Assets (175)		8,463,111	5,986,480
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			
65	Derivative Instrument Assets - Hedges (176)			
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		171,477,650	113,113,955
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		1,552,472	1,895,122
70	Extraordinary Property Losses (182.1)	230a		
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b		
72	Other Regulatory Assets (182.3)	232	663,934,948	613,089,054
73	Prelim. Survey and Investigation Charges (Electric) (183)		1,072,515	1,335,712
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			
76	Clearing Accounts (184)			1,634
77	Temporary Facilities (185)			
78	Miscellaneous Deferred Debits (186)	233	25,566,595	22,792,880
79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352		
81	Unamortized Loss on Reaquired Debt (189)		333,703	367,354
82	Accumulated Deferred Income Taxes (190)	234	86,163,415	94,062,449
83	Unrecovered Purchased Gas Costs (191)			
84	Total Deferred Debits (lines 69 through 83)		778,623,648	733,544,206
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,156,506,027	3,006,705,458

FERC FORM No. 1 (REV. 12-03)

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FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250	50,450,000	50,450,000
3	Preferred Stock Issued (204)	250	0	
4	Capital Stock Subscribed (202, 205)		0	
5	Stock Liability for Conversion (203, 206)		0	
6	Premium on Capital Stock (207)		0	
7	Other Paid-In Capital (208-211)	253	526,286,962	526,135,279
8	Installments Received on Capital Stock (212)	252	0	
9	(Less) Discount on Capital Stock (213)	254	0	
10	(Less) Capital Stock Expense (214)	254b	0	
11	Retained Earnings (215, 215.1, 216)	118	343,572,384	296,020,207
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118	0	
13	(Less) Required Capital Stock (217)	250	0	
14	Noncorporate Proprietorship (Non-major only) (218)		0	
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	1,749,841
16	Total Proprietary Capital (lines 2 through 15)		920,309,346	874,355,328
17	<b>LONG-TERM DEBT</b>			
18	Bonds (221)	256	0	
19	(Less) Required Bonds (222)	256	0	
20	Advances from Associated Companies (223)	256	0	
21	Other Long-Term Debt (224)	256	1,180,000,000	1,105,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	
24	Total Long-Term Debt (lines 18 through 23)		1,180,000,000	1,105,000,000
25	<b>OTHER NONCURRENT LIABILITIES</b>			
26	Obligations Under Capital Leases - Noncurrent (227)		738,735	10,678,099
27	Accumulated Provision for Property Insurance (228.1)		0	
28			1,273,572	2,096,019

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	Accumulated Provision for Injuries and Damages (228.2)			
29	Accumulated Provision for Pensions and Benefits (228.3)		6,699,141	3,818,077
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	
31	Accumulated Provision for Rate Refunds (229)		1,253,690	
32	Long-Term Portion of Derivative Instrument Liabilities		(14,009)	405
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	
34	Asset Retirement Obligations (230)		18,476,771	17,696,994
35	Total Other Noncurrent Liabilities (lines 26 through 34)		28,427,900	34,289,595
36	<b>CURRENT AND ACCRUED LIABILITIES</b>			
37	Notes Payable (231)		0	
38	Accounts Payable (232)		56,969,094	52,836,888
39	Notes Payable to Associated Companies (233)		94,427,543	47,895,489
40	Accounts Payable to Associated Companies (234)		51,075,869	42,223,069
41	Customer Deposits (235)		38,784,350	32,431,608
42	Taxes Accrued (236)	262	39,507,718	44,350,258.00
43	Interest Accrued (237)		8,542,879	5,685,082
44	Dividends Declared (238)		0	
45	Matured Long-Term Debt (239)		0	
46	Matured Interest (240)		0	
47	Tax Collections Payable (241)		3,006,212	2,710,271
48	Miscellaneous Current and Accrued Liabilities (242)		13,331,338	16,479,391
49	Obligations Under Capital Leases-Current (243)		208,177	2,964,248
50	Derivative Instrument Liabilities (244)		(14,009)	51,471
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		(14,009)	405
52	Derivative Instrument Liabilities - Hedges (245)		0	
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	
54	Total Current and Accrued Liabilities (lines 37 through 53)		305,853,180	247,627,370
55	<b>DEFERRED CREDITS</b>			
56	Customer Advances for Construction (252)		113,413	162,588
57	Accumulated Deferred Investment Tax Credits (255)	266	0	

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58	Deferred Gains from Disposition of Utility Plant (256)		0	
59	Other Deferred Credits (253)	269	8,118,911	2,559,807
60	Other Regulatory Liabilities (254)	278	171,302,791	211,496,606
61	Unamortized Gain on Reaquired Debt (257)		0	
62	Accum. Deferred Income Taxes-Accel. Amort. (281)	272	26,863,317	28,546,787
63	Accum. Deferred Income Taxes-Other Property (282)		277,184,560	279,944,834
64	Accum. Deferred Income Taxes-Other (283)		238,332,611	222,722,543
65	Total Deferred Credits (lines 56 through 64)		721,915,603	745,433,165
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,156,506,029	3,006,705,458

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FERC Form

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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STATEMENT OF INCOME

Quarterly

- Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
- Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
- Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in c date amounts for other utility function for the current year quarter.
- Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in c date amounts for other utility function for the prior year quarter.
- If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

Do not report fourth quarter data in columns (e) and (f)  
Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar department. Spread the amount(s) over Lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.  
Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.  
Use page 122 for important notes regarding the statement of income for any account thereof.  
Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may n utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected t costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utili revenues or recover amounts paid with respect to power or gas purchases.  
Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, inconn accounts.  
If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.  
Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net inc of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.  
Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.  
If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a fo

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended - Quarterly Only - No 4th Quarter (e)	Prior 3 Months Ended - Quarterly Only - No 4th Quarter (f)	Electric Utility Current Year to Date (in dollars) (g)	Electric Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)
1	UTILITY OPERATING INCOME									
2	Operating Revenues (400)	300	802,124,211	659,547,828			802,124,211	659,547,828		
3	Operating Expenses									
4	Operation Expenses (401)	320	523,739,319	391,618,340			523,739,319	391,618,340		
5	Maintenance Expenses (402)	320	64,824,174	64,352,871			64,824,174	64,352,871		
6	Depreciation Expense (403)	336	98,662,438	93,483,264			98,662,438	93,483,264		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336	58,339	155,861			58,339	155,861		

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8	Amort. & Depl. of Utility Plant (404-405)	336	9,687,647	8,819,731			9,687,647	8,819,731		
9	Amort. of Utility Plant Acq. Adj. (406)	336	38,616	38,616			38,616	38,616		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)									
11	Amort. of Conversion Expenses (407.2)									
12	Regulatory Debits (407.3)		14,937,125	12,707,045			14,937,125	12,707,045		
13	(Less) Regulatory Credits (407.4)									
14	Taxes Other Than Income Taxes (408.1)	262	26,866,441	26,544,078			26,866,441	26,544,078		
15	Income Taxes - Federal (409.1)	262	1,370,088	(1,639,190)			1,370,088	(1,639,190)		
16	Income Taxes - Other (409.1)	262	979,112	337,063			979,112	337,063		
17	Provision for Deferred Income Taxes (410.1)	234,272	85,054,577	59,974,621			85,054,577	59,974,621		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272	116,425,649	83,905,161			116,425,649	83,905,161		
19	Investment Tax Credit Adj. - Net (411.4)	266								
20	(Less) Gains from Disp. of Utility Plant (411.6)		641,658	9,877			641,658	9,877		
21	Losses from Disp. of Utility Plant (411.7)									
22	(Less) Gains from Disposition of Allowances (411.8)		712,800	8			712,800	8		
23	Losses from Disposition of Allowances (411.9)									

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24	Accretion Expense (411.10)		554,516	613,105			554,516	613,105		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		708,992,286	573,090,359			708,992,285	573,090,359		
27	Net Util Oper Inc (Enter Tot line 2 less 25)		93,131,925	86,457,469			93,131,926	86,457,469		
28	Other Income and Deductions									
29	Other Income									
30	Nonutility Operating Income									
31	Revenues From Merchandising, Jobbing and Contract Work (415)									
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)									
33	Revenues From Nonutility Operations (417)		325,104	308,103						
34	(Less) Expenses of Nonutility Operations (417.1)			19						
35	Nonoperating Rental Income (418)		(5,670)	16,187						
36	Equity in Earnings of Subsidiary Companies (418.1)	119								
37	Interest and Dividend Income (419)		134,088	19,109						
38	Allowance for Other Funds Used During Construction (419.1)		1,192,269	1,821,825						
39	Miscellaneous Nonoperating Income (421)		25,384	58,006						
40			17,512	515,942						

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	Gain on Disposition of Property (421.1)								
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		1,688,688	2,739,153					
42	Other Income Deductions								
43	Loss on Disposition of Property (421.2)		35,070	2,682					
44	Miscellaneous Amortization (425)								
45	Donations (426.1)		3,725,687	2,945,972					
46	Life Insurance (426.2)								
47	Penalties (426.3)		470	(105,164)					
48	Exp. for Certain Civic, Political & Related Activities (426.4)		248,160	308,201					
49	Other Deductions (426.5)		144,029	2,515,193					
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		4,153,415	5,666,884					
51	Taxes Applic. to Other Income and Deductions								
52	Taxes Other Than Income Taxes (408.2)	262	52,108	98,390					
53	Income Taxes-Federal (409.2)	262	(1,296,517)	(1,331,171)					
54	Income Taxes-Other (409.2)	262	(287,972)	(337,063)					
55	Provision for Deferred Inc. Taxes (410.2)	234,272	1,376,225	638,797					
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234,272	1,798,738	1,216,770					

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57	Investment Tax Credit Adj.-Net (411.5)								
58	(Less) Investment Tax Credits (420)								
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(1,954,894)	(2,147,817)					
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		(509,834)	(779,914)					
61	Interest Charges								
62	Interest on Long-Term Debt (427)		44,211,238	36,669,034					
63	Amort. of Debt Disc. and Expense (428)		473,752	480,846					
64	Amortization of Loss on Reaquired Debt (428.1)		33,651	33,651					
65	(Less) Amort. of Premium on Debt-Credit (429)								
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)								
67	Interest on Debt to Assoc. Companies (430)		1,984,932	165,604					
68	Other Interest Expense (431)		1,562	(885,096)					
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,635,221	936,297					
70	Net Interest Charges (Total of lines 62 thru 69)		45,069,914	35,527,742					
71			47,552,177	50,149,813					



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	Income Before Extraordinary Items (Total of lines 27, 60 and 70)								
72	Extraordinary Items								
73	Extraordinary Income (434)								
74	(Less) Extraordinary Deductions (435)								
75	Net Extraordinary Items (Total of line 73 less line 74)								
76	Income Taxes- Federal and Other (409.3)	262							
77	Extraordinary Items After Taxes (line 75 less line 76)								
78	Net Income (Total of line 71 and 77)		47,552,177	50,149,813					

FERC FORM No. 1 (REV. 02-04)

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FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>STATEMENT OF RETAINED EARNINGS</b>				
<p>1. Do not report Lines 49-53 on the quarterly report.</p> <p>2. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>4. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>5. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.</p> <p>6. Show dividends for each class and series of capital stock.</p> <p>7. Show separately the State and Federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.</p> <p>8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>9. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.</p>				
Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		296,020,207	245,870,395
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
4.1	Adj to Retained Earnings			
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustments to Retained Earnings Debit			
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		47,552,177	50,149,812
17	Appropriations of Retained Earnings (Acct. 436)			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
30.1	Common stock			
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38			343,572,384	296,020,207

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	Balance - End of Period (Total 1,9,15,16,22,29,36,37)			
39	APPROPRIATED RETAINED EARNINGS (Account 215)			
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		343,572,384	296,020,207
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly)			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
53	Balance-End of Year (Total lines 49 thru 52)		0	

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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>STATEMENT OF CASH FLOWS</b>				
<p>1. Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instructions No.1 for explanation of codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
1	Net Cash Flow from Operating Activities			
2	Net Income (Line 78(c) on page 117)	47,552,177	50,149,813	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	108,447,039	102,497,472	
5	Amortization of (Specify) (footnote details)			
5.1	Amortization of Regulatory Debits and Credits (Net)	14,937,125	12,707,045	
5.2	Mark-to-Market of Risk Management Contracts	(2,542,112)	(2,991,726)	
8	Deferred Income Taxes (Net)	(31,793,585)	(24,508,514)	
9	Investment Tax Credit Adjustment (Net)			
10	Net (Increase) Decrease in Receivables	(31,824,893)	(9,804,910)	
11	Net (Increase) Decrease in Inventory	(17,545,074)	11,702,745	
12	Net (Increase) Decrease in Allowances Inventory	53,461	68,067	
13	Net Increase (Decrease) in Payables and Accrued Expenses	20,788,725	20,093,759	
14	Net (Increase) Decrease in Other Regulatory Assets	(27,956,526)	(56,480,696)	
15	Net Increase (Decrease) in Other Regulatory Liabilities	3,093,625	3,847,436	
16	(Less) Allowance for Other Funds Used During Construction	1,192,269	1,821,825	
17	(Less) Undistributed Earnings from Subsidiary Companies			
18	Other (provide details in footnote):			
18.1	Other (provide details in footnote):	9,588,235	(30,419,418)	
18.2	Customer deposits	6,352,742	1,657,710	
18.3	Over/Under Recovered Fuel, Net	(15,025,292)	(8,529,459)	
22	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21)	82,933,377	68,167,499	
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	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	(212,537,581)	(167,164,664)
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	(1,192,269)	(1,821,825)
31	Other (provide details in footnote):		
31.1	Other (provide details in footnote):		
31.2	Acquired Assets	70,501	(206,212)
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(211,274,811)	(165,549,051)
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	8,003,560	1,075,489
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		
46	Loans Made or Purchased		
47	Collections on Loans		
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
53.1	Other (Provide details in footnote):	618,271	3,221,405
53.2	(Increase) Decrease in Other Special Deposits	80,875	(74,930)
57	Net Cash Provided by (Used in) Investing Activities (Total of lines 34 thru 55)	(202,572,105)	(161,327,087)
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	150,000,000	150,000,000
62			

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	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
64.1	Other (provide details in footnote):		
64.2	Long Term Issuances Costs	(131,102)	(26,355)
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
67.1	Proceed on Capital leaseback	6,627	168,008
67.2	Notes Payable to Associated Companies	46,532,054	
67.3	Capital Contributions from Parent	151,683	
70	Cash Provided by Outside Sources (Total 61 thru 69)	196,559,262	150,141,653
72	Payments for Retirement of:		
73	Long-term Debt (b)	(75,000,000)	(40,000,000)
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
76.1	Other (provide details in footnote):		
76.2	Notes Payable to Associated Companies - Retired		(17,751,304)
78	Net Decrease in Short-Term Debt (c)		
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
83	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81)	121,559,262	92,390,349
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	Net Increase (Decrease) in Cash and Cash Equivalents (Total of line 22, 57 and 83)	1,920,534	(769,239)
88	Cash and Cash Equivalents at Beginning of Period	763,386	1,532,625
90	Cash and Cash Equivalents at End of Period	2,683,920	763,386

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

<u>(a)</u> Concept: OtherAdjustmentsToCashFlowsFromOperatingActivities			
	<b>2022</b>	<b>2021</b>	
	<b>Cash Flow</b>	<b>Cash Flow</b>	
	<b>Incr /</b>	<b>Incr /</b>	
	<b>(Decr)</b>	<b>(Decr)</b>	
Utility Plant, Net	\$ (20,556,831)	\$ (13,107,143)	
Property and Investments, Net	\$ 7,119,464	\$ 182,324	
Margin Deposits	13,185,176	(14,043,098)	
Prepayments	(3,646,485)	(1,225,157)	
Accrued Utility Revenues, Net	(18,355,535)	2,270,665	
Unamortized Debt Expense	473,752	480,846	
Other Deferred Debits, Net	(2,552,359)	(293,644)	
Other Comprehensive Income, Net	(1,670,953)	—	
Accumulated Provisions - Misc	(455,071)	(10,435)	
Current and Accrued Liabilities, Net	(4,054,428)	(875,480)	
Other Deferred Credits, Net	4,694,288	(3,798,296)	
Special Funds	35,407,217	—	
<b>Total \$</b>	<b>9,588,235</b>	<b>\$ (30,419,418)</b>	
<u>(b)</u> Concept: ProceedsFromDisposalOfNoncurrentAssets			
	<b>2022</b>	<b>2021</b>	
	<b>Cash Flow</b>	<b>Cash Flow</b>	
	<b>Incr /</b>	<b>Incr /</b>	
	<b>(Decr)</b>	<b>(Decr)</b>	
Sale of meters between various operating companies	\$ 15,635	\$ 22,701	
Sale of transformers between various operating companies	112,100	408,442	
Sale of 1.18+/- acres located at 332 South May Trail, Pikeville, Kentucky - to third party	—	530,000	
Land Sale Proceeds - Dumont / Lakeville Site, Dumont UHV Test Facility - to third party	6,686,087	114,346	
Sale of Kentucky Portion of Posey Coal Lands	1,058,960	—	
Caterpillar D8T Crawler Tractor	130,778	—	
<b>Total \$</b>	<b>8,003,560</b>	<b>\$ 1,075,489</b>	

FERC FORM No. 1 (ED. 12-96)

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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4																																
<b>NOTES TO FINANCIAL STATEMENTS</b>																																			
<ol style="list-style-type: none"> <li>1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.</li> <li>2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.</li> <li>3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.</li> <li>4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.</li> <li>5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.</li> <li>6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.</li> <li>7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.</li> <li>8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.</li> <li>9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.</li> </ol>																																			
<b>INDEX OF NOTES TO FINANCIAL STATEMENTS</b>																																			
<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Glossary of Terms for Notes</td> </tr> <tr> <td style="width: 5%; text-align: center;">1.</td> <td>Organization and Summary of Significant Accounting Policies</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>New Accounting Standards</td> </tr> <tr> <td style="text-align: center;">3.</td> <td>Comprehensive Income</td> </tr> <tr> <td style="text-align: center;">4.</td> <td>Rate Matters</td> </tr> <tr> <td style="text-align: center;">5.</td> <td>Effects of Regulation</td> </tr> <tr> <td style="text-align: center;">6.</td> <td>Commitments, Guarantees and Contingencies</td> </tr> <tr> <td style="text-align: center;">7.</td> <td>Benefit Plans</td> </tr> <tr> <td style="text-align: center;">8.</td> <td>Derivatives and Hedging</td> </tr> <tr> <td style="text-align: center;">9.</td> <td>Fair Value Measurements</td> </tr> <tr> <td style="text-align: center;">10.</td> <td>Income Taxes</td> </tr> <tr> <td style="text-align: center;">11.</td> <td>Leases</td> </tr> <tr> <td style="text-align: center;">12.</td> <td>Financing Activities</td> </tr> <tr> <td style="text-align: center;">13.</td> <td>Related Party Transactions</td> </tr> <tr> <td style="text-align: center;">14.</td> <td>Property, Plant and Equipment</td> </tr> <tr> <td style="text-align: center;">15.</td> <td>Revenue from Contracts with Customers</td> </tr> </table>				Glossary of Terms for Notes		1.	Organization and Summary of Significant Accounting Policies	2.	New Accounting Standards	3.	Comprehensive Income	4.	Rate Matters	5.	Effects of Regulation	6.	Commitments, Guarantees and Contingencies	7.	Benefit Plans	8.	Derivatives and Hedging	9.	Fair Value Measurements	10.	Income Taxes	11.	Leases	12.	Financing Activities	13.	Related Party Transactions	14.	Property, Plant and Equipment	15.	Revenue from Contracts with Customers
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<b>GLOSSARY OF TERMS FOR NOTES</b>																																			
<p>When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.</p>																																			



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Term	Meaning
<b>1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
<b>ORGANIZATION</b>	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority-owned subsidiaries and affiliates.
AEP	American Electric Power Company, Inc. (Parent) and majority-owned subsidiaries and affiliates.
As a public utility, KPCCo engages in the generation and purchase of electric power, and the subsequent sale, transmission and distribution of that power to approximately 163,000 retail customers in its service territory in eastern Kentucky. KPCCo also sells power at wholesale to municipalities.	AEP Credit, Inc., a subsidiary of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP Credit	AEP Credit, Inc., a subsidiary of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP East Companies	APCo, J&M, KGPCo, KPCCo, OPCo and WPCo.
In December 2022, the UPA between AEGCo, an affiliated company, and KPCCo ended upon the termination of the Rockport Plant, Unit 2 lease. The UPA allowed KPCCo to purchase 50% of AEGCo's 50% capacity of the Rockport Plant, Unit 2, an electric generating plant located in AEP's service territory in eastern Kentucky. The UPA also provided for KPCCo to purchase capacity from Rockport Plant, Unit 2 through the 2022 Power Service Order from RPPM, an AEP affiliate subsidiary providing management and professional services to AEP and its subsidiaries.	
AEPSC	AEPSC is a nonregulated affiliate of AEP providing management and professional services to AEP and its subsidiaries.
To minimize the credit requirements and operating costs of the participating companies, AEPSC has entered into a power purchase agreement with WPM, a wholly-owned subsidiary of AEP, for the purchase of power from AEPSC to meet the credit requirements of the participating companies. AEPSC also provides insurance services to the participating companies.	
AEPSC obligations incurred by the participating companies are guaranteed by AEP. AEPSC also provides insurance services to the participating companies.	
AEPSC also provides insurance services to the participating companies.	
AOI	Accumulated Other Comprehensive Income.
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
<b>CCR</b>	Coal Combustion Residual.
<b>Rates and Service Regulation</b>	
COVID-19	Coronavirus 2019, a highly infectious respiratory disease. In March 2020, the World Health Organization declared COVID-19 a global pandemic.
KPCCo's rates are regulated by the FERC and the KY Public Service Commission. KPCCo's affiliated transactions, including AEPSC intercompany service billings which are generally at cost, under the 2005 Public Utility Cost Accounting Manual, the Federal Power Act and the Federal Energy Regulatory Commission's regulations under the Public Utility Cost Accounting Manual, the Federal Power Act and the Federal Energy Regulatory Commission's regulations under the Public Utility Cost Accounting Manual.	
Generally, at cost, under the 2005 Public Utility Cost Accounting Manual, the Federal Power Act and the Federal Energy Regulatory Commission's regulations under the Public Utility Cost Accounting Manual.	
regulations of securities of public utility subsidiaries, the acquisition or sale of certain utility assets and mergers with another electric utility or holding company. For non-power goods and services, the FERC requires a nonregulated affiliate to bill an affiliated public utility company at no more than market while a public utility must bill the higher of cost or market to a nonregulated affiliate. The KPSC also regulates certain intercompany transactions under its affiliate statutes. Both the FERC and state regulatory commissions are permitted to review and audit the relevant books and records of companies within a public utility holding company system.	
Excess ADIT	Excess accumulated deferred income taxes.
FAC	Fuel Adjustment Clause.
The FERC regulates wholesale power markets, wholesale power transactions and wholesale transmission operations and rates. KPCCo's wholesale power transactions are generally market-based. Wholesale power transactions are cost-based and regulated when KPCCo negotiates and files a cost-based contract with the FERC or the FERC determines that KPCCo has "market power" in the region where the transaction occurs. KPCCo has entered into wholesale power supply contracts with various FERC-regulated, cost-based contracts. These contracts are generally formula rate mechanisms, which are true-up to actual costs annually.	
FTP	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
The KPSC regulates all of the distribution operations and rates.	
GAAP	Generally Accepted Accounting Principles Generally Accepted in the United States of America.
In addition, the FERC regulates the SIA and the PJM Interconnection system and its electric utility subsidiaries that are parties to each agreement.	
The FERC also regulates the PCA. See Note 12 - Related Party Transactions for additional information.	
ITC	Investment Tax Credit.
<b>Basis of Accounting</b>	
KGPCo	Kingsport Power Company, an AEP electric utility subsidiary.
KPCCo's accounting is subject to the requirements of the KPSC and the FERC. The financial statements of KPCCo and its subsidiaries have been prepared in accordance with the Uniform System of Accounts prescribed by the FERC. The principal differences from GAAP include:	
KPCCo	AEP Kentucky Transmission Company, Inc., a wholly-owned AEPTCo transmission subsidiary.
Liberty	Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corporation.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatt-hour.
NO <sub>x</sub>	Nitrogen oxide.

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OTC	The classification of deferred fuel as noncurrent assets rather than Transmission Tariff.	
OBCo	The requirement to report deferred tax assets and liabilities separately rather than as a single amount. Ohio Power Company, an AEP electric utility subsidiary.	
OPEB	Other Postretirement Benefits.	
OTC	The classification of accrued taxes as a single amount rather than as assets and liabilities. Over-the-counter.	
	The exclusion of current maturities of long-term debt from the balance sheet. American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.	
PCA	The classification of accrued non-ARO asset removal costs as accumulated depreciation rather than regulatory liabilities. Power Coordination Agreement among APCo, I&M, KPCo and WPCo.	
PJM	Pennsylvania - New Jersey - Maryland regional transmission organization.	
PSCo	The classification of finance lease payments as operating activities instead of financing activities. Public Service Company of Ohio, an AEP electric utility subsidiary. <b>FERC FORM No. 1 (ED, 12-96)</b> Page 122-123	
PUCO	The classification of gains/losses from disposition of allowances as utility operating expenses rather than as operating revenues. Public Utilities Commission of Ohio.	
Risk Management Contracts	Trading and non-trading derivatives, including those derivatives designated as cash flow and fair value hedges.	
	The classification of PJM hourly activity for physical transactions as purchases and sales instead of net sales. A generation plant, jointly-owned by AEGCo and I&M, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana.	
Rockport Plant	The classification of regulatory assets and liabilities related to the accounting guidance for "Accounting for Income Taxes" as separate assets and liabilities rather than a single amount. Regional Transmission Organization, responsible for moving electricity over large interstate areas.	
RTO	The presentation of finance leased assets and their associated accumulated amortization as a single amount instead of as separate amounts. System Integration Agreement, effective June 15, 2000, as amended, provides contractual basis for coordinated planning, operation and maintenance of the power supply sources of the combined AEP.	
SIA	The classification of factored accounts receivable expense as a nonoperating expense instead of as an operating expense. operation and maintenance of the power supply sources of the combined AEP.	
SWEPco	Southwestern Electric Power Company, an AEP electric utility subsidiary.	
T	The classification of certain nonoperating revenues as noncurrent assets rather than as operating revenues. Transmission Tariff. American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.	
	The classification of certain nonoperating expenses as noncurrent liabilities rather than as operating expenses. American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.	
Tax	The classification of income tax expense as a nonoperating expense instead of as an operating expense. The TCJA includes significant changes to the Internal Revenue Code of 1986, including a reduction in the corporate tax rate from 35% to 21% effective January 1, 2018.	
UPA	The classification of unamortized loss on reacquired debt in deferred debits rather than in regulatory assets. Unit Power Agreement.	
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.	
WPCo	The classification of certain other assets and liabilities as current instead of noncurrent. Wheeling Power Company, an AEP electric utility subsidiary.	
WVPSCo	The classification of certain other assets and liabilities as noncurrent instead of current. West Virginia Public Service Commission.	

**Accounting for the Effects of Cost-Based Regulation**

As a rate-regulated electric public utility company, KPCo's financial statements reflect the actions of regulators that result in the recognition of certain revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with accounting guidance for "Regulated Operations," KPCo records regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

**Use of Estimates**

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include but are not limited to inventory valuation, allowance for doubtful accounts, long-lived asset impairment, unbilled electricity revenue, valuation of long-term energy contracts, the effects of regulation, long-lived asset recovery, storm costs, the effects of contingencies and certain assumptions made in accounting for pension and postretirement benefits. The estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could ultimately differ from those estimates.

**Cash and Cash Equivalents**

Cash and Cash Equivalents include Cash, Working Fund and Temporary Cash Investments on the balance sheets with original maturities of three months or less.

**Supplementary Information**

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Name of Reporting Entity Kentucky Power Company Interest (Net of Capitalized Amounts)	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	2022		2021				
		Date of Report: 04/12/2023	Year-End of Report End of: 2022/ Q4	2022 \$ 41,497	2021 \$ 37,378			
Income Taxes (Net of Refunds)				2,489	(4,123)			
Noncash Acquisitions Under Finance Leases				151	151			
<b>STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES</b>								
As of December 31,								
<p>1. Report in columns (b), (c), (d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.</p> <p>2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.</p> <p>3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a table.</p> <p>4. Report data on a year-to-date basis.</p>								
<p>KPCo joins in the filing of a consolidated federal income tax return with its affiliates in the AEP System. Historically, the allocation of the AEP System's current consolidated federal income tax to the AEP System companies allocated the benefit of current tax loss of the parent company (Parent Company Loss Benefit) to the AEP System subsidiaries through a reduction of current tax expense. In the first quarter of 2022, AEP and its affiliates changed accounting for the Parent Company Loss Benefit from a reduction of current tax expense to allocation through equity. The impact of this change was immaterial to KPCo's financial statements. The consolidated net operating losses of the AEP System is allocated to each of the consolidated group entities with the exception of the allocation of the consolidated AEP System net operating losses, the loss of the Parent Company Loss Benefit, the loss of the Parent Company Loss Benefit, the method of separate return result, for consolidated group entities.</p>								
<b>Line Item</b>	<b>Unrealized Gains and Losses on Available-For-Sale Securities (b)</b>	<b>Minimum Pension Liability Adjustment (net amount) (c)</b>	<b>Foreign Currency Hedges (d)</b>	<b>Other Adjustments (e)</b>	<b>Cash Flows Hedges (Specify) (f)</b>	<b>Other Cash Flows Hedges (Specify) (g)</b>	<b>Totals for Each Category of Items recorded in Account 219 (h)</b>	<b>Net Income Carried Forward from Page 116, Line 78 (i)</b>
<b>Inventory</b>	Fossil fuel inventories and materials and supplies inventories are carried at average cost.							
1	Balance of Accounts Receivable at Beginning of Preceding Year			878,395			878,395	
2	Customer receivables primarily include receivables from wholesale and retail energy customers, receivables from energy contract counterparties related to risk management activities and customer receivables primarily related to other revenue generating activities.							
3	Preceding Quarter/Year to Date							
4	Revenue recognizes, as Accrued Utility Revenues on the balance sheets, an estimate of the revenues for energy delivered since the last billing.			871,447			871,447	
5	Reclassifications Allowance on Accounts Receivable							
6	Prior to the first quarter of 2022, KPCo sold, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit under an affiliated receivables sales arrangement. Under the arrangement, KPCo was charged a fee for each sale based on AEP Credit's financing costs, administrative costs and uncollectible experience from previous purchases of KPCo's customer accounts receivable. As a result, no allowance for uncollectible accounts was recognized within KPCo's financial statements for customer accounts receivable sold to AEP Credit, and any bad debt stemming from these receivables would be recognized by AEP Credit. KPCo terminated selling accounts receivable to AEP Credit in the first quarter of 2022, based on the pending sale to Liberty. As a result of the termination, in the first quarter of 2022, KPCo recorded an allowance for uncollectible accounts on its balance sheet for those receivables no longer sold to AEP Credit. KPCo's bad debt reserve is calculated based on a rolling two-year average write-off in proportion to gross accounts receivable.			871,447			871,447	50,149,813
7	<b>Concentrations of Credit Risk and Significant Customers</b>							
8	KPCo had a significant customer which accounts for the following percentages of Total Revenues for the years ended December 31 and Accounts Receivable - Customers of December 31:							
9	Balance of Account 219 at End of Preceding Quarter/Year			1,749,842			1,749,842	
10	Percentage of Total Revenues				14%	12%		
11	Percentage of Accounts Receivable - Customers				14%	45%		
12	Balance of Account 219 at Beginning of Preceding Quarter/Year			1,749,842			1,749,842	
13	Management believes adequate provision for credit loss has been made in the accompanying financial statements.							
14	<b>Property, Plant and Equipment</b>							
15	Electric utility property, plant and equipment are stated at original cost. Additions, major replacements and betterments are added to the plant accounts. Under the group composite method of depreciation, continuous interim routine replacements of items such as boiler tubes, pumps, motors, etc. result in original cost retirements, less salvage, being charged to accumulated depreciation. The group composite method of depreciation assumes that on average, asset components are retired at the end of their useful lives and thus there is no gain or loss. The equipment in each primary electric plant account is identified as a separate group. The depreciation rates that are established take into account the past history of interim capital replacements and the amount of removal cost incurred and salvage received. These rates and the related lives are subject to periodic review.							
16	The costs of depreciation and overhead incurred to operate and maintain plant and equipment are included in operating expenses.							
17	Long-lived assets are required to be tested for impairment when it is determined that the carrying value of the assets may no longer be recoverable or when the assets meet the held-for-sale criteria under the accounting guidance for "Impairment or Disposal of Long-Lived Assets." When it becomes probable that an asset in-service or an asset under construction will be abandoned and regulatory cost recovery has been disallowed or probable, the cost of that asset shall be reduced to its estimated fair value, with the change charged to expense, and the asset is removed from plant-in-service or CWIP.							
18	The fair value of assets in active markets are the best evidence of fair value and are used as the basis for the measurement, if available. In the absence of quoted prices for identical assets in active markets, fair value is estimated using various internal and external valuation methods including cash flow analysis and appraisals.							

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**Allowance for Funds Used During Construction**

**FERC FORM No. 1 (NEW 06-02)**

AFUDC represents the estimated cost of borrowed and equity funds used (Page 122 (a)(b)) on projects that is capitalized and recovered through depreciation over the service life of regulated electric utility plant.

**Asset Retirement Obligations (ARO)**

KPCo records ARO in accordance with the accounting guidance for "Asset Retirement and Environmental Obligations" for legal obligations for asbestos removal and for the retirement of certain ash disposal facilities. AROs are computed as the present value of the estimated costs associated with the future retirement of an asset and are recorded in the period in which the liability is incurred. Estimates of the timing and amounts of future cash outlays are based on projections of when and how the assets will be decommissioned, inflation, and discount rate, which may change significantly over time. The estimated costs are capitalized as part of the related long-lived asset and depreciated over the asset's useful life. KPCo has identified, but not recognized, ARO liabilities related to electric transmission and distribution assets as a result of certain easements on property on which assets are owned. Generally, such easements are perpetual and require only the retirement and removal of assets upon the cessation of the property's use. The retirement obligation is not estimable for such easements since KPCo plans to use their facilities indefinitely. The retirement obligation would only be recognized if and when the Registrants abandon or cease the use of specific easements, which is not expected.

**Valuation of Nonderivative Financial Instruments**

The book values of Cash, Special Deposits, Notes Payable to Associated Companies and accounts receivable and accounts payable approximate fair value because of the short-term maturity of these instruments.

**Fair Value Measurements of Assets and Liabilities**

The accounting guidance for "Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

For commercial activities, exchange-traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange-traded derivatives where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket-based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

AEP utilizes its trustee's external pricing service to estimate the fair value of the underlying investments held in the benefit plan trusts. AEP's investment managers review and validate the prices utilized by the trustee to determine fair value. AEP's management performs its own valuation testing to verify the fair values of the securities. AEP receives audit reports of the trustee's operating controls and valuation processes.

Assets in the benefits trusts are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and equity securities. They are valued based on observable inputs primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments. Investments classified as Other are valued using Net Asset Value as a practical expedient. Items classified as Other are primarily cash equivalent funds, common collective trusts, commingled funds, structured products, private equity, real estate, infrastructure and alternative credit investments. These investments do not have a readily determinable fair value or they contain redemption restrictions which may include the right to suspend redemptions under certain circumstances. Redemption restrictions may also prevent certain investments from being redeemed at the reporting date for the underlying value.

**Deferred Fuel Costs**

The cost of fuel and related emission allowances and emission control chemicals/consumables is charged to Operation Expenses when the fuel is burned or the allowance or consumable is utilized. Fuel cost over-recoveries (the excess of fuel-related revenues over applicable fuel costs incurred) are generally deferred as regulatory liabilities and under-recoveries (the excess of applicable fuel costs incurred over fuel-related revenues) are generally deferred as regulatory assets. These deferrals are amortized when refunded or when billed to customers

in later months with the KPSC's review and approval. The amount of an over-recovery or under-recovery can also be affected by actions of the KPSC. On a routine basis, the KPSC reviews and/or audits KPCo's fuel procurement policies and practices, the fuel cost calculations and FAC deferrals. FAC deferrals are adjusted when costs are no longer probable of recovery or when refunds of fuel reserves are probable. Changes in fuel costs, including purchased power, are reflected in rates in a timely manner through the FAC. A portion of margins from off-system sales are given to customers through the FAC.

**Revenue Recognition**

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Regulator Accounting Name of Respondent: <b>Kentucky Power Company</b> KPCo's financial statements reflect the actions of regulators that can result in the recognition of revenues and expenses in different time periods than enterprises that are not rate-regulated. Regulatory assets (deferred expenses or alternative revenues recognized in accordance with the guidance for "Regulated Operations") and regulatory liabilities (deferred revenue production credits) are recorded to reflect the economic effects of regulatory actions that cause companies to recognize revenues with their recovery through regulated revenues and by matching revenue with its passage to customers in cost-based regulated rates.		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023		Year/Period of Report End of: 2022/Q4	
<b>SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>							
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other electric and gas function, in column (h) common function whenever new events occur. Examples of new events include the issuance of a regulatory commission order or passage of new legislation. If it is determined that recovery of a regulatory asset is no longer probable, KPCo derecognizes that regulatory asset as a charge against income.							
Electricity Supply and Delivery Activities Line 1 KPCo recognizes revenues from customers on the statements of income as billed amounts. Wholesale transmission revenue is based on a FERC-approved formula rate filing made for each calendar year using estimated costs. Revenues initially recognized per the annual rate filing are compared to actual costs, resulting in a future year's rates. The annual true-up meets the definition of "Regulated Operations". An estimated annual true-up is recorded by KPCo in the fourth quarter of each calendar year following the filing of the annual FERC report. Any portion of the true-up applicable to an affiliated company is recorded as Accounts Receivable from Associated Companies or Accounts Payable to Associated Companies on the balance sheets. Any portion of the true-ups applicable to third parties is recorded as additional revenue on the balance sheets. See Note 15 - Revenue from Contracts with Customers for additional information.	Total Company For the Current Year/Quarter Ended 903,614	Electric (c) 903,614	Gas (d) 903,614	Other (Specify) (e) 0	Other (Specify) (f) 0	Other (Specify) (g) 0	Common (h) 0
Gross versus Net Presentation of Certain Property Under Capital Line 4 The power generated at KPCo's generation plants is sold to PJM. KPCo also purchases power from PJM to supply power to its customers. Generally, these power sales and purchases are reported on a net basis in revenues on the statements of income.	Electricity Supply and Delivery Activities 903,614	903,614	903,614	0	0	0	0
Physical energy purchases arising from non-derivative contracts are accounted for on a gross basis in Operation Expenses on the statements of income. Energy purchases arising from trading derivatives used to serve accrual-based customers are recorded in Operation Expenses on the statements of income. All other non-trading derivative purchases are recorded net in revenues.	Completed Construction 143,839,349.00	143,839,349.00	143,839,349.00	0	0	0	0
In general, MTM accounting for marketing and risk management transactions that are not derivatives is recorded in Operating Expenses on the statements of income. KPCo defers the unrealized MTM amounts as regulatory assets (for losses) and regulatory liabilities (for gains).	Experimental Plant Unclassified 3,267,052.681	3,267,052.681	3,267,052.681	0	0	0	0
KPCo enters into energy marketing and risk management transactions that are not derivatives as the performance obligation of delivering the commodity is satisfied. Expenses from marketing and risk management transactions that are not derivatives are also recognized upon delivery of the commodity.	Energy Marketing and Risk Management Acquired 3,267,052.681	3,267,052.681	3,267,052.681	0	0	0	0
KPCo enters into energy marketing and risk management transactions that are not derivatives as the performance obligation of delivering the commodity is satisfied. Expenses from marketing and risk management transactions that are not derivatives are also recognized upon delivery of the commodity.	Leased to Others 801,671	801,671	801,671	0	0	0	0
Held for Future Use 801,671	801,671	801,671	801,671	0	0	0	0
Construction Work in Progress 138,936,649	138,936,649	138,936,649	138,936,649	0	0	0	0
Acquisition Adjustments KPCo uses MTM accounting for marketing and risk management transactions that are not derivatives unless the derivative is designated in a qualifying cash flow hedge relationship to the normal purchase normal sale election. Unrealized MTM gains and losses are included on KPCo's balance sheets as Derivative Instrument Assets and Liabilities, as appropriate, and on KPCo's statements of income in Operating Revenues. Realized gains and losses on marketing and risk management transactions are included in revenues or expenses based on the transaction's facts and circumstances. However, in regulated jurisdictions subject to cost-based rate regulation, realized gains and losses are deferred as regulatory assets (for losses) and regulatory liabilities (for gains).	Total Utility Plant (Other) 3,406,791,001	3,406,791,001	3,406,791,001	0	0	0	0
Accumulated Provisions for Depreciation, Amortization, and Depletion 1,230,384,120	1,230,384,120	1,230,384,120	1,230,384,120	0	0	0	0
Net Utility Plant (Less Maintenance) 2,176,406,881	2,176,406,881	2,176,406,881	2,176,406,881	0	0	0	0
Maintenance 1,230,384,120	1,230,384,120	1,230,384,120	1,230,384,120	0	0	0	0
Income Tax 1,201,250,028	1,201,250,028	1,201,250,028	1,201,250,028	0	0	0	0

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KPCo's tax position is uncertain.	<b>Amortization and Depletion of Producing Natural Gas Land and Excise Taxes</b>	in accordance with the accounting guidance for "Income Taxes." KPCo classifies interest expense or income related to expense or income as appropriate and classifies penalties on the statements of income.			
As an agent for the state or local governments, KPCo collects from customers certain excise taxes levied by those state or local governments on customers. KPCo's not revenue or expense.	<b>Amortization of Underground Storage Land and Land Rights</b>				
<b>Debt</b> 21 Gains and losses in accordance with their rate-making treatment are amortized over the term of the debt.	<b>Amortization of Other Utility Plant</b>	29,134,092	29,134,092		regulated electric utility plants are deferred and amortized over the remaining term of the reacquired debt. If the reacquired debt is refinanced, the reacquisition costs are generally deferred and amortized over the term of the related debt.
22	<b>Leased Liabilities</b>	1,230,384,120	1,230,384,120		Debt discount or premium and debt issuance expenses are deferred and amortized generally utilizing the straight-line method over the term of the related debt. The straight-line method approximates the effective interest method and is consistent with the treatment in rates for regulated operations.
23	<b>Depreciation</b>				
25 26	<b>Amortization of Pension Plans</b>				KPCo sponsors qualified pension plan and two unfunded non-qualified pension plans. Substantially all of KPCo's employees are covered by the qualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees. KPCo accounts for its participation in OPEB pension and OPEB plans using multiple-employer accounting. See Note 7 - Benefit Plans for additional information including significant accounting policies associated with the plans.
27	<b>Investment</b>				
28 29 30	<b>Depreciation of Investments</b>				AEP has investments intended to provide for future payments of pension and OPEB benefits. All of the trust funds' investments are diversified and managed in compliance with all laws and regulations. The investment strategy for the trust funds is to use a diversified portfolio of investments to achieve long-term return while managing the investment risk of the assets relative to the associated liabilities. To minimize investment risk, the trust funds are broadly diversified among classes of assets, investment strategies and investment managers. Management regularly reviews the actual asset allocation and periodically rebalances the investments to maintain target exposures and to hedge assets and liabilities. The investments are reported at fair value under the "Fair Value Measurements and Disclosures" accounting guidance.
31	<b>Benefit</b>				
32	<b>Amortization of Plant Acquisition Adjustment</b>				All benefit plans are managed in accordance with each plan's investment policy. The investment policy outlines the investment objectives, strategies and target asset allocation.
33	<b>Total Assets</b>	1,230,384,120	1,230,384,120		The investment policy for AEP's benefit plans support the allocation of assets to minimize risks and optimize net returns. Strategies used include: <ul style="list-style-type: none"> <li>• Diversifying assets to help control volatility of returns at acceptable levels.</li> <li>• Managing fees, transaction costs and tax liabilities to maximize investment earnings.</li> <li>• Using active management of investments where appropriate risk/return opportunities exist.</li> <li>• Keeping portfolio structure style-neutral to limit volatility compared to applicable benchmarks.</li> <li>• Using alternative asset classes such as real estate and private equity to maximize return and provide additional portfolio diversification.</li> </ul> The objective of the investment policy for the pension fund is to maintain the funded status of the plan while providing for growth in the plan assets to offset the growth in the plan liabilities. The current target asset allocations are as follows:
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<p>For fixed income investments, each investment manager's portfolio is compared to investment grade, diversified long and intermediate benchmark indices.</p> <p>Name of Respondent:  <b>Kentucky Power Company</b>                  A portion of the pension assets is invested in real estate funds to provide diversification, add return and hedge against inflation. Real estate properties are illiquid, difficult to value and not actively traded. The pension plan uses external real estate investment managers to invest in commingled funds that hold real estate properties. To mitigate investment risk in the real estate portfolio, commingled real estate funds are used to ensure that holdings are diversified by region, property type and risk classification. Real estate holdings include core, value-added and opportunistic classifications.</p>	<p>This report is:                  (1) <input checked="" type="checkbox"/> An Original                  (2) <input type="checkbox"/> A Resubmission</p>	<p>Date of Report:                  04/12/2023</p>	<p>Year/Period of Report                  End of: 2022/ Q4</p>
<p><b>NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)</b></p>			
<p>A portion of the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling towers owned by the time horizon of the investment performance. Private equity is classified as an alternative investment because it is illiquid, difficult to value and not actively traded. The period of the nuclear fuel stock is obtained under leasing arrangements, attached is a table showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements. expertise. The holdings are currently comprised of venture capital, buyout and hybrid debt and equity investments.</p>			
<p>AEP participates in a securities lending program with BNY Mellon to provide incremental income on idle assets and to provide administrative expenses. AEP lends securities to borrowers approved by BNY Mellon. Changes during the year are shown in the table below.</p> <p>Line No. 1                  Description of item                  (a)                  No. of securities loaned as of December 31, 2022 and 2021.</p>	<p>Balance Beginning of Year (b)                  Changes during year Additions (c)                  Reductions (d)                  Balance End of Year (e)</p>	<p>Changes during Year (e)</p>	<p>Other changes during year (e)                  Balance End of Year (e)                  December 31, 2022 and 2021.</p>
<p>Trust owned life insurance (TOLI) underwritten by The Prudential Insurance Company is held in the OPEB plan trusts. The strategy for holding life insurance contracts in the taxable Employees' Beneficiary Association trust is to minimize taxes paid on the asset growth in the trust. Earnings on plan assets are tax-deferred within the TOLI contract and can be tax-free if held until claims are paid. Life insurance proceeds remain in the trust and are used to fund future retiree medical benefit liabilities. With consideration to other investments held in the trust, the cash value of the TOLI contracts is invested in two diversified funds. A portion is invested in a commingled fund with underlying investments in stocks that are actively traded on major international equity exchanges. The other portion of the TOLI cash value is invested in a commingled fixed income fund with underlying investments in government bonds, corporate bonds and asset-backed securities.</p>			
<p>Cash and cash equivalents are held in each trust to provide liquidity and meet short-term cash needs. Cash equivalent funds are used to provide diversification and preserve underlying holdings in the cash funds are investment grade money market instruments including commercial paper, certificates of deposit, treasury bills and other types of investment grade short-term debt securities. The cash funds are valued each business day and provide daily liquidity.</p> <p>5                  Comprehensive Income (Loss) Details in footnote)</p>			
<p>Comprehensive income (loss) is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Total comprehensive income (loss) has two components: net income (loss) and other comprehensive income (loss).</p>			
<p>7                  Dispositions of Assets and KTCs</p> <p>8                  In October 2021, AEP entered into a Stock Purchase Agreement (SPA) to sell KPCC and KTC to Liberty Utilities Co., a subsidiary of Algonquin Power &amp; Utilities Corp. (Liberty), for approximately a \$2.85 billion enterprise value. In May 2022, the KPSC approved the transfer of KPCC to Liberty subject to certain conditions contingent upon receipt of the sale. AEP has received clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR) and the Committee on Foreign Investment in the United States during 2022.</p> <p>9                  In January 2023, AEP and Liberty filed a joint application seeking HSR clearance in February 2023. The sale is also contingent upon FERC approval under Section 203 of the Federal Power Act. The parties to the SPA have certain termination rights if the closing of the sale does not occur by April 26, 2023.</p>			
<p>12                  Nuclear Fuel Under Capital Leases (120.6)</p>			
<p>13                  (Less) Accum Prov for Amortization of Nuclear Fuel Assets (120.1)(b)</p> <p>14                  TOTAL Nuclear Fuel Stock (Total from 120.1 through 120.6)</p>			
<p>15                  Estimated Net Salvage Value of Nuclear Materials in Line 9</p> <p>16                  Estimated Net Salvage Value of Nuclear Materials in Line 13</p> <p>17                  Estimated Net Salvage Value of Nuclear Materials in Chemical Processing</p>			
<p>18                  Nuclear Materials held for Sale</p> <p>19                  Uranium</p> <p>20                  Mitchell Plant Operations and Maintenance Agreement and Ownership Agreement</p>			

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20	Plutonium						
21		KPCo and WPCo each own a 50% undivided interest in the 1,560 MW coal-fired Mitchell Plant. As of December 31, 2022 and 2021, the net book value of KPCo's share of the Mitchell Plant, including CWIP and inventory, was \$577 million and \$586 million, respectively. The SPA includes a condition precedent to closing of the issuance of regulatory orders approving new Mitchell Plant agreements.					
22		The KPSC and WVPSC issued orders proposing materially different modifications to the Mitchell Plant agreements filed by AEP such that the new agreements could not be executed. On July 20, 2022, KPSC and WVPSC issued orders, in July 2022, KPSC and WPCo confirmed with the KPSC and WVPSC, respectively, that they will continue operating for sale (ending 9/30/24 and 2/28/25), utilizing the Mitchell Agreement Operating Committee's authority under that agreement to issue appropriate resolutions so the parties can operate in accordance with each state commission's directives related to CCR and ELG investment. In September 2022, pursuant to resolutions under FERC Form No. 1 (FD-209), WPCo replaced KPCo as the Operator of Mitchell Plant.					

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Summary

Management believes it is probable that FERC authorization under Section 203 of the Federal Power Act will be received and closing will occur after receipt of the order with Liberty acquiring the assets and assuming the liabilities of KPCo and KTCO, excluding pension and other post-retirement benefit plan assets and liabilities. AEP expects to provide customary transition services to Liberty for a period of time after closing of the transaction.

In June 2022, KPCo entered into agreements to purchase assets under lease, terminating remaining lease obligations prior to the original maturity date. As a result of the early terminations, current obligations under operating and finance leases of \$1.9 million and \$583 thousand, respectively, and noncurrent obligations under operating and finance leases of \$7.2 million and \$1.4 million, respectively, were relieved from KPCo's balance sheet in the second quarter of 2022.

Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2022 through February 23, 2023, the date that KPCo's 2022 Annual Report was available to be issued, and has updated such evaluation for disclosure purposes through April 12, 2023. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

2. NEW ACCOUNTING STANDARDS

During the FASB's standard-setting process and upon issuance of final standards, management reviews the new accounting literature to determine its relevance, if any, to KPCo's business. There are no new standards expected to have a material impact on KPCo's financial statements.

3. COMPREHENSIVE INCOME

Presentation of Comprehensive Income

The following tables provide the components of changes in AOCI and details of reclassifications from AOCI for the years ended December 31, 2022 and 2021. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 7 - Benefit Plans for additional details.

	Pension and OPEB		
	Amortization of Deferred Costs	Changes in Funded Status	Total
	(in thousands)		
<b>For the Year Ended December 31, 2022</b>			
<b>Balance in AOCI as of December 31, 2021</b>	\$ 2,890	\$ (1,141)	\$ 1,749
Change in Fair Value Recognized in AOCI, Net of Tax	—	—	—
Amount of (Gain) Loss Reclassified from AOCI	—	—	—
Amortization of Prior Service Cost (Credit)	(119)	—	(119)
Amortization of Actuarial (Gains) Losses	19	—	19
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(100)	—	(100)
Income Tax (Expense) Benefit	(21)	—	(21)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(79)	—	(79)
Pension and OPEB Adjustment Related to Plant Transfers	—	(2,114)	(2,114)
Income Tax (Expense) Benefit	—	(444)	(444)
Pension and OPEB Adjustment Related to Plant Transfers, Net of Income Tax (Expense) Benefit	—	(1,670)	(1,670)
Net Current Period Other Comprehensive Income (Loss)	(79)	(1,670)	(1,749)
<b>Balance in AOCI as of December 31, 2022</b>	<b>\$ 2,811</b>	<b>\$ (2,811)</b>	<b>\$ —</b>

	Pension and OPEB		
	Amortization of Deferred Costs	Changes in Funded Status	Total
	(in thousands)		
<b>For the Year Ended December 31, 2021</b>			
<b>Balance in AOCI as of December 31, 2020</b>	\$ 3,027	\$ (2,149)	\$ 878
Change in Fair Value Recognized in AOCI, Net of Tax	—	1,008	1,008
Amount of (Gain) Loss Reclassified from AOCI	—	—	—
Amortization of Prior Service Cost (Credit)	(235)	—	(235)
Amortization of Actuarial (Gains) Losses	62	—	62
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(173)	—	(173)
Income Tax (Expense) Benefit	(36)	—	(36)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(137)	—	(137)
Net Current Period Other Comprehensive Income (Loss)	(137)	1,008	871
<b>Balance in AOCI as of December 31, 2021</b>	<b>\$ 2,890</b>	<b>\$ (1,141)</b>	<b>\$ 1,749</b>





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Regulatory Assets	(316) Misc. Power Plant Equipment	Approval	Cost	December 31,		Remaining Recovery Period	
				2022	2021		
(in thousands)							
15	Regulatory Assets Pending Final Regulatory Approval		10,932,714	303,705		11,236,419	
<b>Regulatory Assets Currently Earning a Return</b>							
<b>(317) Asset Retirement Costs for Steam Production</b>							
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)		1,230,387,724	10,049,185	\$ 4,426,322	\$ 47,528	1,236,008,587
<b>Regulatory Assets Currently Not Earning a Return</b>							
17	Storm Related Costs (a)				4,430	56,506	
<b>B. Nuclear Production Plant</b>							
<b>(320) Land and Land Rights</b>							
18	Other Regulatory Assets Pending Final Regulatory Approval				1,699	893	
<b>Total Regulatory Assets Currently Not Earning a Return</b>							
<b>(321) Structures and Improvements</b>							
19	Regulatory Assets Approved for Recovery:				108,972	104,927	
<b>Regulatory Assets Currently Earning a Return</b>							
20	(322) Reactor Plant Equipment				178,502	193,229	18 years
21	Plant Retirement Costs - Asset Retirement Obligations				10,010	109,577	18 years
<b>(323) Turbogenerator Units</b>							
<b>(324) Accessory Electric Equipment</b>							
22	Other Regulatory Assets Approved for Recovery				931	928	various
<b>Total Regulatory Assets Currently Earning a Return</b>							
<b>Regulatory Assets Currently Not Earning a Return</b>							
23	(325) Misc. Power Plant Equipment				103,999	128,784	(b)
<b>(326) Asset Retirement Costs for Nuclear Production</b>							
24	Underlying Regulatory Assets				3,704	12,236	12 years
<b>(327) Structures and Improvements</b>							
25	Storm Related Costs				2,241	8,216	1 year
<b>(328) Land and Land Rights</b>							
26	Other Regulatory Assets Approved for Recovery				5,295	4,721	18 years
<b>Environmental Costs</b>							
27	Post-Construction Costs				5,139	5,920	2 years
<b>TOTAL Nuclear Production Plant (Enter Total of lines 23 thru 24)</b>							
<b>Total Regulatory Assets Currently Not Earning a Return</b>							
<b>C. Hydraulic Production</b>							
28	Regulatory Assets Approved for Recovery				209,534	201,412	
<b>(330) Land and Land Rights</b>							
<b>(331) Structures and Improvements</b>							
<b>(332) Reservoirs, Dams, and Waterways</b>							
<b>(333) Water Wheels, Turbines, and Generators</b>							
29	Regulatory Liabilities				2,098	2,098	
<b>(334) Accessory Electric Equipment</b>							
30	Regulatory Liabilities Pending Final Regulatory Determination				2,098	2,098	
<b>Regulatory Liabilities Currently Paying a Return</b>							
31	Regulatory Liabilities Currently Paying a Return				158,732	201,997	(b)
<b>(335) Misc. Power Plant Equipment</b>							
32	Income Tax Liabilities (a)				3,982	3,190	7 years
<b>(336) Roads, Railroads, and Pipelines</b>							
33	Regulatory Liabilities Currently Not Paying a Return				3,417	—	1 year
<b>(337) Asset Retirement Costs for Hydraulic Production</b>							
34	Other Regulatory Liabilities Approved for Payment				2,031	2,644	3 years
<b>Regulatory Liabilities Currently Not Paying a Return</b>							
<b>TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)</b>							
35	Total Regulatory Liabilities				169,205	209,399	
<b>Total FERC Account 254 Regulatory Liabilities</b>							
36	D. Other Production Plant				\$ 171,302	\$ 211,497	

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38	(341) Structures and Improvements	ation for the years ended December 31, 2022 and 2021, respectively. The remaining balance of Excess ADIT that is Not Subject to Rate Normalization is to be refunded over 6 years.					
<b>6. COMMITMENTS, GUARANTEES AND CONTINGENCIES</b>							
39	(342) Fuel Holders, Products, and Accessories	legal actions arising in its ordinary course of business. In addition, KPSCo's business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation against KPSCo cannot be predicted. Management					
40	(343) Prime Movers	When management determines that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum potential loss because circumstances change over time and actual results may vary significantly from estimates.					
41	(344) Generators	discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum potential loss because circumstances change over time and actual results may vary significantly from estimates.					
42	(345) Accessory Electric Equipment	discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum potential loss because circumstances change over time and actual results may vary significantly from estimates.					
43	(346) Misc Power Plant Equipment	management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements.					
<b>COMMITMENTS</b>							
44	(347) Asset Retirement Costs for Other Production	support its business. KPSCo purchases fuel, energy and capacity contracts as part of its normal course of business. Certain contracts contain penalty provisions for early termination.					
44.1	(348) Energy Storage Equipment Production	In accordance with the accounting guidance for "Commitments", the following table summarizes KPSCo's actual contractual commitments as of December 31, 2022:					
45	TOTAL Other Prod. Plant (Enter Total of lines 44)		Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years	Total
	Fuel Purchase Contracts (a)		\$ 5,003	\$ 12,002	\$ 11,985	\$ 20,474	\$ 50,454
	Energy at Other Prod. Plant (Enter Total of lines 46, 47, and 48)	1,230,387,724	—	1,577	—	—	1,577
46	Total	1,230,387,724	\$ 10,049,386	\$ 4,428,322	\$ 11,985	\$ 20,474	\$ 1,236,008,567
(a)	Represents contractual commitments to purchase coal, natural gas and other consumables as fuel for electric generation along with related transportation of the fuel.						
47	3. Transmission Plant						
<b>GUARANTEES</b>							
48	(350) Land and Land Rights	38,518,796	817,201	1,307			39,334,690
48.1	(351) Energy Storage Equipment, Transmission Indemnifications and Other Guarantees						
49	(352) Structures and Improvements	13,478,383	1,876,966	1,778		(494,646)	14,858,925
50	(353) Station Equipment	254,254,673	22,093,991	1,355,823			274,992,841
51	(354) Towers and Fixtures	100,689,807	832,296	96,178			101,425,925
52	(355) Poles and Fixtures	187,594,785	10,632,818	623,594			197,604,009
53	(356) Overhead Conductors and Devices	164,915,210	3,826,022	338,306			168,402,926
54	Insurance and Potential Losses (357) Underground Conduit	524,848	4,312,660				4,837,508
55	(358) Underground Conduits and Devices	382,339	3,826,022				3,826,022
56	(359) Roads and Trails						
57	(359.1) Asset Retirement Costs for Transmission Plant						
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	760,358,841	44,391,086	2,416,986		(494,646)	801,838,295
59	(360) Land and Land Rights	9,130,683	31,358				9,162,041
60	(361) Structures and Improvements	3,304,829	70,347				3,375,176
62	(362) Station Equipment	141,097,946	4,191,270	1,278,195			144,011,021

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63	(363) Energy Storage Equipment	compliance as a defense, but imposes strict liability on parties who fall within its broad statutory categories. Liability has been resolved for a number of sites.					
64	(364) Poles, Towers and Fixtures	for each site separately, but several general statements can be made about potential future liability. Allegations that materials were deposited at a site can be small and often non-hazardous. Although Superfund liability has been interpreted by the courts as joint and several, typically many parties are named for each site.	264,443,940	22,225,811	2,166,659		284,503,092
65	(365) Overhead Conductors and Devices	parties are financially sound enterprises. As of December 31, 2022, management's estimates do not anticipate material clean-up costs for the identified site.	300,863,515	11,040,426	2,063,298		309,840,643
66	(366) Underground Conduit	Challenging the Formula of American Electric Power System Retirement Plan to Cash Balance Formula	8,473,222	1,518,878	9,071		9,683,026
67	(367) Underground Conductors and Devices	An Electric Power System Retirement Plan (the Plan) filed a class action complaint in December 2021 in the U.S. District Court for the Southern District of New York (SDNY) against KPSC and the Plan. When the Plan's benefit formula was changed in the year 2000, AEP provided a special provision for employees hired before January 1, 2001, allowing them to continue benefit accruals under the then benefit formula for a full 10 years alongside of the new cash balance benefit formula.	12,380,723	410,893	37,853		12,753,583
68	(368) Line Transformers	Employees who were hired on or after January 1, 2001 accrued benefits only under the new cash balance benefit formula.	151,393,145	8,298,545	2,080,275		167,611,415
69	(369) Service Equipment	plaintiffs assert a number of claims on behalf of themselves and the purported class, including that: (a) the Plan violates the requirements of the Employee Retirement Income Security Act (ERISA) intended to preclude back-loading the accrual of benefits to the end of a participant's career, (b) the Plan violates the age discrimination prohibitions of ERISA and the Age Discrimination in Employment Act and (c) AEP failed to provide required notice regarding the changes to the Plan. Among other relief, the Complaint seeks reformation of the Plan to provide additional benefits and the recovery of plan benefits for former employees under such reformed plan. The plaintiffs previously had submitted claims for additional plan benefits to AEP, which were denied. On February 15, 2022, AEPSC and the Plan filed a motion to dismiss the complaint without prejudice. The plaintiffs motion for leave to file an amended complaint, which the Court denied on December 1, 2022. The plaintiffs did not file an appeal by the deadline of January 3, 2023.	70,671,893	3,552,202	476,972		73,747,623
70	(370) Meters	prohibitions of ERISA and the Age Discrimination in Employment Act and (c) AEP failed to provide required notice regarding the changes to the Plan. Among other relief, the Complaint seeks reformation of the Plan to provide additional benefits and the recovery of plan benefits for former employees under such reformed plan. The plaintiffs previously had submitted claims for additional plan benefits to AEP, which were denied. On February 15, 2022, AEPSC and the Plan filed a motion to dismiss the complaint without prejudice. The plaintiffs motion for leave to file an amended complaint, which the Court denied on December 1, 2022. The plaintiffs did not file an appeal by the deadline of January 3, 2023.	25,354,737	425,509	389,556		25,990,690
71	(371) Installations of Customer Premises	plaintiffs previously had submitted claims for additional plan benefits to AEP, which were denied. On February 15, 2022, AEPSC and the Plan filed a motion to dismiss the complaint without prejudice. The plaintiffs motion for leave to file an amended complaint, which the Court denied on December 1, 2022. The plaintiffs did not file an appeal by the deadline of January 3, 2023.	19,362,843	1,809,672	2,098,467		19,771,643
72	7. BENEFIT PLANS (372) Leased Property on Customer Premises	For a discussion of investment strategy, investment limitations, target asset allocations and the classification of investments within the fair value hierarchy, see "Fair Value Measurements of Assets and Liabilities" and "Investments Held in Trust for Future Liabilities" sections of Note 1.					
73	(373) Street Lighting and Signal Systems	KPCo participates in an AEP sponsored qualified pension plan and two unfunded non-qualified pension plans. Substantially all of KPCo's employees are covered by the qualified plan or both the qualified and non-qualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for its employees.	4,673,548	406,817	136,728		4,943,637
74	(374) Asset Retirement Costs for Distribution Plant	KPCo recognizes its funded status associated with defined benefit pension and OPEB plans on its balance sheets. Disclosures about the plans are required by the "Component Retirement Benefits" accounting guidance. KPCo recognizes an asset for a plan's overfunded status or a liability for a plan's underfunded status and changes in the funded status of the plan that arise during the year that are not recognized as a component of net periodic benefit cost. KPCo records a regulatory asset instead of other comprehensive income for qualifying benefit costs of regulated operations that for rate-making purposes are deferred for future recovery. The cumulative funded status adjustment is equal to the remaining unrecognized deferrals for unamortized actuarial losses or transition obligations, such that remaining deferred costs result in an AOCI equity reduction or regulatory asset and deferred gains result in a regulatory liability.					
75	TOTAL Distribution Plant	Component Retirement Benefits	1,616,850,323	54,976,028	11,027,077		1,660,799,274
76	REGIONAL TRANSMISSION AND MARKET OPERATION PLANT	Actuarial Assumptions for Benefit Obligations					
77	(380) Land and Land Rights	The weighted average assumptions used in the measurement of benefit obligations are shown in the following table:					
78	(381) Structures and Improvements	Assumptions					
79	(382) Computer Hardware	Discount Rate		5.50 %	2.90 %	5.50 %	2.90 %
80	(383) Computer Software	Interest Crediting Rate		4.25 %	4.00 %	NA	NA
81	(a) (384) Communication Equipment	Rate of Depreciation		5.10 % (a)	4.90 % (a)	NA	NA
82	(385) Miscellaneous Regional Transmission and Market Operation Plant	NA - Not applicable.					
83	(386) Asset Retirement Costs for Regional Periodic Benefit Costs	For 2022, the weighted average assumptions used in the measurement of benefit costs are shown in the following table:					
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)	Assumptions					
85	(387) Central Plant	Discount Rate		2.90 %	5.50 %	2.90 %	2.55 %
86	(388) Land and Land Rights	Interest Crediting Rate		4.00 %	4.00 %	NA	NA
87	(389) Land and Land Rights	Expected Return on Plan Assets		5.25 %	4.75 %	5.50 %	4.75 %
88	(390) Structures and Improvements	Rate of Depreciation	1,729,399	4.90 % (a)	4.90 % (a)	NA	NA
89	(391) Structures and Improvements	NA	27,759,147	232,913	118,398		27,873,662

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88	(391) Office Furniture and Equipment	2,639,387	618,144			(33,891)	3,223,640
89	(392) Transportation Equipment	14,768	20,563,297			74,063	20,652,128
90	(393) Stores Equipment	301,190	7,268	December 31, 2022	4,331		304,127
91	(394) Tools, Shop and Garage Equipment	6,484,964	539,061	7.50 % 4.50 % 2029	21,422	6.25 % 4.50 % 2029	(17)
92	(395) Laboratory Equipment	227,981	6,407		23,978		210,410
93	(396) Power Operated Equipment	5,938	1,663,906			(27,412)	1,642,425
94	(397) Communication Equipment	25,006,276	5,073,260		151,093	(44,273)	30,014,172
95	(398) Miscellaneous Equipment	28,225	130,016		305,030	494,646	2,447,857
96	<b>TOTAL (Enter Total of lines 88 thru 95)</b>	<b>66,287,270</b>	<b>38,834,272</b>		<b>624,252</b>	<b>493,116</b>	<b>105,159,225</b>
97	(399) Other Catastrophic Reinsurance						
98	(400) Asset Retirement Obligations	158,819					158,819
99	<b>TOTAL General Plant (Enter Total of lines 96, 97, and 98)</b>	<b>66,456,089</b>	<b>38,834,272</b>		<b>624,252</b>	<b>493,116</b>	<b>105,159,225</b>
100	<b>TOTAL (Accounts shown in Benefit Obligation Statement as of January 1,</b>	<b>3,133,182,480</b>	<b>158,140,305</b>		<b>25,173,718</b>	<b>184,199</b>	<b>3,266,149,067</b>
101	Service Cost				2,739	3,477	172
102	Interest on Bonds Purchased (See Instr. 8)				4,480	4,840	953
103	Plan Amendments (Less) (102) Electric Plant Sold (See Instr. 8)				(36,034)	(9,831)	(3,106)
104	Benefit Payments				—	—	(216)
105	Participant Contributions				(57,450)	—	(7,548)
106	Medicare Unfunded				(11,079)	(12,720)	(5,156)
107	Participant Contributions				—	—	1,713
108	Medicare Unfunded				—	—	9
109	Benefit Obligation as of December 31, TOTAL Electric Plant in Service (Enter Total of lines 100 through 108)	<b>3,133,182,480</b>	<b>158,140,305</b>		<b>86,855</b>	<b>184,199</b>	<b>36,932</b>
110	Fair Value of Plan Assets as of January 1,				203,932	208,552	77,433
111	Actual Gain (Loss) on Plan Assets				(31,289)	8,095	(13,714)
112	Company Contributions				(78,502)	—	—
113	Participant Contributions				—	5	1
114	Benefit Payments				(11,079)	(12,720)	(5,156)
115	<b>Fair Value of Plan Assets as of December 31,</b>				<b>83,062</b>	<b>203,932</b>	<b>77,433</b>
116	<b>Funded (Underfunded) Status as of December 31,</b>				<b>(3,793)</b>	<b>19,733</b>	<b>40,501</b>
117	<b>Amounts Recognized on the Balance Sheets</b>						
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The following tables show the components of the plans included in Other Regulatory Assets, Accumulated Deferred Income Taxes and AOCI:		This report is:		Date of Report:		Year/Period of Report	
Name of Respondent: Kentucky Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		04/12/2023		December 31, 2022	
Components		2022	2021	2022	2021	(in thousands)	
<b>ELECTRIC PLANT LEASED TO OTHERS (Account 104)</b>							
Net Actuarial (Gain) Loss		\$ 16,983	\$ 22,630	\$ 9,355	\$ (6,622)		
Prior Service Credit				(2,637)	(5,987)		
<b>Line No</b>	<b>Name of Lessee (a)</b>	<b>Description of Property Leased (c)</b>	<b>Commission Authorization (d)</b>	<b>Expiration Date of Lease (e)</b>	<b>Balance at End of Year (f)</b>		
	Recorded as Associated Company (b)						
	Regulatory Assets	\$ 16,986	\$ 21,923	\$ 6,718	\$ (9,687)		
	Deferred Income Taxes	(1)	148	—	(614)		
	Net of Tax AOCI		559		(2,308)		
1							
2							
		<b>Pension Plans</b>		<b>OPEB</b>			
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>		
3		<b>(in thousands)</b>					
	<b>Components</b>						
4	Actuarial (Gain) Loss During the Year	\$ 3,370	\$ (9,345)	\$ 14,492	\$ (7,332)		
5	Amortization of Actuarial Loss	(1,867)	(3,523)	—	—		
6	Prior Service Credit	—	—	—	(216)		
7	Amortization of Prior Service Credit	—	—	2,375	2,499		
8	Transfers - Prior Service Cost	—	—	975	—		
9	Transfers - (Gain)/Loss	(7,148)	—	1,485	—		
10	<b>Change for the Year Ended December 31,</b>	<b>\$ (5,645)</b>	<b>\$ (12,868)</b>	<b>\$ 19,327</b>	<b>\$ (5,049)</b>		
11	<b>Determination of Pension Expense</b>						
12	The determination of pension expense or income is based on a market-related valuation of assets which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return.						
13	<b>Pension and OPEB Assets</b>						
14	The fair value tables within Pension and OPEB Assets present the classification of assets for AEP within the fair value hierarchy. All Level 1, 2, 3 and Other amounts can be allocated to KPSCo using the percentages below:						
15		<b>Pension Plan</b>		<b>OPEB</b>			
		<b>December 31,</b>					
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>		
		2.0 %	3.8 %	2.8 %	3.8 %		
16	The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2022:						
17		<b>Asset Class</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Other</b>	<b>Total</b>
							<b>Year End Allocation</b>
							<b>(in millions)</b>
18	<b>Equities (a):</b>						
19	Domestic	\$ 347.6	\$ —	\$ —	\$ —	\$ 347.6	8.4 %
20	International	398.4	—	—	—	398.4	9.7 %
21	Common Collective Trusts (b)	—	—	—	379.9	379.9	9.2 %
22	<b>Subtotal - Equities</b>	<b>746.0</b>	<b>—</b>	<b>—</b>	<b>379.9</b>	<b>1,125.9</b>	<b>27.3 %</b>
23	<b>Fixed Income (a):</b>						
24	United States Government and Agency Securities	(0.6)	1,071.4	—	—	1,070.8	26.0 %
25	Corporate Debt	—	891.7	—	—	891.7	21.6 %
26	Foreign Debt	—	140.2	—	—	140.2	3.4 %
27	State and Local Government	—	37.0	—	—	37.0	0.9 %
28	Other - Asset Backed	—	0.8	—	—	0.8	— %
29	<b>Subtotal - Fixed Income</b>	<b>(0.6)</b>	<b>2,141.1</b>	<b>—</b>	<b>—</b>	<b>2,140.5</b>	<b>51.9 %</b>
30	<b>Infrastructure (b)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>109.2</b>	<b>109.2</b>	<b>2.6 %</b>
	Real Estate (b)	—	—	—	276.9	276.9	6.7 %
	Alternative Investments (b)	—	—	—	319.7	319.7	7.8 %
	Cash and Cash Equivalents (b)	—	64.9	—	58.3	123.2	3.0 %
	Other - Pending Transactions and Accrued Income (c)	—	—	—	29.3	29.3	0.7 %
	<b>Total</b>	<b>\$ 745.4</b>	<b>\$ 2,206.0</b>	<b>\$ —</b>	<b>\$ 1,173.3</b>	<b>\$ 4,124.7</b>	<b>100.0 %</b>
29	(a) Includes investment securities loaned to borrowers under the securities lending program. See the "Investments Held in Trust for Future Liabilities" section of Note 1 for additional information.						
30							

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(b) Amounts in "Other" column represent investments for which fair value is measured using net asset value per-share.  
(c) Amounts in "Other" column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2022:

32	Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
		(in millions)					
34	Equities:						
	Domestic	\$ 414.1	\$ —	\$ —	\$ —	\$ 414.1	26.7 %
35	International	265.0	—	—	—	265.0	17.1 %
	Common Collective Trusts (a)	—	—	—	169.1	169.1	10.0 %
36	Subtotal - Equities	679.1	—	—	169.1	848.2	54.7 %
37	Fixed Income:						
	Common Collective Trust Debt (a)	—	—	—	120.3	120.3	7.8 %
38	United States Government and Agency Securities	0.1	155.8	—	—	155.9	10.1 %
	Corporate Debt	—	141.5	—	—	141.5	9.1 %
39	Foreign Debt	—	21.0	—	—	21.0	1.4 %
	State and Local Government	62.9	7.8	—	—	70.7	4.6 %
40	Subtotal - Fixed Income	63.0	326.1	—	120.3	509.4	33.0 %
41	Trust Owned Life Insurance:						
	International Equities	—	46.7	—	—	46.7	3.0 %
42	United States Bonds	—	110.3	—	—	110.3	7.1 %
	Subtotal - Trust Owned Life Insurance	—	157.0	—	—	157.0	10.1 %
43	Cash and Cash Equivalents (a)	23.2	—	—	6.7	29.9	1.9 %
44	Other - Pending Transactions and Accrued Income (b)	—	—	—	4.8	4.8	0.3 %
45	Total	\$ 765.3	\$ 483.1	\$ —	\$ 300.9	\$ 1,549.3	100.0 %

(b) Amounts in "Other" column represent investments for which fair value is measured using net asset value per-share.  
(c) Amounts in "Other" column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2021:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities (a):						
Domestic	\$ 388.9	\$ —	\$ —	\$ —	\$ 388.9	7.2 %
International	465.7	—	—	—	465.7	8.7 %
Common Collective Trusts (b)	—	—	—	463.9	463.9	8.7 %
Subtotal - Equities	854.6	—	—	463.9	1,318.5	24.6 %
Fixed Income (a):						
United States Government and Agency Securities	0.1	1,557.6	—	—	1,557.7	29.1 %
Corporate Debt	—	1,295.9	—	—	1,295.9	24.2 %
Foreign Debt	—	259.4	—	—	259.4	4.8 %
State and Local Government	—	57.1	—	—	57.1	1.1 %
Other - Asset Backed	—	1.3	—	—	1.3	— %
Subtotal - Fixed Income	0.1	3,171.3	—	—	3,171.4	59.2 %
Infrastructure (b)	—	—	—	92.1	92.1	1.7 %
Real Estate (b)	—	—	—	232.6	232.6	4.4 %
Alternative Investments (b)	—	—	—	448.8	448.8	8.4 %
Cash and Cash Equivalents (b)	—	64.3	—	53.4	117.7	2.2 %
Other - Pending Transactions and Accrued Income (c)	—	—	—	(28.2)	(28.2)	(0.5) %
Total	\$ 854.7	\$ 3,235.6	\$ —	\$ 1,262.6	\$ 5,352.9	100.0 %

(a) Includes investment securities loaned to borrowers under the securities lending program. See the "Investments Held in Trust for Future Liabilities" section of Note 1 for additional information.

(b) Amounts in "Other" column represent investments for which fair value is measured using net asset value per-share.

(c) Amounts in "Other" column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2021:

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Name of Respondent	Asset Class	This report is:		Level 3 Date of Report (in millions)	Other	Total Year/Period of Report End of: 2022/ Q4	Year End Allocation
		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission				
Kentucky Power Company	Equities:			04/12/2023			
	Domestic	\$ 474.0	\$ —	\$ —	\$ —	\$ 474.0	23.2 %
	International					296.3	14.5 %
	Common Collective Trusts (a)				265.0	265.0	13.0 %
	<b>ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)</b>						
	Subtotal - Equities	770.3	—	—	265.0	1,035.3	50.7 %
	1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.						
	2. Report separately each property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column 2.						
	3. (a) In addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.						
	United States Government Obligations (b)		233.2	—	—	233.2	11.4 %
	Foreign Debt		39.8	—	—	39.8	2.0 %
	State and Local Government		81.0	—	—	105.5	5.1 %
	Trust Owned Life Insurance:		509.0	—	—	509.0	24.6 %
	1 International Equities:		23.4	—	—	23.4	1.1 %
	2 United States Bonds		171.3	—	—	171.3	8.4 %
	3 Trust Owned Life Insurance		194.7	12/31/2023	—	194.7	9.5 %
	Subtotal - Trust Owned Life Insurance		194.7	12/31/2023	—	194.7	9.5 %
	4 Cash and Cash Equivalents (a)		33.0	—	6.7	39.7	1.9 %
	5 Items Under \$250,000		—	—	6.0	6.0	0.3 %
	6 Other - Pending Transactions and Accrued Income (b)		—	—	6.0	6.0	0.3 %
	21 Total Other Property:	\$ 895.2	\$ 703.7	\$ —	\$ 445.4	\$ 2,044.3	100.0 %
	22 (a) Amounts in "Other" column represent investments for which fair value is measured using net asset value per share.						
	23 (b) Amounts in "Other" column primarily represent accrued interest, dividend receivables and transactions pending settlement.						
	24 Accumulated Benefit Obligation						
	25 The accumulated benefit obligation for the pension plans is as follows:						
	26		December 31,				
			2022	2021			
			(in thousands)				
	27 Qualified Pension Plan		\$ 84,724	\$ 177,132			
	28 Nonqualified Pension Plan		89	34			
	29 Total Accumulated Benefit Obligation		\$ 84,773	\$ 177,166			
	30 Obligations in Excess of Fair Values						
	31 The tables below show the underfunded pension plans that had obligations in excess of plan assets.						
	32 Projected Benefit Obligation						
	33		Underfunded Pension Plans				
			December 31,				
			2022	2021			
			(in thousands)				
	34 Projected Benefit Obligation		\$ 86,855	\$ 98,855			
	35 Fair Value of Plan Assets		83,062	—			
	36 Underfunded Projected Benefit Obligation		\$ (3,793)	\$ (98)			
	37 Accumulated Benefit Obligation						
	38		Underfunded Pension Plans				
			December 31,				
			2022	2021			
			(in thousands)				
	39 Accumulated Benefit Obligation		\$ 84,773	\$ 34,000			
	40 Fair Value of Plan Assets		83,062	—			
	41 Underfunded Accumulated Benefit Obligation		\$ (1,711)	\$ (34)			
	42 Estimated Future Benefit Payments and Contributions						
	43 KPCo expects contributions and payments for the Pension and OPEB plans of \$4 thousand and \$53 thousand, respectively, during 2023. The estimated contributions to the pension trust are at least the minimum amount required by the Employee Retirement Income Security Act and additional discretionary contributions may also be made to maintain the funded status of the plan.						
	44 The table below reflects the total benefits expected to be paid from the plan or from KPCo's assets. The payments include the participants' contributions to the plan for their share of the cost. Future benefit payments are dependent on the number of employees retiring, whether the retiring employees elect to receive pension benefits as						



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46				
47	TOTAL			801,671

		Estimated Payments	
		Pension Plans	OPEB
		(in thousands)	
2023	\$	7,342	\$ 3,690
2024		7,781	3,534
2025		7,766	3,708
2026		7,554	3,692
2027		7,874	3,586
Years 2028 to 2032, in Total		36,110	16,525

**Components of Net Periodic Benefit Cost**

The following table provides the components of net periodic benefit cost (credit):

	Pension Plans		OPEB	
	2022	2021	2022	2021
(in thousands)				
Service Cost	\$ 2,739	\$ 3,477	\$ 172	\$ 283
Interest Cost	4,480	4,840	953	1,096
Expected Return on Plan Assets	(8,116)	(8,583)	(3,885)	(3,479)
Amortization of Prior Service Credit	—	—	(2,375)	(2,499)
Amortization of Net Actuarial Loss	1,867	3,523	—	—
<b>Net Periodic Benefit Cost (Credit)</b>	<b>970</b>	<b>3,257</b>	<b>(5,135)</b>	<b>(4,599)</b>
Capitalized Portion	(1,287)	(1,582)	(81)	(129)
<b>Net Periodic Benefit Cost (Credit) Recognized in Expense</b>	<b>\$ (317)</b>	<b>\$ 1,675</b>	<b>\$ (5,216)</b>	<b>\$ (4,728)</b>

**American Electric Power System Retirement Savings Plan**

KPCo participates in an AEP sponsored defined contribution retirement savings plan, the American Electric Power System Retirement Savings Plan, for substantially all employees. This qualified plan offers participants an opportunity to contribute a portion of their pay, includes features under Section 401(k) of the Internal Revenue Code and provides for matching contributions. The matching contributions to the plan are 100% of the first 1% of eligible employee contributions and 70% of the next 5% of contributions. The cost for matching contributions totaled \$2.0 million in 2022 and \$2.3 million in 2021.

**8. DERIVATIVES AND HEDGING**

**OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS**

AEPS is agent for and transacts on behalf of KPCo.

KPCo is exposed to certain market risks as a major power producer and participant in the electricity, natural gas, coal and emission allowance markets. These risks include commodity price risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact KPCo due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

**STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES**

**Risk Management Strategies**

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, KPCo primarily employs risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for "Derivatives and Hedging." Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

KPCo utilizes power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. KPCo utilizes interest rate derivative contracts in order to manage the interest rate exposure associated with its commodity portfolio. For disclosure purposes, such risks are grouped as "Commodity," as these risks are related to energy risk management activities. KPCo may also utilize derivative contracts to manage interest rate risk associated with debt financing. For disclosure purposes, these risks are grouped as "Interest Rate." The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with the established risk management policies as approved by the Finance Committee of the Board of Directors.

The following table represents the gross notional volume of KPCo's outstanding derivative contracts:

Primary Risk Exposure	December 31,		Unit of Measure
	2022	2021	
(in thousands)			
Commodity:			
Power	3,450	6,927	MWhs
Heating Oil and Gasoline	—	305	Gallons

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Cash Flow Hedging Strategies		This report is:		Date of Report:	Year/Period of Report:
Name of Respondent: Kentucky Power Company		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		04/12/2023	End of: 2022/04
KPCo utilizes cash flow hedges on certain derivative contracts (purchase and sale of power/energy commodity) in order to manage its variable price risk related to forecasted purchases and sales. Management monitors potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. KPCo does not hedge all commodity price risk.					
<b>CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)</b>					
KPCo may utilize a variety of interest rate derivative transactions in order to manage interest rate risk exposure. KPCo may also utilize interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. KPCo does not hedge all interest rate exposure.					
1. Report below descriptions and balances at end of year of projects in process of construction (107). 2. Show items relating to "Research, Development, and Demonstration" projects first under a certain Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.					
The accounting guidance for "Derivatives and Hedging" requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including market prices of similar instruments, broker quotes, or other market data. If based on existing market and broker quotes and assumptions, in order to determine the relevant fair values of the derivative (Account 107) to applies valuation adjustments for discounting, liquidity and credit quality.					
Line No.	Description of Project (a)			Construction work in progress - Electric (b)	
1	Ashtand Lynchburg MW Upgrade	to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks associated with underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable prices to differ from actual price curves throughout a contract's term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future market prices are not consistent with management's estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.		4,007,380	
2	Ed Cl Kencana Astrop			3,407,603	
3	Hazard Station Rehab			7,698,112	
4	KPCo - D Work			4,007,380	
5	KPCo - D Bunking Under \$5M			2,291,576	
6	KPCo - D Work 1			4,007,380	
7	KPCo - D Work 2			4,272,287	
8	KPCo T Work 1			December 31, 2022	
9	KPCo T Work 2			3,592,336	
		Risk Management Contracts - Commodity (a)		Gross Amounts Offset in the Statement of Financial Position (b)	
		Balance Sheet Location		Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)	
10	KPCo T Work 3			(in thousands)	
11	Derivative Instrument Assets	\$	8,744	\$	(281)
12	Long-term Derivative Instrument Assets		137		(137)
13	Derivative Instrument Liabilities		281		(281)
14	Long-term Derivative Instrument Liabilities		137		(137)
15	KPCo-D Baseline Work			December 31, 2021	
16	KY D Work			4,248,712	
		Risk Management Contracts - Commodity (a)		Gross Amounts Offset in the Statement of Financial Position (b)	
		Balance Sheet Location		Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)	
17	KY Next Generation Radio Sys			(in thousands)	
18	Derivative Instrument Assets	\$	7,534	\$	(1,548)
19	Long-term Derivative Instrument Assets		46		(46)
20	Derivative Instrument Liabilities		1,304		(1,453)
21	Long-term Derivative Instrument Liabilities		46		(46)
22	KYCo-Distr Pre-Eng Parent			4,263,720	
23	KYCo-Trans Pre-Eng Parent			4,263,720	
24	Leon Morehead 69 kV Rehab			4,413,029	
25	Leslie Station Rehab			2,969,774	
26	ML PCC U0 ELG Compliance - 117	Amount of Gain (Loss) Recognized on Risk Management Contracts		10,010,727	
27	ML PCC U0 Lime Conversion 117			Years Ended December 31,	
28	ML PCC U2 Cooling Twr Cmp 117			2022	
29	ML S U2 Air Ltr Bskt Rplc Lbty			2021	
30	ML Y U2 Cat Layer 4 Rplc Lbty			(in thousands)	
31	Maintenance Expenses		8		(12)
32	Other Regulatory Assets (a)		376		208
33	Other Regulatory Assets (a)		263		116
34	Other Regulatory Assets (a)		(25)		(1,077)
35	Other Regulatory Liabilities (a)		16,998		11,192
36	NGUCS Weddington & Leatherwood Total Gain on Risk Management Contracts	\$	17,620	\$	10,427
37	ROW Capital Widening & Removal			6,539,181	
38	T/KP/Capital Blanket - KYPCo			2,188,783	



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<b>Fair Value Measurements of Long-term Debt</b> Name of Respondent: Kentucky Power Company The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a liquidation period.		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023		Year/Period of Report End of: 2022/ Q4	
<b>ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)</b>							
The book values and fair values of KPSC's Long-term Debt are summarized in the following table: 1. Explain in a footnote any important adjustments during year. 2. Explain in a footnote any difference between the amount for book cost of plant retired, and that reported for electric plant in service, page 204, column (d), excluding retirements of non-depreciable property. 3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to retroactively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications. 4. Show separately interest credits under a sinking fund or similar method of depreciation accounting. For a discussion of fair value accounting and the classification of assets and liabilities within the fair value hierarchy, see the "Fair Value Measurements of Assets and Liabilities" section of Note 1.							
<b>Section A. Balances and Changes During Year</b>							
The following tables set forth, (a) level within the fair value hierarchy of KPSC's financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for "Fair Value Measurements and Disclosures," financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management's valuation techniques.							
1	Balance Beginning of Year	1,134,142,286	1,134,142,286				
<b>Assets and Liabilities Measured at Fair Value on a Recurring Basis</b> December 31, 2022							
2	Depreciation Provisions for Year, Charged to			Level 1	Level 2	Level 3	Other Total
3	Assets: (403) Depreciation Expense	98,662,438	98,662,438	(in thousands)			
4	(403.1) Depreciation Expense - Instrument Assets	58,339	\$ 58,339		137	\$ 8,607	\$ (281) \$ 8,463
5	Liabilities: (13) Exp. of Elec. Plt. Leas. to Others						
6	Risk Management: Transportation Expenses - Clearing		\$ —	\$ 137	\$ 144	\$ (281)	\$ —
<b>Assets and Liabilities Measured at Fair Value on a Recurring Basis</b> December 31, 2021							
7	Other Clearing Accounts			Level 1	Level 2	Level 3	Other Total
8	Assets: Other Accounts (Specify, details in footnote):			(in thousands)			
9	Other Accounts (Specify, details in footnote): Commodity Contracts (a) (b)	(342,564)	\$ (312,561)		1,096	\$ 6,439	\$ (1,549) \$ 5,986
10	Liabilities: TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	98,408,216	98,408,216				
11	Risk Management: Net Charges for Plant Retired:		\$ —	\$ 937	\$ 568	\$ (1,454)	\$ 51
12	(13) Book Cost of Plant Retired	(24,479,329)	(18,496,638)			(5,982,691)	
13	Cash of Removal	(13,033,697)	(12,825,447)			(208,250)	
14	Salvage (Credit)	6,756,738	(6,190,847)				
15	TOTAL Net Chrgs. for Plant Ret. Year Ended December 31, 2022 (Enter Total of lines 12 thru 14)	(30,756,238)	(30,756,238)				Net Risk Management Assets (Liabilities) (in thousands)
16	Balance as of December 31, 2021						5,871
17	Realized Other Debit Cr. Items (Describe, details in footnote):						2,801 (8,672)
17	Changes in Fair Value Allocated to Regulated Jurisdictions (d) Other Debit or Cr. Items (Describe, details in footnote):	(544,236)	(544,236)				8,463
18	Book Cost or Asset Retirement Costs Retired						8,463
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	1,201,250,028	1,201,250,028				

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Section B. Balances at End of Year According to Functional Classification				Net Risk Management		
Year Ended December 31, 2021				Assets (Liabilities)		
20	Steam Production	586,303,746	586,303,746	(in thousands)		
	Balance as of December 31, 2020			\$		3,025
21	Realized Nuclear Production Net Income (or Changes in Net Assets) (a) (b)	289,038,749				1,858
	Settlements					(4,950)
22	Transfers out of Level 1					8
	Changes in Fair Value Allocated to Regulated Jurisdictions (d)					5,930
	Balance as of December 31, 2021			\$		5,871
24	Included in revenues on KPCo's statements of income.					
(b)	Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.					
25	Transfers are recognized based on their value at the beginning of the period that the transfer occurred.	266,086,765				
(d)	Relates to the net gains (losses) of those contracts that are not reflected on KPCo's statements of income. These changes in fair value are recorded as regulatory liabilities for net gains and as regulatory assets for net losses.					
26	Distribution	324,534,110	324,534,110			
	The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions as of December 31, 2022 and 2021:					
27	Regional Transmission and Market Operation	Significant Unobservable Inputs December 31, 2022				
28	General	Fair Value	Valuation	Significant Unobservable Input (a)	Input/Range	
		24,325,407	24,325,407		Low	High
					Weighted Average (b)	
29	TOTAL (Enter Total of lines 20 thru 28)	Technique	Input (a)	Low	High	Average (b)
FTRs	\$ 8,607	\$ 144	Discounted Cash Flow	Forward Market Price	\$ (3.10)	\$ 18.79
						\$ 2.48

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Significant Unobservable Inputs  
December 31, 2021

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		
	Assets	Liabilities			Low	High	Weighted Average (b)
	(in thousands)						
Energy Contracts	\$ —	\$ 51	Discounted Cash Flow	Forward Market Price	\$ 32.20	\$ 56.54	\$ 44.77
FTRs	6,439	517	Discounted Cash Flow	Forward Market Price	(1.44)	22.19	1.74
<b>Total</b>	<b>\$ 6,439</b>	<b>\$ 568</b>					

(a) Represents market prices in dollars per MWh.

(b) The weighted-average is the product of the forward market price of the underlying commodity and volume weighted by term.

The following table provides the measurement uncertainty of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs as of December 31, 2022 and 2021:

Uncertainty of Fair Value Measurements

Significant Unobservable Input	Position	Change in Input	Impact on Fair Value Measurement
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

10. INCOME TAXES

Income Tax Benefit

The details of KPCo's Income Tax Benefit are as follows:

	Years Ended December 31,	
	2022	2021
	(in thousands)	
Charged (Credited) to Operating Expenses, Net:		
Current	\$ 2,349	\$ (1,302)
Deferred	(31,371)	(23,931)
<b>Total</b>	<b>(29,022)</b>	<b>(25,233)</b>
Charged (Credited) to Non-Operating Income, Net:		
Current	(1,583)	(1,668)
Deferred	(423)	(578)
<b>Total</b>	<b>(2,006)</b>	<b>(2,246)</b>
<b>Income Tax Benefit</b>	<b>\$ (31,028)</b>	<b>\$ (27,479)</b>

The following is a reconciliation between the federal income taxes computed by multiplying pretax income by the federal statutory tax rate and the income taxes reported:

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FOOTNOTE DATA	Years Ended December 31,	
	2022	2021
	(in thousands)	
(a) Concept: Other Accounts	\$ 47,552	\$ 50,150
Income Tax Benefit	(31,028)	(27,479)
Big Sandy Ash Pond deferred depreciation expense (ref. Case No. 2012-00578)	\$455,556	
Environmental remediation expense per KPSC Order Case No. 2014-00396	\$(780,572)	\$ 22,671
Asbestos ARO depreciation expense in account 1080013	\$12,455	
Total	\$(312,561)	\$ 3,470
Increase (Decrease) in Income Taxes Resulting from the Following Items:		\$ 4,761
(b) Concept: Cost Of Removal Of Plant	1,475	1,891
Removal Costs	(2,660)	(2,154)
Includes \$403,297 of removal cost in retirement work in progress (RWIP).		
(c) Concept: Salvage Value Of Retired Plant	(594)	(2,871)
State and Local Income Taxes, Net	(32,452)	(31,174)
Includes \$(31,776) of salvage in retirement work in progress (RWIP).		
(d) Concept: Other Adjustments To Accumulated Depreciation	—	3,098
ATDC	(242)	—
ARO Reserve in acct 1080013	\$(544,102)	
Other	13	(78)
Adjustment for Big Sandy U0 retirement	\$(134)	
TOTAL	\$(544,236)	
<b>Income Tax Benefit</b>	<b>\$ (31,028)</b>	<b>\$ (27,479)</b>
<b>FERC FORM No. 1 (REV. 12-05)</b>		
<b>Effective Income Tax Rate</b>	(187.8) %	(121.2) %
Page 219		
(a) Represents the correction of an out of period adjustment related to Deferred Income Taxes and Income Tax Benefit. Management concluded the misstatement and subsequent correction was not material to prior or current period financial statement.		
<b>Net Deferred Tax Liability</b>		
The following table shows elements of KPCo's net deferred tax liability and significant temporary differences:		
	December 31,	
	2022	2021
	(in thousands)	
Deferred Tax Assets	\$ 86,163	\$ 94,062
Deferred Tax Liabilities	(542,380)	(531,214)
<b>Net Deferred Tax Liabilities</b>	<b>\$ (456,217)</b>	<b>\$ (437,152)</b>
Property Related Temporary Differences	\$ (304,463)	\$ (310,721)
Amounts Due to Customers for Future Income Taxes	39,613	51,754
Deferred State Income Taxes	(96,837)	(92,617)
Net Operating Loss Carryforward	11,671	17,475
Regulatory Assets	(109,919)	(101,155)
All Other, Net	3,718	(1,888)
<b>Net Deferred Tax Liabilities</b>	<b>\$ (456,217)</b>	<b>\$ (437,152)</b>
<b>Federal and State Income Tax Audit Status</b>		
The statute of limitations for the IRS to examine KPCo and other AEP subsidiaries originally filed federal return has expired for tax years 2016 and earlier. KPCo has agreed to extend the statute of limitations on the 2017 and 2018 tax returns to December 31, 2023, to allow time for the current IRS audit to be completed including a refund claim approval by the Congressional Joint Committee on Taxation. The statute of limitations for the 2019 return is set to naturally expire in 2023 as well.		
The current IRS audit and associated refund claim evolved from a net operating loss carryback to 2015 that originated in the 2017 return. KPCo and other AEP subsidiaries have received and agreed to two IRS proposed adjustments on the 2017 tax return, which were immaterial. The exam is nearly complete, and KPCo and other AEP subsidiaries are currently working with the IRS to submit the refund claim to the Congressional Joint Committee on Taxation for resolution and final approval.		
KPCo and other AEP subsidiaries file income tax returns in various state and local jurisdictions. These taxing authorities routinely examine the tax returns, and KPCo and other AEP subsidiaries are currently under examination in several state and local jurisdictions. Generally, the statutes of limitations have expired for tax years prior to 2017. In addition, management is monitoring and continues to evaluate the potential impact of federal legislation and corresponding state conformity.		
<b>State Tax Legislation</b>		
In April 2021, West Virginia enacted House Bill (HB) 2026. HB 2026 changes the state income tax apportionment formula from a ratio that includes property, payroll and sales to a single sales factor apportionment regime effective for tax years beginning on or after January 1, 2022. HB 2026 also eliminates the "throw out" rule related to sales of tangible personal property for sales factor apportionment calculation purposes and introduces a market-based sourcing for sales of services and intangible property.		
<b>11. LEASES</b>		
KPCo leases property, plant and equipment including, but not limited to, fleet, information technology and real estate leases. These leases require payments of non-lease components, including related property taxes, operating and maintenance costs. KPCo does not separate non-lease components from associated lease components. Many of these leases have purchase or renewal options. Leases not renewed are often replaced by other leases. Options to renew or purchase a lease are included in the measurement of lease assets and liabilities if it is reasonably certain that KPCo will exercise the option.		

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Lease obligations are measured using the discount rate implicit in the lease when that rate is readily determinable. KPSC has visibility into the rate implicit in the lease when assets are leased from selected financial institutions under master leasing agreements. When the implicit rate is not readily determinable, KPSC measures its lease obligation using its estimated secured incremental borrowing rates. When the implicit rate is not readily determinable, KPSC measures its lease obligation using its estimated secured incremental borrowing rates as a proxy for an underlying risk-free rate. (9)		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023	Year/Period of Report: End of: 2022 Q4			
<p>Operating and Finance lease rental costs are generally allocated to Property, Plant and Equipment. Expenses in connection with rate-making treatment for regulated operations. Lease costs associated with capital projects are included in Utility Plant on the balance sheets. For regulated operations with finance leases, a finance lease asset and offsetting liability are recorded at the present value of the remaining lease payments for each reporting period. Finance leases for nonregulated property are accounted for as operating leases.</p> <p><b>INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)</b></p> <p>Report below investments in Account 123.1. Investments in Subsidiary Companies.</p> <p>2. Provide a subheading for each company and list thereunder the information called for below. Sub-TOTAL by company and give a TOTAL in columns (e), (f), (g) and (h). (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate. (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal. (c) Cost of Investment - Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.</p> <p>3. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.</p> <p>4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>5. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>6. Report column (g) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includable in column (f). (i) Weighted-Average Remaining Lease Term (years): (j) Weighted-Average Discount Rate</p> <p>8. Report on Line 42, column (a) the TOTAL cost of Account 123.1.</p>								
			2022	2021	2022	2021		
Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f) (2022)	Amount of Investment at End of Year (g) (2021)	Gain or Loss from Investment Disposed of (h)
<b>Cash Paid for Amounts Included in the Measurement of Lease Liabilities</b>								
1	Operating Cash Flows Used for Operating Leases					\$ 14,050	\$ 3,089	
2	Operating Cash Flows Used for Finance Leases					63	125	
3	Financing Cash Flows Used for Finance Leases					2,735	920	
3	Non-cash Acquisitions Under Operating Leases					\$ 422	\$ 1,261	
4	The following tables show the property, plant and equipment under finance leases and noncurrent assets under operating leases and related obligations recorded on KPSC's balance sheets. Unless shown as a separate line on the balance sheets due to materiality, non-current operating lease assets are included in Deferred Charges and Other Noncurrent Assets, current finance lease obligations are included in Other Current Liabilities and long-term finance lease obligations are included in Deferred Credits and Other Noncurrent Liabilities on the balance sheets. Lease obligations are not recognized on the balance sheets for lease agreements with a lease term of less than twelve months.							
7						December 31, 2022 2021		
8	<b>Property, Plant and Equipment Under Finance Leases</b>							
9	Utility Plant (a)				\$ 369	\$ 2,855		
10	<b>Obligations Under Finance Leases</b>							
11	Noncurrent				288	2,064		
12	Current				81	791		
12	<b>Total Obligations Under Finance Leases</b>				\$ 369	\$ 2,855		
13	a) Includes \$305 thousand and \$2.6 million of accumulated provision for depreciation and amortization for the years ended December 31, 2022 and 2021, respectively.							
14						December 31, 2022 2021		
15	<b>Property, Plant and Equipment Under Operating Leases</b>							
16	Utility Plant (a)				\$ 535	\$ 10,755		
17	<b>Obligations Under Operating Leases</b>							
18	Noncurrent				450	8,614		
18	Current				128	2,173		
18	<b>Total Obligations Under Operating Leases</b>				\$ 578	\$ 10,787		
19	a) Includes \$146 thousand and \$4.5 million of accumulated provision for depreciation and amortization for the years ended December 31, 2022 and 2021, respectively.							
Future minimum lease payments consisted of the following as of December 31, 2022:								

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20		Future Minimum Lease Payments				Finance Leases	Operating Leases
21	2023					(in thousands)	
22	2024					\$ 95	\$ 54
23	2025					88	36
24	2026					85	81
25	2027					71	64
26	After 2027					54	46
27						18	98
28						411	479
29						42	101
30						\$ 369	\$ 478
31	Lessor Activity						
32	KPCo's lessor activity was immaterial as of and for the twelve months ended December 31, 2022 and December 31, 2021, respectively.						
33	<b>2B FINANCING ACTIVITIES</b>						
34	<b>Long-term Debt</b>						
35	The following table details long-term debt outstanding:						
36			Weighted-Average Interest Rate as of December 31, 2022		Interest Rate Ranges as of December 31, 2022		Outstanding as of December 31, 2022
37	Type of Debt	Maturity	December 31, 2022	2022	2021	2022	2021
38						(in thousands)	
39	Senior Unsecured Notes	2024-2047	4.54%	3.13%-8.13%	3.13%-8.13%	\$ 690,000	\$ 690,000
40	Pollution Control Bonds	2023 (a)	2.35%	2.35%	2.35%	65,000	65,000
41	Other Long-term Debt	2022-2023	5.26%	5.03%-5.55%	0.76%-1.61%	425,000	350,000
42	<b>Total Long-term Debt</b>					<b>\$ 1,180,000</b>	<b>\$ 1,105,000</b>
43	(b) KPCo's Pollution Control Bond is subject to redemption earlier than the maturity date.						
44	As of December 31, 2022, outstanding long-term debt was payable as follows:						
45		2023	2024	2025	2026	2027	After 2027
46							Total
47							(in thousands)
48	Principal Amount	\$ 400,000	\$ 65,000	\$	\$ 200,000	\$ 40,000	\$ 385,000
49	<b>Total Long-term Debt Outstanding</b>						<b>\$ 1,180,000</b>
50	<b>Dividend Restrictions</b>						
51	KPCo pays dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of KPCo to transfer funds to Parent in the form of dividends.						
52	<b>Total Cost of Account</b>						
53	All of the dividends declared by KPCo are subject to a Federal Power Act requirement that prohibits the payment of dividends out of capital accounts in certain circumstances; payment of dividends is generally allowed out of retained earnings.						
54	<b>FERC FORM No. 1 (ED. 12-89)</b>						
55	KPCo has credit agreements that contain a covenant that limit its debt to capitalization to 67.5%. As of December 31, 2022, KPCo did not exceed its debt to capitalization limit. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.						
56	The most restrictive dividend limitation for KPCo is through the Federal Power Act. As of December 31, 2022, the maximum amount of restricted net assets of KPCo that may not be distributed to Parent in the form of a loan, advance or dividend was \$613.2 million.						
57	The Federal Power Act restriction does not limit the ability of KPCo to pay dividends out of retained earnings. The credit agreement covenant restrictions can limit the ability of KPCo to pay dividends out of retained earnings. As of December 31, 2022, the amount of any such restrictions was \$36.5 million.						
58	<b>Corporate Borrowing Program - AEP System</b>						
59	The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP's subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP's utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of the AEP System Utility Money Pool agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of December 31, 2022 and 2021 are included in Notes Payable to Associated Companies on KPCo's balance sheets. KPCo's Utility Money Pool activity and corresponding authorized borrowing limits are described in the following table:						
60	Years Ended December 31,	Maximum Borrowings from the Utility Money Pool	Maximum Loans to the Utility Money Pool	Average Borrowings from the Utility Money Pool	Average Loans to the Utility Money Pool	Borrowings from the Utility Money Pool as of December 31,	Authorized Short-Term Borrowing Limit
61				(in thousands)			
62	2022	\$ 161,643	\$ 28,393	\$ 82,006	\$ 23,343	\$ 94,428	\$ 180,000
63	2021	121,608	43,730	46,522	22,427	47,895	180,000



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Name of Respondent:		Maximum Interest Rate for Funds	(1) <input checked="" type="checkbox"/> Minimum Interest Rate in An Original Submission	Maximum Interest Rate for Funds	Date of Report	Year/Period of Report	Average Interest Rate for Funds
Kentucky Power Company		5.28%		0.10%	04/12/2023	End of 2022/ Q4	2.15%
Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:							
For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.							
Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies, and the various accounts (operating expenses, clearing accounts, plant, etc.) affected, debited or credited. Show separately debit interest expense to stores expense clearing, if applicable.							
Line No.	Account (a)	Balance Beginning of Year (b)	2021	Balance End of Year (c)	Department or Departments which Use Material (d)		
1	Fuel Stock (Account 151)	9,489,812	166	21,071,010	Electric		
2	Fuel Stock Expenses Undistributed (Account 152)	599,696		922,553	Electric		
3	Residuals and Extracted Products (Account 153)						
4	Plant Materials and Operating Supplies (Account 154)						
5	Assigned to Construction (Estimated)	1,002,293		1,630,014	Electric		
6	Assigned to - Operations and Maintenance (Estimated)	992,874		1,084,691	Electric		
7	Production Plant (Estimated)						
8	Transmission Plant (Estimated)	2,428		12,852	Electric		
9	Distribution Plant (Estimated)	427,720		613,861	Electric		
<b>13. RELATED PARTY TRANSACTIONS</b>							
10	Regional Transmission and Market Operation Plant (Estimated)						
11	Assigned to - Other (provide details in footnote)	55,324		23,237	Electric		
12	TOTAL ACCOUNTS ENTERED ON PCA	20,420,653		26,061,672			
13	Merchandise (Account 155)						
14	Other Materials and Supplies (Account 156)						
15	Inventory Materials Held for Sale (Account 157) (Not applic to Gas Util)						
16	Stores Expense Undistributed (Account 158)						
17	The table below shows the revenues derived from auction sales to affiliates, net transmission agreement sales and other revenues as follows:						
18							
19				Years Ended December 31,			
20	TOTAL Materials and Supplies	30,540,164		48,055,235	2022	2021	
Transmission Agreement Sales \$ 17,701 \$ 8,991 Other Revenues 1,550 1,551 Total Affiliated Revenues \$ 19,251 \$ 10,542							

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The table below shows the purchased power expenses incurred for purchases from affiliates as follows: Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023		Year/Period of Report December 31, 2022 / Q4 2021	
Related Party Purchases		FOOTNOTE DATA		(in thousands)			
Direct Purchases from AEGCo (a)				93,137 \$		93,365	
Total Affiliated Purchases				\$ 93,137		\$ 93,365	
(a) Concept: PlantMaterialsAndOperatingSuppliesOther (1) Refer to the "Unit Power Agreements" section below for further information regarding this amount. Assigned to - Other includes customer account, administrative and general expenses.							
PJM Transmission Service Charges (b) Concept: PlantMaterialsAndOperatingSuppliesOther The AEP East Companies are parties to the TA, which defines how transmission costs through PJM OATT are allocated among the AEP East Companies on a 12-month assigned to - Other includes Customer Account, Administrative and General Expenses. FERC FORM NO. 1 (REV. 12-05)							
Page 227							
KPCo's net charges recorded as a result of the TA for the years ended December 31, 2022 and 2021 were \$64.9 million and \$57.1 million, respectively, and were recorded in Operation Expenses on KPCo's statements of income.							
<b>Unit Power Agreements</b>  <i>UPA between AEGCo and I&amp;M</i>  A UPA between AEGCo and I&M (the I&M Power Agreement) provides for the sale by AEGCo to I&M of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. I&M is obligated, whether or not power is available from AEGCo, to pay as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M) net of amounts received by AEGCo from any other sources, sufficient to enable AEGCo to pay all of its operating and other expenses, including a rate of return on the common equity of AEGCo as approved by the FERC. The I&M Power Agreement will continue in effect until the debt obligations of AEGCo secured by the Rockport Plant have been satisfied and discharged (currently expected to be December 2028).  In April 2021, AEGCo and I&M executed an agreement to purchase 100% of the interests in Rockport Plant, Unit 2 effective at the end of the lease term on December 7, 2022. Beginning December 8, 2022, AEGCo and I&M applied the joint plant accounting model to their respective 50% undivided interests in the jointly owned Rockport Plant, Unit 2 as well as any future investments made prior to the current estimated retirement date of December 2028.  Prior to the termination of the lease, I&M assigned 30% of the power to KPCo. See the "UPA between AEGCo and KPCo" section below for additional information. Beginning December 8, 2022, AEGCo billed 100% of its share of the Rockport Plant to I&M and ceased billing to KPCo. KPCo reached an agreement with I&M, from the end of the lease through May 2024, to buy capacity from Rockport Plant, Unit 2 through the PCA at a rate equal to PJM's RPM clearing price.  <i>UPA between AEGCo and KPCo</i>  On December 7, 2022, the UPA between AEGCo and KPCo ended upon the termination of the Rockport Plant, Unit 2 lease. Previously, pursuant to an assignment between I&M and KPCo and a UPA between AEGCo and KPCo, AEGCo sold KPCo 30% of the power (and the energy associated therewith) available to AEGCo from both units of the Rockport Plant. KPCo paid AEGCo in consideration for the right to receive such power, the same amounts which I&M would have paid AEGCo under the terms of the I&M Power Agreement for such entitlement. As a result of the end of the UPA between AEGCo and KPCo, a prorated bill was recorded from AEGCo to KPCo to reflect costs incurred for the first seven days of December 2022.  <b>I&amp;M Barging, Urea Transloading and Other Services</b>  I&M provides barging, urea transloading and other transportation services to affiliates. Urea is a chemical used to control NO <sub>x</sub> emissions at certain generation plants in the AEP System. KPCo recorded expenses of \$2 million and \$3.1 million in 2022 and 2021, respectively, for urea transloading provided by I&M. These expenses were recorded as Operation Expenses. This agreement with KPCo terminated with the transfer of the Mitchell Plant in August 2022.							
<b>Central Machine Shop</b>  APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. APCo defers the cost of performing these services on the balance sheet and then transfers the cost to the affiliate for reimbursement. KPCo recorded its assigned portion of these billings as capital or maintenance expenses depending on the nature of the services received. These billings are recoverable from customers. KPCo's billed amounts were \$1 million and \$973 thousand for the years ended December 31, 2022 and 2021, respectively.							
<b>Sales and Purchases of Property</b>  KPCo had affiliated sales and purchases of electric property individually amounting to \$100 thousand or more, sales and purchases of meters and transformers and sales and purchases of transmission property. There were no gains or losses recorded on the transactions. The table below shows the sales and purchases, recorded at net book value, as follows:							
		Years Ended December 31, 2022      2021					
		(in thousands)					
Sales		\$	1,187	\$	431		
Purchases			631		3,995		
<b>Charitable Contributions to AEP Foundation</b>							

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The American Electric Power Foundation is funded by American Electric Power and its utility operating units. The Foundation provides a permanent, ongoing resource for charitable initiatives and multi-year commitments in the communities served by AEP and initiatives outside of AEP's 11-state service area. In 2022, KPSC made a \$2.8 million charitable contribution to the AEP Foundation for the year ending 12/31/2022. KPSC made a \$2.8 million charitable contribution to the AEP Foundation for the year ending 12/31/2022. In 2022, there were no charitable contributions made to the AEP Foundation.	This report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report: End of: 2022 / Q4
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**Intercompany Billings Allowances (Accounts 158.1 and 158.2)**

KPCo performs certain utility services for other AEP subsidiaries when necessary or practical. The costs of these services are billed on a direct-charge basis, whenever possible. Report below the particulars (details) of the intercompany billings. The billings for services are made at cost and include no compensation for the use of Report. Report all acquisitions of allowances at cost.

14. **REPORT ALLOWANCES RECEIVED** with a weighted average cost allocation method and other accounting as prescribed by General Instruction in the Uniform System of Accounts.
- Depreciate Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j).
- Report on Line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40, rates by functional class. Report on Line 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the sale proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transfers of allowances acquired and identify associated companies (See "associated companies" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22-27 the name of purchasers/transfers of allowances disposed of and identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2021	3.0 %	2.6 %	3.4 %	9.5 %
------	-------	-------	-------	-------

The composite depreciation rate generally includes a component for non-asset retirement obligation (non-ARO) removal costs, which is credited to accumulated depreciation.

**Line 502 Allowances**

Actual removal costs incurred are charged to accumulated depreciation.

The following is a reconciliation of the 2022 and 2021 aggregate carrying amounts of ARO for KPCo:

1	Balance-Beginning of Year	298,260	8,552,442	63,996	65,460	54,080	Revision	1,871,042
---	---------------------------	---------	-----------	--------	--------	--------	----------	-----------

2	Year	January 1,	Expense	Incurred	Settled (a)	Estimates (a)	December 31,
---	------	------------	---------	----------	-------------	---------------	--------------

3	2022	17,697	803	—	(1,162)	1,139	18,477
3	2021	24,565	968	—	(3,227)	(4,609)	17,697

(a) Primary issued (Loss) and asset retirement obligation abatement.

4. **Withheld Allowances**

5. **Returned by EPA**

8. **Purchases/Transfers:**

9	KPCo's Share as of December 31, 2022						
---	--------------------------------------	--	--	--	--	--	--

10	Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,052,996	\$ 23,23	\$ 518,178
----	--	------	--------	--------------	----------	------------

11	KPCo's Share as of December 31, 2021					
11	Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,049,834	\$ 12,040	\$ 493,124

(a) In September 2022, pursuant to resolutions under the existing Mitchell Plant agreement, WPCo replaced KPCo as the operator of Mitchell Plant. See Note 1 - Organization and Summary of Significant Accounting Policies for additional information.

**13. REVENUE FROM CONTRACTS WITH CUSTOMERS**

14. **Disaggregated Revenues from Contracts with Customers**

15. **Total** represents KPCo's revenues from contracts with customers, net of respective provisions for refund, by type of revenue:

16							
17	Relinquished During Year:						
18	Charges to Account 509	2,690	53,461				2,690
19	Other:						

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20	Allowances Used	Years Ended December 31,							
		2022	2021						
20.1	Allowances Used								
	<b>Retail Revenues:</b>								
21	Cost of Sales/Transfers					\$	317,814	\$	282,900
	Residential Revenues						197,505		160,183
	Commercial Revenues						185,174		142,317
	Industrial Revenues						2,193		2,029
22	Consent Decree Surrender						702,686		587,329
	<b>Wholesale Revenues:</b>								
23	Generation Revenues						59,641		43,070
24	Transmission Revenues (a)						35,522		22,052
	<b>Total Wholesale Revenues</b>						95,163		65,122
25	Other Revenues from Contracts with Customers (b)						10,483		8,277
26	<b>Total Revenues from Contracts with Customers</b>						808,332		660,728
27	<b>Other Revenues:</b>								
	Alternative Revenue Programs (c)						(6,216)		(1,180)
28	<b>Total Other Revenues</b>						8		—
	<b>Total Other Revenues</b>						(6,208)		(1,180)
29	Balance-End of Year Total Revenues	296,964	8,498,981	63,996		65,460	802,124	54,080	659,548
30									
31	Sales:								
	(a) Amounts included affiliated and nonaffiliated revenues. The affiliated revenues were \$19 million and \$9 million for years ended December 31, 2022 and 2021, respectively.								
	(b) Amounts included affiliated and nonaffiliated revenues.								
32	Net Sales Proceeds (Assoc. Co.)								
	(c) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.								
33	Performance Obligations Net Sales Proceeds (Other)								
34	Gains								
35	Losses								
36	Balance-End of Year Retail Revenues	362		362		362		362	24,244
37	Add: Withheld by KPCo								723
38	Deduct: Returned by Rate-regulated retail customers								723
39	Cost of Sales								361
40	Balance-End of Year Wholesale Sales			362		362		362	24,606
41	Net Sales Proceeds (Assoc. Co.)								
42	Net Sales Proceeds								
43	Net Sales Proceeds								
44	Net Sales Proceeds								
45	Gains								
46	Losses - Transmission								

KPCo has performance obligations to generate, transmit and distribute electricity for sale to rate-regulated retail customers. The performance obligation to deliver electricity is satisfied over time as the customer simultaneously receives and consumes the benefits provided. Revenues are variable as they are subject to the customer's usage requirements.

Rate-regulated retail customers typically have the right to discontinue receiving service at will, therefore these contracts between KPCo and their customers for rate-regulated services are generally limited to the services requested and received to date for such arrangements. Retail customers are generally billed on a monthly basis, and payment is made within 15 to 20 days after the issuance of the invoice.

KPCo also has performance obligations to stand ready in order to promote grid reliability. Stand ready services are sold into PJM's Reliability Pricing Model (RPM) capacity market through a base auction and at least three incremental auctions for a specific PJM delivery year, with the incremental auctions spanning three years. The performance obligation to stand ready is satisfied over time and the consideration for which is variable until the occurrence of the final incremental auction, at which point the performance obligation becomes fixed.

Payments from the RTO for stand ready services are typically received within one week from the issuance of the invoice, which is typically issued weekly. Gross margin resulting from generation sales are primarily subject to margin sharing agreements with customers, where the revenues are reflected gross in the disaggregated revenues table above.

KPCo has performance obligations to transmit electricity to wholesale customers through assets owned and operated by KPCo and other AEP subsidiaries. The performance obligation to provide transmission services in PJM is partially fixed for one year or less. Payments from the RTO for transmission services are typically received within one week from the issuance of the invoice, which is issued weekly for PJM.

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KPCo collects revenues through transmission formula rates. The FERC-approved rates establish the annual transmission revenue requirement (ATRR) and transmission service rates for transmission owners. The formula rates establish rates for a one year period and also include a true-up calculation for the prior year's billings, allowing for over and under recovery of the transmission owner's (ATRR) true-ups meet the definition of "Regulated Operations," and are therefore presented as such in the disaggregated revenues table above.									
Name of Respondent: <b>Kentucky Power Company</b> This report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission Date of Report: <b>04/12/2023</b> End of: <b>2022/ Q4</b>									
<b>Allowances (Accounts 158.1 and 158.2)</b>									
The AEP East Companies are parties to the TA, which defines how transmission costs are allocated among the AEP East Companies on a 12-month average coincident peak basis. AEPTCo is a load serving entity within PJM providing transmission services to affiliates in accordance with the OATT and TA. Affiliate revenues as a result of the Report below the particulars (details) called for concerning allowances.									
2. Report all acquisitions of allowances at cost. 3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts. 4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(f), starting with the following year, and allowances for the remaining succeeding years in columns (g)-(i). 5. Report on Line 4 the net sales proceeds from the sale of allowances. Report on Line 5 the net sales proceeds from the sale of allowances. Report on Lines 36-40 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.									
6. Report on Line 5 allowances returned by the EPA. Report on the 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.									
7. Report on Lines 8-14 the names of vendors/transferees of allowances acquired and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts). 8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of and identify associated companies. 9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers. 10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.									
<b>Contract Assets and Liabilities</b>									
Contract assets are recognized when KPCo has a right to consideration that is conditional upon the occurrence of an event other than the passage of time, such as future performance under a contract. KPCo did not have material contract assets as of December 31, 2022 and 2021, respectively.									
When KPCo's performance obligation is such consideration is unconditionally due from a customer prior to transferring goods or services to the customer under the terms of the contract. KPCo's performance obligation is the remaining performance obligation of the contract. KPCo's contract liabilities are typically advance payments of services provided primarily with respect to joint use agreements for utility poles. KPCo did not have material contract liabilities as of December 31, 2022 and 2021, respectively.									
1. Balance-Beginning Accounts Receivable from Contracts with Customers: 46,371 (Current Year), 6,735 (Year One), 7,198 (Year Two), 60,304 (Future Years Totals)									
2. Accounts receivable from contracts with customers are presented on KPCo's balance sheets in Customer Accounts Receivable. KPCo's balances for receivables from contracts that are not recognized in accordance with the accounting guidance for "Revenue from Contracts with Customers" included in Customer Accounts Receivable were not acquired during the year ended December 31, 2022 and 2021, respectively. See "Securitized Accounts Receivable - AEP Credit" section of Note 12 for additional information. The amount of affiliated accounts receivable from contracts with customers included in Accounts Receivable from Associated Companies on KPCo's balance sheets were \$9.1 million and \$9.1 million, respectively, as of December 31, 2022 and December 31, 2021.									
4. Contract Costs (Issued (Less Withheld Allow)) 850 (Current Year), 850 (Future Years Totals)									
5. Contract Costs Returned by EPA fill contract are accounted for under the guidance for "Other Assets and Deferred Costs" and presented as a single asset and neither bifurcated nor reclassified between current assets and deferred debits on KPCo's balance sheets. Contract costs to acquire a contract are amortized in a manner consistent with the transfer of goods or services to the customer in Operation Expenses on KPCo's statements of income. KPCo did not have material contract costs as of December 31, 2022 and 2021, respectively.									
7.									
8. Purchases/Transfers:									
9.									
10.									
11.									
12.									
13.									
14.									
15. Total									
16.									
17. Relinquished During Year:									
18. Charges to Account 509: 1,561 (Current Year), 1,561 (Future Years Totals)									

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19	Other:													
20	Allowances Used													
20.1	Allowances Used													
21	Cost of Sales/Transfers:													
22	Wolverine Power Supply Cooperative, Inc.													
23														
24														
25														
26														
27														
28	Total													
29	Balance-End of Year	45,660		6,735		7,198							59,593	
30														
31	Sales:													
32	Net Sales Proceeds (Assoc. Co.)													
33	Net Sales Proceeds (Other)													
34	Gains													
35	Losses													
	Allowances Withheld (Acct 158.2)													
36	Balance-Beginning of Year													
37	Add: Withheld by EPA													
38	Deduct: Returned by EPA													
39	Cost of Sales													
40	Balance-End of Year													
41														
42	Sales													
43	Net Sales Proceeds (Assoc. Co.)													
44	Net Sales Proceeds (Other)													
45	Gains													
46	Losses													

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Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4	
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)						
Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
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20	TOTAL								
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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)						
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21						
22						
23						
24						
25						
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29						
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49	TOTAL						
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FERC FORM No. 1 (ED. 12-88)

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<b>Transmission Service and Generation Interconnection Study Costs</b>					
1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies. 2. List each study separately. 3. In column (a) provide the name of the study. 4. In column (b) report the cost incurred to perform the study at the end of period. 5. In column (c) report the account charged with the cost of the study. 6. In column (d) report the amounts received for reimbursement of the study costs at end of period. 7. In column (e) report the account credited with the reimbursement received for performing the study.					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	<b>Transmission Studies</b>				
2	AF1-130	6,039	186	7,261	186
3	AF1-162	2,426	186	2,541	186
4	AG1-066	(188)	186		
5	AG2-184	37	186	74	186
6	AG2-567	52	186	104	186
7	AG2-678	53	186	106	186
8	AG2-679	75	186	149	186
9	AG2-681	66	186	132	186
10	AG2-682	64	186	128	186
11	AG2-685	76	186	150	186
12	PJM - #AF2-018	(591)	186		
20	Total				
21	<b>Generation Studies</b>				
22	None				
39	Total				
40	Grand Total				

FERC FORM No. 1 (NEW. 03-07)

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<b>OTHER REGULATORY ASSETS (Account 182.3)</b>						
<p>1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.  2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.  3. For Regulatory Assets being amortized, show period of amortization.</p>						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Deferred Storm Expenses - Kentucky PSC Case No. 2017-00179 - Amortz period: January 2018 - December 2023	2,166,553		593	2,066,559	99,994
2	KY Deferred Interest on 7.32% Note Case No. 2020-00174	487,582		427	487,582	
3	SFAS 109 Deferred FIT	38,753,917	17,621,958	282/283	14,236,101	42,139,774
4	Unrecovered Fuel Cost	8,216,170	50,196,421	501	35,171,129	23,241,462
5	SFAS 109 Deferred SIT	90,029,737	10,756,715	282/283	6,083,995	94,702,457
6	KY Steam Maint O/U	472,239		512	232,064	240,175
7	Post In-Service AFUDC Hanging Rock/Jefferson 765 KV Line Amortz period: Dec 1984 - Nov 2032	364,968		182/406	33,408	331,560
8	PJM Greenhat Default Deferral	205,840		561	101,153	104,687
9	Depreciation Expense - Hanging Rock/Jefferson 765 KV Line Amortz period: Dec 1984 - Nov 2032	56,857		182/406	5,208	51,649
10	Unrecovered Plant - Big Sandy Kentucky PSC Case No. 2014-00396	256,509,062				256,509,062
11	IGCC Pre-Construction Costs Kentucky PSC Case No. 2014-00396	985,128		506	53,250	931,878
12	CCS FEED Study Costs Kentucky PSC Case No. 2014-00396	645,916		506	34,914	611,002
13	SFAS 112 Post Employment Benefit	3,409,554	1,092,139	228	85,867	4,415,826
14	Spent AROs - Big Sandy Coal Kentucky PSC Case No. 2014-00396	109,576,758	433,087			110,009,845
15	SFAS 158 Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans	12,236,398	35,321,452	165/182/228	23,854,227	23,703,623

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16	Big Sandy Recovery Over/Under Kentucky PSC Case No. 2014-00396	(38,377,806)		407	14,575,979	(52,953,785)
17	Big Sandy Retirement Rider Unit 2 O&M Kentucky PSC Case No. 2014-00396	928,225	3,203			931,428
18	Unrealized Loss on Forward Commitments		455,054	175/182/244/456	538,933	(83,879)
19	Deferred Depreciation - Environmental Kentucky PSC Case No. 2014-00396	5,919,771	5,748,897	403	6,529,469	5,139,199
20	Netting of Trading Activities related to Unrealized Gains/Losses on Forward Commitments between Regulated Assets/Liabilities		272,144	254	188,265	83,879
21	BS1OR Under Recovery Kentucky PSC Case No. 2014-00396	722,291	702,350	182/407	1,063,495	361,146
22	NERC Compliance and Cybersecurity Costs Kentucky PSC Case No. 2014-00396	1,224,091	920,696	182/404/431	205,443	1,939,344
23	Capacity Charge Tariff Kentucky PSC Case No. 2014-00396, TFS 2016-00430	406,426	197,233	254/440/442/444	603,659	
24	SFAS 106 Medicare Subsidy Amortz period: Jan 2013 - Dec 2024	649,859		926	216,620	433,239
25	Rate Cases Expenses	228,431	2,332	928	112,254	118,509
26	OSS Margin Sharing Kentucky PSC Case No. 2017-00179	372,015	1,790,311	440/442/444/561	2,162,326	
27	Under-Recovery of PJM True-Up Amortz period: Jan 2022-Dec 2022	330,235		456/447	330,235	
28	Rockport Capacity Deferral Kentucky PSC Case No. 2017-00179	47,527,845	7,358,399	182/431	1,916,551	52,969,693
29	PJM RTEP Costs Deferral					
30	Cost of Removal-Big Sandy Coal Kentucky PSC Case No. 2014-00396	(24,901,951)	66,184	108	217,085	(25,052,852)
31	KY Under-recovered PPA Rider	28,727,095	13,859,963	566	4,423,488	38,163,570
32	2020 KY Storm Deferral	56,505,847				56,505,847
33	NBV - AROs Retired Plants Kentucky PSC Case No. 2014-00396	4,720,791	1,007,870	182	433,087	5,295,574
34	2022 PJM Transmission True-up		13,564			13,564
35	PJM 2020 Transmission Deferral Amortization period: Jan 2022-Dec 2022	973,425		565	973,425	
36	M&S - Retiring Plants Kentucky PSC Case No. 2014-00396	3,015,785				3,015,785
37			1,073,198			1,073,198

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	2021 PJM Transmission True-up					
38	KY ELG Deferral		1,446,998	107/506	482,333	964,665
39	2022 KY Major Storm Deferral		18,106,036	560/566/570/592	182,206	17,923,830
44	TOTAL	613,089,054	168,446,204		117,600,310	663,934,948

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<b>MISCELLANEOUS DEFERRED DEBITS (Account 186)</b>						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a) 3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.						
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Credits Account Charged (d)	Credits Amount (e)	
1	Deferred Property Tax	20,777,988	22,406,269	107/408	19,511,749	23,672,508
2	Agency Fees - Factored A/R	1,042,779	1,371,292	142/184	2,414,070	
3	Unamortized Credit Line Fees	353,209	78,982	431	134,502	297,689
4	Amortized thru March 2027					
5	Deferred Lease Assets	86,775	246,210	107/143/184	332,985	
6	Estimated Barging Bills					
7	Miscellaneous Items	(6,978)				(6,978)
8	Allowance	7,146	10,050	253/411/232	17,196	
9	Trnsrce OU Acctg for Def Asset	53,858	61,401	565	85,798	29,461
10	2021 PJM Transmission True-up		1,272,009			1,272,009
11	2022 PJM Transmission True-up		71,168			71,168
47	Miscellaneous Work in Progress	478,103				230,738
48	Deferred Regulatroy Comm. Expenses (See pages 350 - 351)					
49	TOTAL	22,792,880				25,566,595

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<b>ACCUMULATED DEFERRED INCOME TAXES (Account 190)</b>				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.				
Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)	
1	Electric			
2	Provision Revenue Refunds	(28,026)	291,903	
3	Accrued BK ARO Cost	3,716,369	3,880,122	
4	Int Exp Capd for Tax	5,756,007	6,664,287	
5	Accrued Book Pension	(8,489,702)	(2,659,439)	
6	NOL State Deferred Tax Asset	13,098,501	14,789,648	
7	Other	9,189,875	2,731,394	
8	TOTAL Electric (Enter Total of lines 2 thru 7)	23,243,024	25,697,915	
9	Gas			
15	Other			
16	TOTAL Gas (Enter Total of lines 10 thru 15)			
17.1	Other (Specify)	70,819,425	60,465,500	
17	Other (Specify)			
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	94,062,449	86,163,415	
<b>Notes</b>				



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FOOTNOTE DATA			

<a href="#">(a)</a> Concept: AccumulatedDeferredIncomeTaxes		
Line 17 Other - Detail	Balance at Beginning of Year	Balance at End of Year
Acc Def Income Taxes - Federal - Hdg-CF-Int Rate	-	-
Non Utility Items - 190.2	628,222	968,606
SFAS 109-Regulatory Assets - 190.3, 190.4 & 190.6	70,656,351	59,496,894
SFAS 133	-	-
Accu Def Income Taxes Pension-OCI	(465,148)	-
Total	\$ 70,819,425	60,465,500
Line 18		
Reconciliation of details applicable to Account 190, Line 18, Columns (b) and (c) :		
Balance at Beginning of Year		94,062,449
(Less) Amounts Debited to:		
(a) Account 410.1		(17,985,113)
(b) Account 410.2		(1,376,225)
(c) 1823/254/219/129/427		(21,029,635)
(Plus) Amounts Credited to:		
(a) Account 411.1		20,483,349
(b) Account 411.2		1,673,266
(c) 1823/254/219/129/427		10,335,326
Balance at End of Year		86,163,417

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**CAPITAL STOCKS (Account 201 and 204)**

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of an general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outline in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Shares (e)	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held in Sink and Other Funds Amount (j)
1	Common Stock (Account 201)									
2		2,000,000	50.00		1,009,000	50,450,000				
6	Total	2,000,000			1,009,000	50,450,000				
7	Preferred Stock (Account 204)									
8										
9										
10										
11	Total					0				
1	Capital Stock (Accounts 201 and 204) - Data Conversion									
2										
3										
4										
5	Total									

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<b>Other Paid-in Capital</b>				
<p>1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.  Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.  Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.  Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.</p>				
Line No.	Item (a)	Amount (b)		
1	<b>Donations Received from Stockholders (Account 208)</b>			
2	Beginning Balance Amount	523,324,094		
3.1	Increases (Decreases) from Sales of Donations Received from Stockholders			
4	Ending Balance Amount	523,324,094		
5	<b>Reduction in Par or Stated Value of Capital Stock (Account 209)</b>			
6	Beginning Balance Amount			
7.1	Increases (Decreases) Due to Reductions in Par or Stated Value of Capital Stock			
8	Ending Balance Amount			
9	<b>Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210)</b>			
10	Beginning Balance Amount			
11.1	Increases (Decreases) from Gain or Resale or Cancellation of Reacquired Capital Stock			
12	Ending Balance Amount			
13	<b>Miscellaneous Paid-In Capital (Account 211)</b>			
14	Beginning Balance Amount	2,811,185		
15.1	Increases (Decreases) Due to Miscellaneous Paid-In Capital	151,683		
16	Ending Balance Amount	2,962,868		
17	<b>Historical Data - Other Paid in Capital</b>			
18	Beginning Balance Amount			
19.1	Increases (Decreases) in Other Paid-In Capital			
20	Ending Balance Amount			
40	Total	526,286,962		

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<b>CAPITAL STOCK EXPENSE (Account 214)</b>				
1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock. 2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.				
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)		
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22	TOTAL			0

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**LONG-TERM DEBT (Account 221, 222, 223 and 224)**

- Report by Balance Sheet Account the details concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, and Long-Term Debt.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds, and in column (b) include the related account number.
- For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand note companies from which advances were received, and in column (b) include the related account number.
- For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued, and in column (b) include the related account number.
- In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term debt during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
- If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and date.
- If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities.
- If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (m) between the total of column (m) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
- Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Related Account Number (b)	Principal Amount of Debt Issued (c)	Total Expense, Premium or Discount (d)	Total Expense (e)	Total Premium (f)	Total Discount (g)	Nominal Date of Issue (h)	Date of Maturity (i)	AMORTIZ/ PERIOD From (j)
1	Bonds (Account 221)									
2										
3										
4										
5	Subtotal									
6	Reacquired Bonds (Account 222)									
7										
8										
9										
10	Subtotal									
11	Advances from Associated Companies (Account 223)									
12										
13										
14										
15	Subtotal									
16	Other Long Term Debt (Account 224)									

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17	Senior Unsecured Notes - 5.625%, Series D		75,000,000					06/13/2003	12/01/2032	06/13/21
18	Senior Unsecured Notes - 8.030%, State Commission Authority Case # 2008-00442		30,000,000					06/18/2009	06/18/2029	06/18/21
19	Senior Unsecured Notes - 8.130%, State Commission Authority Case # 2008-00442		60,000,000					06/18/2009	06/18/2039	06/18/21
20	Senior Unsecured Notes - 4.180%, Series A State Commission Authority Case# 2014-00210		120,000,000					09/30/2014	09/30/2026	09/30/21
21	Senior Unsecured Notes - 4.33%, Series B State Commission Authority Case# 2014-00210		80,000,000					12/30/2014	12/30/2026	12/30/21
22	West Virginia Economic Development Authority Mitchell Project Series 2014A State Commission Authority Case# 2013-00410		65,000,000					06/26/2014	04/01/2036	06/26/21
23	Local Bank Term Loan, State Commission Authority Case# 2014-00210		75,000,000					11/05/2014	10/26/2022	11/05/21
24			150,000,000					07/22/2022	12/31/2023	07/22/21

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	Local Bank Term Loan State Commission Authority: 2021-00131 (1st 75 million) State Commission Authority: 2022-00205 (2nd 75 million)									
25	Senior Unsecured Notes - 3.13%, Series F		65,000,000					09/12/2017	09/12/2024	09/12/2024
26	Senior Unsecured Notes - 3.35%, Series G		40,000,000					09/12/2017	09/12/2027	09/12/2027
27	Senior Unsecured Notes - 3.45%, Series H		165,000,000					09/12/2017	09/12/2029	09/12/2029
28	Senior Unsecured Notes - 4.12%, Series I		55,000,000					09/12/2017	09/12/2047	09/12/2047
29	Local Bank Term Loan, State Commission Authority Case# 2019-00072, Maturity Extended to 12/31/2023		125,000,000					03/06/2020	12/31/2023	03/06/2023
30	Term Loan - KY State Commission Authority: Case No. 2021-00131		150,000,000					06/17/2021	06/17/2023	06/17/2023
31	Subtotal		1,255,000,000							
33	TOTAL		1,255,000,000							

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FOOTNOTE DATA			

<p><a href="#">(a)</a> Concept: ClassAndSeriesOfObligationCouponRateDescription</p>
<p>The \$75 million multiple draw term loan was issued on November 5, 2014. The interest rate is variable and the maturity date is November 5, 2018. Note was reissued October 26, 2018 with a new maturity date of 10/26/2022 and called off on 08/17/2022 before maturity date</p>
<p><a href="#">(b)</a> Concept: ClassAndSeriesOfObligationCouponRateDescription</p>
<p>Issuance: West Virginia Economic Development Authority, Mitchell Project Series 2014A          Principal Amount: \$65,000,000          Date of Issuance: 06/26/2014          Date of Maturity: 04/01/2036          Puttable Date: Bonds were subject to mandatory tender for purchase on 06/26/2017. Issuance expense of 675,501 was fully amortized as of 06/19/2017.</p>
<p>These bonds were re-marketed 06/19/2017:          Issuance: West Virginia Economic Development Authority, Mitchell Project Series 2014A          Principal Amount: \$65,000,000          Date of Issuance: 06/19/2017          Date of Maturity: 04/01/2036          Puttable Date: Bonds are subject to mandatory tender for purchase on 6/19/2020. Issuance expense of 146,250 to be amortized through 06/19/2020.</p>
<p>Issuance: West Virginia Economic Development Authority, Mitchell Project Series 2014A          Principal Amount: \$65,000,000          Date of Issuance: 06/19/2020          Date of Maturity: 04/01/2036          Puttable Date: Bonds are subject to mandatory tender for purchase on 6/19/2023. Issuance expense of 330,220 to be amortized through 06/19/2023.</p>
<p><a href="#">(c)</a> Concept: ClassAndSeriesOfObligationCouponRateDescription</p>
<p>The \$75 million multiple draw term loan was issued on November 5, 2014. The interest rate is variable and the maturity date is November 5, 2018. Note was reissued October 26, 2018 with a new maturity date of 10/26/2022 and called off on 08/17/2022 before maturity date</p>
<p><a href="#">(d)</a> Concept: ClassAndSeriesOfObligationCouponRateDescription</p>
<p>The \$125 million multiple draw term loan was issued on March 6, 2020. The interest rate is variable and the maturity date is extended from March 6, 2022 to September 6 2022 and then from September 6 2022 extended up to December 31, 2023</p>
<p><a href="#">(e)</a> Concept: ClassAndSeriesOfObligationCouponRateDescription</p>
<p>The \$150 million multiple draw term loan was issued on June 17, 2021. The interest rate is variable and the maturity date is June 17, 2023.</p>

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<b>RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES</b>				
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p> <p>3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.</p>				
Line No.	Particulars (Details) (a)	Amount (b)		
1	Net Income for the Year (Page 117)	47,552,177		
2	Reconciling Items for the Year			
3				
4	Taxable Income Not Reported on Books			
5				
6				
7				
8				
9	Deductions Recorded on Books Not Deducted for Return			
10				
11				
12				
13				
14	Income Recorded on Books Not Included in Return			
15				
16				
17				
18				
19	Deductions on Return Not Charged Against Book Income			
20				
21				
22				
23				
24				
25				

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26		
27	Federal Tax Net Income	16,433,499
28	Show Computation of Tax:	
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		

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FOOTNOTE DATA			

(a) Concept: FederalTaxNetIncome

FOOTNOTE DATA	
<i>Schedule Page: 261 Line No.: 28 Column: b</i>	
	in \$ 000's
Net Income for the Year per Page 117	47,552
Federal Income Taxes	(30,274)
State Income Taxes	(755)
	—
Pre-Tax Book Income <sup>1</sup>	16,523
Excess Tax vs Book Depreciation	35,141
AFUDC and Other Capitalization Differences	16
Book Unit of Property Adjustment	(27,631)
Removal Cost	(12,515)
Pollution Control Equipment	7,784
Property Tax	—
Provision for Revenue Refunds	1259
Deferred Fuel	(15,025)
Self Insurance / Worker's Comp	-1327
Accrued Book Pension Expense	27,830
Deferred Storm Damage	2,067
Misc Book Accruals, Reserves & Deferrals	(22,150)
Non Deduct expenses	206
Total Tax Accruals	6
Capitalized Software	4,197
Reg-Asset unrecovered plant	—
Mark-to-Market	—
Emission Allowances	54
Others	—

FOOTNOTE DATA

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Taxable Income before State Taxes	16,434
Deductions for Fed/Other States	432
	16,002
State & Local Current Tax	—
Federal Taxable Income	16,002
FIT on Current Year Taxable Income (21%)	3,360
NOL Reclass	2,549
Tax Credit CFWD	210
ALT Min Tax	
ETR Adjustment	
R&D Credit - Current	31
Estimated Tax Currently Payable (b)	2,790
Current Tax (a) - (b)	570
Adjustments of Prior Year's Accruals	(497)
Tax Expense for R/C of Net Operating Loss (Prior Yr)	
Estimated Current Federal Income Taxes	73

Foot Notes:

(a) Represents the allocation of the estimated current year net operating tax loss of American Electric Power Company, Inc.  
 (b) The Company joins in the filing of a consolidated Federal income tax return with its affiliated companies in the AEP system. The allocation of the AEP System's consolidated Federal income tax to the System companies allocates the benefit of current tax losses to the System companies giving rise to them in determining their current tax expense. The tax loss of the System parent company, American Electric Power Company, Inc., is allocated to its subsidiaries with taxable income. With the exception of the loss of the parent company, the method of allocation approximates a separate return result for each company in the consolidating group.  
 INSTRUCTION 2.

\* The tax computation above represents an estimate of the Company's allocated portion of the System consolidated Federal income tax. The computation of actual 2021 System. Federal income taxes will not be available until the consolidated Federal income tax return is completed and filed by October 2022. The actual allocation of the System consolidated Federal income tax to the members of the consolidated group will not be available until after the consolidated federal income tax return is filed

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**TAXES ACCRUED, PREPAID AND CHARGES DURING YEAR**

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are not estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amount affected by the inclusion of these taxes.
3. Include in column (g) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.
5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year.
6. Enter all adjustments of the accrued and prepaid tax accounts in column (i) and explain each adjustment in a foot-note. Designate debit and credit.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending.
8. Report in columns (l) through (o) how the taxes were distributed. Report in column (o) only the amounts charged to Accounts 408.1 and 409.1 charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also show sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	State (c)	Tax Year (d)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)	BALANCE AT YEAR
					Taxes Accrued (Account 236) (e)	Prepaid Taxes (Include in Account 165) (f)				Taxes Accrued (Account 236) (j)
40	TOTAL				44,350,258.00	899,256.00	38,644,481.00	43,505,099.00	(93.00)	39,507,718

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**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)	Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION (j)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)				
1	Electric Utility									
2	3%									
3	4%									
4	7%									
5	10%		411.1		411.4					
8	TOTAL Electric (Enter Total of lines 2 thru 7)									
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)									
10										
47	OTHER TOTAL									
48	GRAND TOTAL							0		

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<b>OTHER DEFERRED CREDITS (Account 253)</b>						
1. Report below the particulars (details) called for concerning other deferred credits. 2. For any deferred credit being amortized, show the period of amortization. 3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.						
Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	TV Pole Attachments	147,516	142/186/143/454	876,660	880,107	150,963
2	Customer Advance Receipts	1,833,564	142/232	1,833,564	1,988,189	1,988,189
3	Deferred Gain: Fiber Optic Agrmts-In Kind SvcAmortize through June 2026	72,379	124	18,045		54,334
4	ABD - Deferred Revenues	104,509	456	104,509		
5	Deferred Revenue Fiber Optic Lines-Sold-Defd Rev Amortize through January 2025	2,739	451	888		1,851
6	2021 PJM Transmission True-up				467,866	467,866
7	2022 PJM Transmission True-up				4,892,524	4,892,524
8	IPP - System Upgrade Credits					
9	Miscellaneous	794	131/142/146/186/232/235	4,818	5,360	1,336
10	Contribution Aid of Construction	185,561	107/108	185,561	197,300	197,300
11	Deferred Revenue	66,207	142/143/186	66,207	240,778	240,778
12	Deferred Rev-Bonus Lease	51,227	421	22,768		28,459
13	NERC Penalties	95,310				95,310
47	TOTAL	2,559,807		3,113,020	8,672,124	8,118,911

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**ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.
2. For other (Specify), include deferrals relating to other income and deductions.
3. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR				ADJUSTMENTS				Balance End of (l)
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits		
							Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	
1	Accelerated Amortization (Account 281)										
2	Electric										
3	Defense Facilities										
4	Pollution Control Facilities	45,613,662	406	2,289,169							43,3:
5	Other										
5.1	Other (provide details in footnote):										
8	TOTAL Electric (Enter Total of lines 3 thru 7)	45,613,662	406	2,289,169							43,3:
9	Gas										
10	Defense Facilities										
11	Pollution Control Facilities										
12	Other										
12.1	Other (provide details in footnote):										
15	TOTAL Gas (Enter Total of lines 10 thru 14)										
16	Other										
16.1		(17,066,875)					254	406	254	605,699	(16,46



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	OTHER									
17	TOTAL (Acct 281) (Total of 8, 15 and 16)	28,546,787	406	2,289,169				406	605,699	26,8
18	Classification of TOTAL									
19	Federal Income Tax	28,546,787	406	2,289,169				406	605,699	26,8
20	State Income Tax									
21	Local Income Tax									

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FOOTNOTE DATA			

<a href="#">(a)</a> Concept: DescriptionOfAcceleratedAmortizationPropertyOtherUtilityOther				
232,561,566				
Description Page 272-273 Line 16	Balance at Beginning of The year	Debit Adjust.	Credit Adjust.	Balance End of Year
SFAS 109	(17,066,875)		605699	(16,461,176)
Total Line 16	(17,066,875)		605699	(16,461,176)

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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to a amortization.
2. For other (Specify), include deferrals relating to other income and deductions.
3. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR				ADJUSTMENTS			
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits	
							Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)
1	Account 282									
2	Electric	359,773,864	41,386,374	67,434,131					190	
3	Gas									
4	Other (Specify)									
5	Total (Total of lines 2 thru 4)	359,773,864	41,386,374	67,434,131						
6	Others	(79,829,030)				1823/254	8,993,106	1823/254	32,280,589	
9	TOTAL Account 282 (Total of Lines 5 thru 8)	279,944,834	41,386,374	67,434,131			8,993,106			32,280,589
10	Classification of TOTAL									
11	Federal Income Tax	279,944,834	41,386,374	67,434,131			8,993,106			32,280,589
12	State Income Tax									
13	Local Income Tax									

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

<a href="#">(a)</a> Concept: AccumulatedDeferredIncomeTaxesOtherProperty				
Line 6 Footnote	Beg Bal	Debits	Credits	End Bal
Non-Utility	0	0	0	0
SFAS 109	(79,829,030)	8,993,106	32,280,589	(56,541,547)
Total Other - Line 6	(79,829,030)	8,993,106	32,280,589	(56,541,547)

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**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in A
2. For other (Specify), include deferrals relating to other income and deductions.
3. Provide in the space below explanations for Page 276. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR				ADJUSTMENTS			
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits	
							Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)
1	Account 283									
2	Electric									
3	Deferred Fuel Costs	1,725,395	6,255,405	3,100,093						
4	Mark-to-Market	65,070,611	267,167	3,116,470						
5	Capitalized Software - Book	6,861,391	122,863	559,076						
6	Emission Allowances	1,824,604	7,496	47,311						
7	Reg Asset - SFAS 112	716,007	211,317							
8	Other	52,185,740	17,935,297	19,396,050		125,472		1		
9	TOTAL Electric (Total of lines 3 thru 8)	128,383,748	24,799,545	26,219,000		125,472		1		
10	Gas									
11										
12										
13										
14										
15										
16										
17	TOTAL Gas (Total of lines 11 thru 16)									
18	TOTAL Other	94,338,795					1823/254	10,796,251	1823/254	27,951,247

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19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	222,722,543	24,799,545	26,219,000		125,472		10,796,252		27,951,247
20	Classification of TOTAL									
21	Federal Income Tax	130,105,461	24,799,545	25,766,288		125,472		4,712,257		17,194,532
22	State Income Tax	92,617,082		452,712				6,083,995		10,756,715
23	Local Income Tax									
<b>NOTES</b>										

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FOOTNOTE DATA

[\(a\)](#) Concept: AccumulatedDeferredIncomeTaxesOther

Line 18 Other - Detail	Balance at Beginning of Year	Balance at End of Year
Non-Utility	—	—
SFAS 109	94,338,795	111,493,790
SFAS 133	0	0
<b>Total</b>	<b>\$ 94,338,795</b>	<b>\$ 111,493,790</b>

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<b>OTHER REGULATORY LIABILITIES (Account 254)</b>						
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Liabilities being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Home Energy Assistance Program	1,136,440	142/235/237/450/451/460	1,871,080	963,829	229,189
2	SFAS 109 Deferred FIT	201,997,111	190/282/283	53,488,497	10,222,986	158,731,600
3	Kentucky Reliability	383,347	593	1,704,023	1,690,639	369,963
4	Over Recovered Fuel Cost					
5	PJM Trans Enhancement Reg Liability	2,643,689	142	612,304		2,031,385
6	KY- DSM Over Recovery	39,316	182/456	89,241	66,328	16,403
7	Netting of Trading Activities related to Unrealized Gains/Losses on Forward Commitments between Regulated Assets/Liabilities		182	188,266	272,144	83,878
8	Capacity Charge Tariff OverRec				427,163	427,163
9	OSS Margin Sharing		182/440/442/444	3,624,540	7,041,868	3,417,328
10	Unrealized Gain on Forward Commitments	3,198,943	175/182/244	6,386,405	7,085,584	3,898,122
11	Steam Maintenance Levelized Reg Liability KY Case No. 2017-00179	2,097,760				2,097,760
41	TOTAL	211,496,606		67,964,356	27,770,541	171,302,791

FERC FORM NO. 1 (REV 02-04)



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<b>Electric Operating Revenues</b>							
<p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p> <p>5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.</p> <p>6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)</p> <p>7. See page 108, Important Changes During Period, for important new territory added and important rate increase or decreases.</p> <p>8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.</p> <p>9. Include unmetered sales. Provide details of such Sales in a footnote.</p>							
Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)	MEGAWATT HOURS SOLD Year to Date Quarterly/Annual (d)	MEGAWATT HOURS SOLD Amount Previous year (no Quarterly) (e)	AVG.NO. CUSTOMERS PER MONTH Current Year (no Quarterly) (f)	AVG.NO. CUSTOMERS PER MONTH Previous Year (no Quarterly) (g)
1	Sales of Electricity						
2	(440) Residential Sales	315,954,846	281,787,992	1,968,490	1,979,060	132,619	133,805
3	(442) Commercial and Industrial Sales						
4	Small (or Comm.) (See Instr. 4)	196,025,387	159,833,921	1,344,936	1,144,445	30,207	30,222
5	Large (or Ind.) (See Instr. 4)	183,905,898	142,303,180	2,068,484	1,960,411	1,049	1,079
6	(444) Public Street and Highway Lighting	2,193,290	2,032,165	9,388	9,393	309	310
7	(445) Other Sales to Public Authorities						
8	(446) Sales to Railroads and Railways						
9	(448) Interdepartmental Sales						
10	TOTAL Sales to Ultimate Consumers	698,079,422	585,957,258	5,391,298	5,093,309	164,184	165,416
11	(447) Sales for Resale	59,734,355	43,087,990	610,474	887,455	10	12
12	TOTAL Sales of Electricity	757,813,776	629,045,248	6,001,772	5,980,764	164,194	165,428
13	(Less) (449.1) Provision for Rate Refunds	5,999,074					
14	TOTAL Revenues Before Prov. for Refunds	751,814,702	629,045,248	6,001,772	5,980,764	164,194	165,428

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15	Other Operating Revenues						
16	(450) Forfeited Discounts	1,835,674	1,311,974				
17	(451) Miscellaneous Service Revenues	159,667	256,524				
18	(453) Sales of Water and Water Power						
19	(454) Rent from Electric Property	7,093,909	5,841,043				
20	(455) Interdepartmental Rents						
21	(456) Other Electric Revenues	1,394,280	838,181				
22	(456.1) Revenues from Transmission of Electricity of Others	39,825,979	22,254,859				
23	(457.1) Regional Control Service Revenues						
24	(457.2) Miscellaneous Revenues						
25	Other Miscellaneous Operating Revenues						
26	TOTAL Other Operating Revenues	50,309,509	30,502,581				
27	TOTAL Electric Operating Revenues	802,124,211	659,547,829				
Line12, column (b) includes \$ 4,673,974 of unbilled revenues.							
Line12, column (d) includes 32,817 MWH relating to unbilled revenues							

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

[\(a\)](#) Concept: SalesToUltimateConsumers  
Detail of Unmetered Sales - 2022

	Revenue	MWH	Average No. of Customers
Residential	6,565,847	23,460	38,929
Commercial	3,374,691	14,459	6,962
Industrial	163,877	752	207
Public Street Lighting	38,491	108	35
<b>Total</b>	<b>10,142,906</b>	<b>38,779</b>	<b>46,133</b>

[\(b\)](#) Concept: MiscellaneousServiceRevenues  
Customer Service Revenue including connects, reconnects, disconnects, temporary services and other charges billed to customers.

[\(c\)](#) Concept: OtherElectricRevenue

Description	2022 YTD	2021 YTD
Oth Elect Rev - Demand Side Management Program	270,151	284,168
All Other (Under \$250,000)	1,124,129	554,013
	<b>1,394,280</b>	<b>838,181</b>

[\(d\)](#) Concept: SalesToUltimateConsumers  
Detail of Unmetered Sales - 2021

	Revenue	MWH	Average No. of Customers
Residential	6,448,479	25,476	38,700
Commercial	3,154,653	14,776	6,835
Industrial	150,723	760	208
Public Street Lighting	36,520	108	35
<b>Total</b>	<b>9,790,375</b>	<b>41,120</b>	<b>45,778</b>

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Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)</b>					
1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.					
Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
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46	TOTAL				

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<b>SALES OF ELECTRICITY BY RATE SCHEDULES</b>						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Page 310.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Estimated					
2	General Service R	31	6,102	4	7,750	0.1968
3	Outdoor Lighting R	23,460	6,565,847			0.2799
4	Residential Load Management-Time-of-Day R	2,928	446,459	149	19,651	0.1525
5	Residential Service R	1,931,059	308,825,958	132,462	14,578	0.1599
6	Residential Service Time-of-Day R	92	14,188	4	23,000	0.1542
7	Unrecovered R					
8	Kentucky Rider R		(1,859,638)			
41	TOTAL Billed Residential Sales	1,957,570	313,998,916	132,619	14,761	0.1604
42	TOTAL Unbilled Rev. (See Instr. 6)	10,920	1,955,930			0.1791
43	TOTAL	1,968,490	315,954,846	132,619	14,843	0.1605

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<b>SALES OF ELECTRICITY BY RATE SCHEDULES</b>						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Page 310.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Unrecovered C					
2	Kentucky Rider C		(1,479,149)			
3	Estimated C	(11)	(380)			
4	General Service C	595,619	105,363,952	29,685	20,065	0.1769
5	Industrial General Service C	314,830	27,774,958	25	12,593,200	0.0882
6	Large General Service C	395,902	57,939,821	483	819,673	0.1463
7	Large General Service Time-of-Day C	4,961	632,766	4	1,240,250	0.1275
8	Municipal WaterworksC	1,805	255,678	9	200,556	0.1416
9	Outdoor Lighting C	14,459	3,374,690			0.2334
10	Residential Service C	9	1,512	1	9,000	0.1680
41	TOTAL Billed Small or Commercial	1,327,574	193,863,848	30,207	43,949	0.1460
42	TOTAL Unbilled Rev. Small or Commercial (See Instr. 6)	17,362	2,161,539			0.1245
43	TOTAL Small or Commercial	1,344,936	196,025,387	30,207	44,524	0.1458

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<b>SALES OF ELECTRICITY BY RATE SCHEDULES</b>						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Page 310.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Contract Service – Interruptible Power I	231,478	16,824,767	8	28,934,750	0.0727
2	Estimated I	1,905	2,318,448			1.2170
3	General Service I	25,341	4,367,978	910	27,847	0.1724
4	Industrial General Service I	1,711,654	146,448,194	35	48,904,400	0.0856
5	Large General Service I	89,706	14,095,976	94	954,319	0.1571
6	Large General Service Time-of-Day I	3,135	402,252	2	1,567,500	0.1283
7	Outdoor Lighting I	752	163,877			0.2179
8	Unrecovered I					
9	Kentucky Rider I		(1,267,723)			
41	TOTAL Billed Large (or Ind.) Sales	2,063,971	183,353,769	1,049	1,967,561	0.0888
42	TOTAL Unbilled Rev. Large (or Ind.) (See Instr. 6)	4,513	552,129			0.1223
43	TOTAL Large (or Ind.)	2,068,484	183,905,898	1,049	1,971,863	0.0889

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Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
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41	TOTAL Billed Commercial and Industrial Sales					
42	TOTAL Unbilled Rev. (See Instr. 6)					
43	TOTAL					

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Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Estimated					
2	General Service	822	221,507	255	3,224	0.2695
3	Outdoor Lighting	108	38,492			0.3564
4	Street Lighting	8,436	1,928,885	54	156,222	0.2286
5	Unrecovered					
6	Kentucky Rider		29			
41	TOTAL Billed Public Street and Highway Lighting	9,366	2,188,913	309	30,311	0.2337
42	TOTAL Unbilled Rev. (See Instr. 6)	22	4,377			0.1990
43	TOTAL	9,388	2,193,290	309	30,382	0.2336

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Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
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41	TOTAL Billed Provision For Rate Refunds					
42	TOTAL Unbilled Rev. (See Instr. 6)					
43	TOTAL		5,999,074			

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Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
41	TOTAL Billed - All Accounts	5,358,481	693,405,446	164,184	2,056,581	
42	TOTAL Unbilled Rev. (See Instr. 6) - All Accounts	32,817	4,673,975			
43	TOTAL - All Accounts	5,391,298	698,079,421	164,184	2,056,581	

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FOOTNOTE DATA			

(a) Concept: RevenueFromSalesOfElectricityByRateSchedulesIncludingUnbilledRevenue

FUEL CLAUSE		
Account	DESCR	Total
4400 RES	Estimated	-
	General Service	898
	Outdoor Lighting	566,630
	Residential Load Management-Time-of-Day	65,951
	Residential Service	44,323,354
	Residential Service Time-of-Day	2,128
	Unbilled	572,343
	Unrecovered	-
<b>4400 RES Total</b>		<b>45,531,305</b>
4420 COM	Estimated	356
	General Service	14,066,827
	Industrial General Service	8,198,064
	Large General Service	9,415,826
	Large General Service Time-of-Day	119,153
	Municipal Waterworks	42,634
	Outdoor Lighting	352,272
	Residential Service	212
	Unbilled	729,575
	Unrecovered	-
	<b>4420 COM Total</b>	
4420 IND	Contract Service – Interruptible Power	2,261,351
	Estimated	1,951,171
	General Service	587,592
	Industrial General Service	39,033,663
	Large General Service	2,123,564
	Large General Service Time-of-Day	65,337
	Outdoor Lighting	18,223
	Unbilled	210,287
	Unrecovered	-
<b>4420 IND Total</b>		<b>46,251,188</b>
4440 PUB	Estimated	-
	General Service	19,737
	Outdoor Lighting	2,636
	Street Lighting	203,812
	Unbilled	910
<b>4440 PUB Total</b>		<b>227,095</b>
<b>Grand Total</b>		<b>124,934,507</b>

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchange year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any owners affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
  - RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier in load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only service to its own ultimate consumers.
  - LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reason remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain delivery). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
  - IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
  - SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or Less than five years.
  - LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service transmission constraints, must match the availability and reliability of designated unit.
  - IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than five years.
  - OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm of the length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
  - AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide explanation in a footnote for each adjustment.
- Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a) sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of Report subtotals and total for columns (g) through (k).
- In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service in column (b), is provided.
- For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average requirements demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
- Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
- Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
- The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last Line of Report. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
- Footnote entries as required and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	ACTUAL DEMAND (MW)		Megawatt Hours Sold (g)	REVENUE		
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)		Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (j)
1	AMEREX POWER, LTD	OS	NOTE 1				0		(17)	
2	CITIGROUP ENERGY INC.	OS	NOTE 1				0		(1,540)	
3	CITY OF OLIVE HILL	RQ	KPCO 52				22,042	866,335	1,767,379	



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4	CITY OF VANCEBURG	RQ	KPCO 51				56,405	2,037,942	4,216,740	
5	FIRSTENERGY TRADING SERVICES	OS	NOTE 1				3,134		129,342	
6	OHIO POWER COMPANY (AUCTION)	OS	NOTE 1				(13)		(374)	
7	PJM INTERCONNECTION	OS	NOTE 1				528,907	3,326,281	49,224,538	
8	PJM INTERCONNECTION	RQ	VARIOUS				0			(1,85
9	PPL ELECTRIC UTILITIES CORP	OS	NOTE 1				(1)		(42)	
10	WELLS FARGO SECURITIES, LLC	OS	NOTE 1				0		27,454	
15	Subtotal - RQ						78,447	2,904,277	5,984,119	(1,85
16	Subtotal-Non-RQ						532,027	3,326,281	49,379,361	
17	Total						610,474	6,230,558	55,363,480	(1,85

FERC FORM NO. 1 (ED. 12-90)

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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

<a href="#">(a)</a> Concept: NameOfCompanyOrPublicAuthorityReceivingElectricityPurchasedForResale
An affiliated company
<a href="#">(b)</a> Concept: RateScheduleTariffNumber
FERC Electric Tariff, First Revised Volume No. 5.
<a href="#">(c)</a> Concept: RateScheduleTariffNumber
The PUCO (Public Utilities Commission Ohio) ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning June 2015. APCo, KPCo, I&M and WPCo participated in the auction process and were awarded tranches of OPCo's SSO load.
<a href="#">(d)</a> Concept: OtherChargesRevenueSalesForResale
Amount represents transmission services and related charges
<a href="#">(e)</a> Concept: RevenueFromSalesOfElectricityForResale
Margins for Off System Sales (OSS) reported in KPCo's generation formula rates are included in the total revenue amount. The margins are specifically identified in the ledger as a subset of the accounts that make up these OSS revenues.

FERC FORM NO. 1 (ED. 12-90)

FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	(500) Operation Supervision and Engineering	5,724,888	5,350,713	
5	(501) Fuel	76,868,710	80,123,189	
6	(502) Steam Expenses	5,696,813	7,022,880	
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred-Cr.			
9	(505) Electric Expenses	182,056	309,758	
10	(506) Miscellaneous Steam Power Expenses	4,837,943	4,402,732	
11	(507) Rents			
12	(509) Allowances	53,406	68,067	
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	93,363,816	97,277,339	
14	Maintenance			
15	(510) Maintenance Supervision and Engineering	1,629,467	1,593,289	
16	(511) Maintenance of Structures	1,949,430	1,693,654	
17	(512) Maintenance of Boiler Plant	13,117,248	11,091,565	
18	(513) Maintenance of Electric Plant	4,573,439	3,849,593	
19	(514) Maintenance of Miscellaneous Steam Plant	1,027,688	1,431,603	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	22,297,272	19,659,705	
21	TOTAL Power Production Expenses-Steam Power (Enter Total of Lines 13 & 20)	115,661,088	116,937,044	
22	B. Nuclear Power Generation			
23	Operation			
24	(517) Operation Supervision and Engineering			
25	(518) Fuel			
26	(519) Coolants and Water			
27	(520) Steam Expenses			
28	(521) Steam from Other Sources			

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29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuclear. Power (Enter Total of lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (Total of Lines 50 & 58)		
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering		

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63	(547) Fuel		
64	(548) Generation Expenses		
64.1	(548.1) Operation of Energy Storage Equipment		
65	(549) Miscellaneous Other Power Generation Expenses		
66	(550) Rents	(86)	7
67	TOTAL Operation (Enter Total of Lines 62 thru 67)	(86)	7
68	Maintenance		
69	(551) Maintenance Supervision and Engineering		
70	(552) Maintenance of Structures		
71	(553) Maintenance of Generating and Electric Plant		
71.1	(553.1) Maintenance of Energy Storage Equipment		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant		
73	TOTAL Maintenance (Enter Total of Lines 69 thru 72)		
74	TOTAL Power Production Expenses-Other Power (Enter Total of Lines 67 & 73)	(86)	7
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	319,873,795	188,731,639
76.1	(555.1) Power Purchased for Storage Operations	0	
77	(556) System Control and Load Dispatching	267,090	345,020
78	(557) Other Expenses	775,363	554,118
79	TOTAL Other Power Supply Exp (Enter Total of Lines 76 thru 78)	320,916,247	189,630,777
80	TOTAL Power Production Expenses (Total of Lines 21, 41, 59, 74 & 79)	436,577,250	306,567,827
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	3,116,508	2,675,797
85	(561.1) Load Dispatch-Reliability		
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	312,922	309,116
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services	1,344,678	886,000
89	(561.5) Reliability, Planning and Standards Development	79,870	126,575
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services	352,579	329,196
93		322,663	191,474

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	(562) Station Expenses		
93.1	(562.1) Operation of Energy Storage Equipment		
94	(563) Overhead Lines Expenses	23,984	18,881
95	(564) Underground Lines Expenses	64,754	(1)
96	(565) Transmission of Electricity by Others	67,554,811	60,477,934
97	(566) Miscellaneous Transmission Expenses	884,015	4,912,907
98	(567) Rents	277	350
99	TOTAL Operation (Enter Total of Lines 83 thru 98)	74,057,060	69,928,229
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	1,519	2,784
102	(569) Maintenance of Structures	9,614	9,622
103	(569.1) Maintenance of Computer Hardware	4,753	5,801
104	(569.2) Maintenance of Computer Software	132,099	96,782
105	(569.3) Maintenance of Communication Equipment	1,709	1,712
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	554,346	503,786
107.1	(570.1) Maintenance of Energy Storage Equipment		
108	(571) Maintenance of Overhead Lines	5,442,768	6,524,013
109	(572) Maintenance of Underground Lines	512	439
110	(573) Maintenance of Miscellaneous Transmission Plant	6,278	18,380
111	TOTAL Maintenance (Total of Lines 101 thru 110)	6,153,598	7,163,319
112	TOTAL Transmission Expenses (Total of Lines 99 and 111)	80,210,658	77,091,548
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services	1,025,103	1,119,915
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)	1,025,103	1,119,915
124	Maintenance		

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125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Operation Expenses (Enter Total of Lines 123 and 130)	1,025,103	1,119,915
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	805,659	829,970
135	(581) Load Dispatching	1,964	3,410
136	(582) Station Expenses	388,479	259,294
137	(583) Overhead Line Expenses	351,141	397,079
138	(584) Underground Line Expenses	238,861	152,750
138.1	(584.1) Operation of Energy Storage Equipment		
139	(585) Street Lighting and Signal System Expenses	46,816	78,060
140	(586) Meter Expenses	1,229,732	1,151,401
141	(587) Customer Installations Expenses	200,910	193,715
142	(588) Miscellaneous Expenses	3,192,387	2,424,122
143	(589) Rents	933,528	242,074
144	TOTAL Operation (Enter Total of Lines 134 thru 143)	7,389,477	5,731,876
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	5,110	26,434
147	(591) Maintenance of Structures	20,773	8,122
148	(592) Maintenance of Station Equipment	337,440	683,774
148.1	(592.2) Maintenance of Energy Storage Equipment		
149	(593) Maintenance of Overhead Lines	33,194,092	33,683,296
150	(594) Maintenance of Underground Lines	48,395	19,443
151	(595) Maintenance of Line Transformers	23,586	52,827
152	(596) Maintenance of Street Lighting and Signal Systems	20,854	(8,742)
153	(597) Maintenance of Meters	33,477	50,515
154	(598) Maintenance of Miscellaneous Distribution Plant	25,517	20,541
155	TOTAL Maintenance (Total of Lines 146 thru 154)	33,709,244	34,536,210
156	TOTAL Distribution Expenses (Total of Lines 144 and 155)	41,098,721	40,268,086
157	5. CUSTOMER ACCOUNTS EXPENSES		

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158	Operation		
159	(901) Supervision	17,398	22,750
160	(902) Meter Reading Expenses	453,585	554,574
161	(903) Customer Records and Collection Expenses	5,184,728	5,557,980
162	(904) Uncollectible Accounts	3,299,981	(36,810)
163	(905) Miscellaneous Customer Accounts Expenses	17,532	26,769
164	TOTAL Customer Accounts Expenses (Enter Total of Lines 159 thru 163)	8,973,225	6,125,263
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision	164,653	43,142
168	(908) Customer Assistance Expenses	1,309,985	1,351,901
169	(909) Informational and Instructional Expenses	31,067	94,779
170	(910) Miscellaneous Customer Service and Informational Expenses	32,119	36,307
171	TOTAL Customer Service and Information Expenses (Total Lines 167 thru 170)	1,537,824	1,526,129
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses	48,529	40,621
176	(913) Advertising Expenses		10,703
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of Lines 174 thru 177)	48,529	51,323
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	10,604,895	10,584,485
182	(921) Office Supplies and Expenses	743,867	510,863
183	(Less) (922) Administrative Expenses Transferred-Credit	927,681	1,108,389
184	(923) Outside Services Employed	4,206,731	2,602,573
185	(924) Property Insurance	960,402	879,125
186	(925) Injuries and Damages	(1,517,535)	2,117,373
187	(926) Employee Pensions and Benefits	(2,135,543)	1,132,660
188	(927) Franchise Requirements	139,548	139,814
189	(928) Regulatory Commission Expenses	2,390,590	1,919,336
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	295,365	226,697



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192	(930.2) Miscellaneous General Expenses	1,424,413	966,171
193	(931) Rents	243,073	256,777
194	TOTAL Operation (Enter Total of Lines 181 thru 193)	16,428,125	20,227,484
195	Maintenance		
196	(935) Maintenance of General Plant	2,664,059	2,993,639
197	TOTAL Administrative & General Expenses (Total of Lines 194 and 196)	19,092,184	23,221,123
198	TOTAL Electric Operation and Maintenance Expenses (Total of Lines 80, 112, 131, 156, 164, 171, 178, and 197)	588,563,493	455,971,214

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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

<p><a href="#">(a)</a> Concept: FuelSteamPowerGeneration          The portion of account 501 that is excluded from the fuel costs in KPCo's generation formula rate is identified by a query of the general ledger.</p>
<p><a href="#">(b)</a> Concept: StationExpensesTransmissionExpense          Generation Step-Up Units' (GSUs) O&amp;M expenses included in KPCo's generation formula rate are the ratio of GSU balances to all investment for plant accounts 352 &amp; 353 multiplied by the balance in O&amp;M accounts 562,569 &amp; 570.</p>
<p><a href="#">(c)</a> Concept: PropertyInsurance          The insurance expenses for generation included in KPCo's generation formula rate are identified by a query of the general ledger.</p>

FERC FORM NO. 1 (ED. 12-93)

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Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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**PURCHASED POWER (Account 555)**

- Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and imbalanced exchanges).
- Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronym respondent has with the seller.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier in planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category also meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the contract.

IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but less than five

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means longer

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. F

- In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation tariffs or contract designations under which service, as identified in column (b), is provided.
- For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt
- Report in column (g) the megawatthours shown on bills rendered to the respondent, excluding purchases for energy storage. Report in column (h) respondent for energy storage purchases. Report in columns (i) and (j) the megawatthours of power exchanges received and delivered, use
- Report demand charges in column (k), energy charges in column (l), and the total of any other types of charges, including out-of-period adjustments the amount shown in column (m). Report in column (n) the total charge shown on bills received as settlement by the respondent. For power receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (m) include credits or charges certain credits or charges covered by the agreement, provide an explanatory footnote.
- The data in columns (g) through (n) must be totaled on the last line of the schedule. The total amount in columns (g) and (h) must be reported (i) must be reported as Exchange Received on Page 401, line 12. The total amount in column (j) must be reported as Exchange Delivered on
- Footnote entries as required and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	Ferc Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)		MegaWatt Hours Purchased (Excluding for Energy Storage) (g)	MegaWatt Hours Purchased for Energy Storage (h)	POWER EXCHANGES	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)			MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)
1	AEP GENERATING COMPANY	RQ	AEG 2				735,451			
2	PJM INTERCONNECTION	OS					3,436,567			
3	ROCKPORT PURCHASE POWER	OS								

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15	TOTAL						4,172,018	0	0
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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

<a href="#">(a)</a> Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower
Affiliated Company
<a href="#">(b)</a> Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower
Per KPSC Order Case No. 2017-00179, KPSC defers a portion of the non-fuel, non-environmental lease expenses incurred for Rockport Unit 2.

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred**

- Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities for the quarter.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Transmission Service for Self, LFP - Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for a provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of code.
- In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations used.
- Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for the substation.
- Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be stated on a megawatts basis and explain.
- Report in column (i) and (j) the total megawatt-hours received and delivered.
- In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges; in column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge sheet monetary settlement was made, enter zero (0) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, if any.
- The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purpose.
- Footnote entries and provide explanations following all required data.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	Ferc Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER ENERGY	
									Megawatt Hours Received (i)	Megawatt Hours Delivered (j)
1	PJM Network Integ Trans Rev Whisle	Various	Various	FNO	PJM OATT	Various	Various			
2	PJM Network Integ Trans Serv	Various	Various	FNO	PJM OATT	Various	Various			
3	PJM Trans Enhancement Rev	Various	Various	FNO	PJM OATT	Various	Various			
4	PJM Trans Enhancement Rev Whisle	Various	Various	FNO	PJM OATT	Various	Various			
5	PJM Trans Enhancement Rev - Affil	Various	Various	FNO	PJM OATT	Various	Various			
6	PJM Network Integ Rev - Affil	Various	Various	FNO	PJM OATT	Various	Various			
7	PJM Point to Point Trans Service	Various	Various	LFP	PJM OATT	Various	Various			
8	PJM Trans Owner Admin Revenue	Various	Various	OLF	PJM OATT	Various	Various			

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9	PJM Trans Owner Serv Rev Whlsle	Various	Various	OLF	PJM OATT	Various	Various		
10	PJM Power Factor Credits Rev Whlsle	Various	Various	OS	PJM OATT	Various	Various		
11	PJM Trans Owner Serv - Affil	Various	Various	OLF	PJM OATT	Various	Various		
12	East Kentucky Power Cooperative	Various	Various	OLF	PJM OATT	Various	Various		
35	TOTAL							0	0

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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

<p><a href="#">(a)</a> Concept: RateScheduleTariffNumber</p>
<p>Effective October 1, 2004, the administration of the transmission tariff was turned over to PJM. PJM does not provide any detail except for the total revenue by the major classes listed. OATT (Open Access Transmission Tariff) 3rd revised Volume No. 6</p>
<p><a href="#">(b)</a> Concept: OtherChargesRevenueTransmissionOfElectricityForOthers</p>
<p>Per Proforma ILDSA (Interconnection and Local Delivery Service Agreement) AEP Tariff 3rd Revised Volume No. 6</p>
<p><a href="#">(c)</a> Concept: OtherChargesRevenueTransmissionOfElectricityForOthers</p>
<p>Compensation should be at a rate of one and one-half (1.5) mills per kilowatt-hour for energy delivered pursuant to Appendix IV of PJM Service Agreement No. 1530, the Interconnection Agreement between AEPSC and East Kentucky Power Cooperative.</p>
<p><b>FERC FORM NO. 1 (ED. 12-90)</b></p>



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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>TRANSMISSION OF ELECTRICITY BY ISO/RTOs</b>					
<p>1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.  2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).  3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:  FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.  4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.  5. In column (d) report the revenue amounts as shown on bills or vouchers.  6. Report in column (e) the total revenues distributed to the entity listed in column (a).</p>					
Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
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40	TOTAL				

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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4			
<b>TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)</b>								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter ""TOTAL"" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			MegaWatt Hours Received (c)	MegaWatt Hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Concurrent Energy	LFP					132,102	132,102
2	East KY Power Coop							
3	PJM - Enhancements	OS					6,935,416	6,935,416
4	PJM - NITS	OS					60,368,472	60,368,472
5	PJM - Trans Owner	OS					118,821	118,821
	TOTAL		0	0	0	0	67,554,811	67,554,811

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FOOTNOTE DATA
<a href="#">(a)</a> Concept: OtherChargesTransmissionOfElectricityByOthers Concurrent Energy Charges from East Kentucky Power.
<a href="#">(b)</a> Concept: OtherChargesTransmissionOfElectricityByOthers Transmission Enhancement Charges and Credits (PJM OATT Schedule 12)
<a href="#">(c)</a> Concept: OtherChargesTransmissionOfElectricityByOthers Network Integration Transmission Service Charges - NITS (PJM OATT Schedule H)
<a href="#">(d)</a> Concept: OtherChargesTransmissionOfElectricityByOthers Transmission Owner Service (PJM OATT Tariff Sixth Revised Volume No. 1)

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Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)</b>				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	127,636		
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses	416		
4	Pub and Dist Info to Stkhldrs...expn servicing outstanding Securities			
5	Oth Expn greater than or equal to 5,000 show purpose, recipient, amount. Group if less than \$5,000			
6	Asociated Business Development	1,015,533		
7	AEP Service Corporation Billings	151,822		
8	Intercompany Allocations	(50,380)		
9	Corporate Money Pool Allocations	85,157		
10	Corporate and Fiscal	82,726		
11	Miscellaneous	11,503		
46	TOTAL	1,424,413		

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Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4	
<b>Depreciation and Amortization of Electric Plant (Account 403, 404, 405)</b>						
<p>1. Report in section A for the year the amounts for: (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in Section B the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.  Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.  In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.  For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type of mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p>						
<b>A. Summary of Depreciation and Amortization Charges</b>						
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			9,687,647		9,687,647
2	Steam Production Plant	36,713,390	58,339			36,771,729
3	Nuclear Production Plant					
4	Hydraulic Production Plant- Conventional					
5	Hydraulic Production Plant- Pumped Storage					
6	Other Production Plant					
7	Transmission Plant	21,547,903				21,547,903
8	Distribution Plant	36,408,097				36,408,097
9	Regional Transmission and Market Operation					
10	General Plant	3,993,048				3,993,048
11	Common Plant-Electric					
12	TOTAL	98,662,438	58,339	9,687,647		108,408,424
<b>B. Basis for Amortization Charges</b>						
Section A Line 1 Column D represents amortization of capitalized software development costs over a 5 year life and costs associated with the Oracle strategic partnership which are over a 10 year life.						
<b>C. Factors Used in Estimating Depreciation Charges</b>						
Line No.	Account No. (a)	Estimated Avg. Service Life			Mortality Curve Type	Average Remaining Life

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		Depreciable Plant Base (in Thousands) (b)	(c)	Net Salvage (Percent) (d)	Applied Depr. Rates (Percent) (e)	(f)	(g)
12	STEAM -- COAL/LIGNITE						
13	311 - Big Sandy	24.389					
14	311 - Mitchell	57.416					
15	312 - Big Sandy	77.749					
16	312 - Mitchell	884.212					
17	312 - Mitchell SCR	9.156					
18	314 - Big Sandy	63.139					
19	314 - Mitchell	55.565					
20	315 - Big Sandy	6.359					
21	315 - Mitchell	26.141					
22	316 - Big Sandy	4.553					
23	316 - Mitchell	9.434					
24	TOTAL COAL/LIGNITE	1,218.113					
25	TRANSMISSION						
26	350.1	34.757					
27	352	14.768					
28	352 - Big Sandy	0.01					
29	352 - Mitchell	0.072					
30	353	252.457					
31	353 - Big Sandy	0.603					
32	353 - Mitchell	12.303					
33	353.16	6.122					
34	354	101.3					
35	355	196.501					
36	356	163.568					
37	356.16	4.579					
38	357	0.511					
39	358	0.106					
40	358.16	0.275					
41	TOTAL TRANSMISSION	787.932					
42	DISTRIBUTION						
43	360.1	5.789					

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44	361	9.375				
45	362	140.394				
46	362.16	3.549				
47	364	283.193				
48	365	308.087				
49	366	9.694				
50	367	12.744				
51	368	157.102				
52	369	73.541				
53	370	25.397				
54	371	19.811				
55	373	4.951				
56	TOTAL DISTRIBUTION	303.24				
57	GENERAL PLANT					
58	389.1	0.036				
59	390	27.86				
60	391	2.734				
61	391.11	0.491				
62	392	19.899				
63	393	0.305				
64	394	6.977				
65	395	0.21				
66	396	1.269				
67	397	37.898				
68	397.16	1.504				
69	398	2.448				
70	TOTAL GENERAL	101.631				
71	DEPRECIABLE SUM	407.605				
72	TOTAL DISTRIBUTION	1,053.627				
73	TOTAL GENERAL	101.631				
74	DEPRECIABLE SUM	3,161.303				



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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

<p><a href="#">(a)</a> Concept: DepreciablePlantBase          The depreciable plant base is the November 30, 2022 total company depreciable plant.</p>
<p><a href="#">(b)</a> Concept: DepreciablePlantBase          The depreciable plant base is the November 30, 2022 total company depreciable plant.</p>

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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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**REGULATORY COMMISSION EXPENSES**

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred.
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in columns (f), (g), and (h), expenses incurred during the year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for Current Year (d)	Deferred in Account 182.3 at Beginning of Year (e)	EXPENSES INCURRED DURING YEAR			AMORTIZATION	
						CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)
						Department (f)	Account No. (g)	Amount (h)		
1	2016 - Kentucky Power Rate Case									
2	KPSC - Case No. 2016-00180									
3	2019 Kentucky IRP Plan		1,051,490	1,051,490		Electric	928	1,051,490		
4	Minor Items < \$25,000		80,934	80,934		Electric	928	80,934		
5	2020 - Kentucky Power Base Case		172,084	172,084	228,431	Electric	928	59,830	2,332	928
6	KPSC - Case No. 2020-00174									
7	Kentucky PSC Investigation		38,485	38,485		Electric	928	38,485		
8	Kentucky AMI Program Filing		373	373		Electric	928	373		
9	Kentucky Solar Filing		11,563	11,563		Electric	928	11,563		
10	State Commission Fees		982,320	982,320		Electric	928	982,320		

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11	22 KYP Case Rockport Deferral		17,472	17,472		Electric	928	17,472		
12	AEPSC KY Power Ebon Case		8,016	8,016		Electric	928	8,016		
13	23 KYP Base Rate Case Filing		27,853	27,853		Electric	928	27,853		
46	TOTAL		2,390,590	2,390,590	228,431			2,278,336	2,332	

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES**

- Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D and D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D and D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
- Indicate in column (a) the applicable classification, as shown below:  
 Classifications:  

Electric R, D and D Performed Internally:  Generation hydroelectric Recreation fish and wildlife Other hydroelectric  Fossil-fuel steam Internal combustion or gas turbine Nuclear Unconventional generation Siting and heat rejection  Transmission	Overhead Underground  Distribution Regional Transmission and Market Operation Environment (other than equipment) Other (Classify and include items in excess of \$50,000.) Total Cost Incurred  Electric, R, D and D Performed Externally:  Research Support to the electrical Research Council or the Electric Power Research Institute Research Support to Edison Electric Institute Research Support to Nuclear Power Groups Research Support to Others (Classify) Total Cost Incurred
---	--
- Include in column (c) all R, D and D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D and D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D and D activity.
- Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e).
- Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
- If costs have not been segregated for R, D and D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by ""Est.""
- Report separately research and related testing facilities operated by the respondent.

Line No.	Classification (a)	Description (b)	Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)
					Amounts Charged in Current Year: Account (e)	Amounts Charged in Current Year: Amount (f)	
1	A(1)b: Generation: Fossil-Fuel Steam	Generation Asset Management	43,572		506	43,572	
2		1 items under \$50,000	507		506	507	
3	A(1)e: Generation: Unconventional	1 item under \$50,000					
4	A(2): Transmission	1 item under \$50,000	2,796		566	2,796	
5	A(3): Distribution	1 items under \$50,000	4,239		588	4,239	
6	A(5): Environment (other than equipment)	1 items under \$50,000	97		506	97	
7	A(6): Other	2 items under \$50,000	11,265		506,566,588	11,265	
8	A(6)a: Alternate Energy	1 item under \$50,000					

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9	A(6)f: Other (Metering)	1 item under \$50,000	578		588	578	
10	A(6)g: Other (program management)	1 item under \$50,000	1,139		566,588	1,139	
11	B: Electric R&D External	6 items under \$50,000		21,020	506,566,588	21,020	
12	B(1): R&D support to the Research Council	EPRI Annual Portfolio		114,820	506	114,820	
13	or the Electric Power Research	Transmission EPRI Portfolio		77,433	566	77,433	
14		EPRI Environmental Science		153,731	506	153,731	
15	Institute	28 items under \$50,000		137,586	506,566,588	137,586	
16	B(4): Research Support to Others	1 items under \$50,000		7,679	506	7,679	

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Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>DISTRIBUTION OF SALARIES AND WAGES</b>				
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	7,180,820		
4	Transmission	3,342		
5	Regional Market			
6	Distribution	3,041,210		
7	Customer Accounts	999,859		
8	Customer Service and Informational	180,454		
9	Sales			
10	Administrative and General	2,382,997		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	13,788,682		
12	Maintenance			
13	Production	4,693,041		
14	Transmission	526		
15	Regional Market			
16	Distribution	5,585,982		
17	Administrative and General	377,789		
18	TOTAL Maintenance (Total of lines 13 thru 17)	10,657,338		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	11,873,861		
21	Transmission (Enter Total of lines 4 and 14)	3,868		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	8,627,192		
24	Customer Accounts (Transcribe from line 7)	999,859		
25	Customer Service and Informational (Transcribe from line 8)	180,454		

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26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	2,760,786		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	24,446,020	1,612,638	26,058,658
29	Gas			
30	Operation			
31	Production - Manufactured Gas			
32	Production-Nat. Gas (Including Expl. And Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production - Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57				

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58	Distribution (Lines 36 and 48) Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	24,446,020	1,612,638	26,058,658
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	13,066,718	861,977	13,928,695
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	13,066,718	861,977	13,928,695
72	Plant Removal (By Utility Departments)			
73	Electric Plant	2,764,909	182,394	2,947,303
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	2,764,909	182,394	2,947,303
77	Other Accounts (Specify, provide details in footnote):			
78	Other Accounts (Specify, provide details in footnote):			
79	152 - Fuel Stock Undistributed	1,881,790		1,881,790
80	154 - Materials and Supplies			
81	163 - Stores Expense Undistributed	1,363,331	(1,363,331)	
82	165 - Other Prepayments			
83	182 - Other Regulatory Assets			
84	183 - Prelim Survey	(5,756)	5,756	
85	184 - Clearing Accounts	1,299,434	(1,299,434)	
86	185 - ODD Temporary Facilities	56,676		56,676
87	186 - Misc Deferred Debits	6,843		6,843
88	402 - Maintenance Exp			
89	407 - Regulatory Debits			
90	417 - Misc Exp			



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91	418 - Nonoperating Rental Income			
92	421 - Misc Nonoperating Income			
93	426 - Political Activities	17,057		17,057
94	451 - Misc Service Rev - Nonaffil			
95	456 - Other Electric Revenue			
95	TOTAL Other Accounts	4,619,375	(2,657,009)	1,962,366
96	TOTAL SALARIES AND WAGES	44,897,022		44,897,022

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>COMMON UTILITY PLANT AND EXPENSES</b>			
<ol style="list-style-type: none"> <li>1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Electric Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.</li> <li>2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.</li> <li>3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.</li> <li>4. Give date of approval by the Commission for use of the common utility plant classification and reference to the order of the Commission or other authorization.</li> </ol>			

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Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS</b>					
<p>1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.</p>					
Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				228,800,522
2.1	Net Purchases (Account 555.1)				
3	Net Sales (Account 447)				(46,241,300)
4	Transmission Rights				(16,501,636)
5	Ancillary Services				304,493
6	Other Items (list separately)				
7	Congestion				14,358,376
8	Operating Reserves				1,158,677
9	Transmission Purchase Expense				1,859,688
10	Transmission Losses				10,289,116
11	Meter Corrections				(705,219)
12	Inadvertent				(197,490)
13	Capacity Credits				(3,326,281)
46	TOTAL				189,798,946

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<b>PURCHASES AND SALES OF ANCILLARY SERVICES</b>							
<p>Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.                  In columns for usage, report usage-related billing determinant and the unit of measure.</p> <ol style="list-style-type: none"> <li>On Line 1 columns (b), (c), (d), and (e) report the amount of ancillary services purchased and sold during the year.</li> <li>On Line 2 columns (b), (c), (d), and (e) report the amount of reactive supply and voltage control services purchased and sold during the year.</li> <li>On Line 3 columns (b), (c), (d), and (e) report the amount of regulation and frequency response services purchased and sold during the year.</li> <li>On Line 4 columns (b), (c), (d), and (e) report the amount of energy imbalance services purchased and sold during the year.</li> <li>On Lines 5 and 6, columns (b), (c), (d), and (e) report the amount of operating reserve spinning and supplement services purchased and sold during the period.</li> <li>On Line 7 columns (b), (c), (d), and (e) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.</li> </ol>							
		<b>Amount Purchased for the Year</b>			<b>Amount Sold for the Year</b>		
		<b>Usage - Related Billing Determinant</b>			<b>Usage - Related Billing Determinant</b>		
<b>Line No.</b>	<b>Type of Ancillary Service (a)</b>	<b>Number of Units (b)</b>	<b>Unit of Measure (c)</b>	<b>Dollar (d)</b>	<b>Number of Units (e)</b>	<b>Unit of Measure (f)</b>	<b>Dollars (g)</b>
1	Scheduling, System Control and Dispatch	0					
2	Reactive Supply and Voltage						
3	Regulation and Frequency Response						
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)						

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

<a href="#">(a)</a> Concept: AncillaryServicesPurchasedNumberOfUnits
The final grandfathered contracts (under the AEP OATT) expired 12/31/2010. Currently, services are provided under the SPP and PJM OATTs.

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<b>MONTHLY TRANSMISSION SYSTEM PEAK LOAD</b>										
<p>1. Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.  2. Report on Column (b) by month the transmission system's peak load.  3. Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).  4. Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.</p>										
Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
	NAME OF SYSTEM: 0									
1	January	0								
2	February									
3	March									
4	Total for Quarter 1				0	0	0	0	0	0
5	April									
6	May									
7	June									
8	Total for Quarter 2				0	0	0	0	0	0
9	July									
10	August									
11	September									
12	Total for Quarter 3				0	0	0	0	0	0
13	October									
14	November									
15	December									
16	Total for Quarter 4				0	0	0	0	0	0
17	Total				0	0	0	0	0	0

FERC FORM NO. 1 (NEW. 07-04)

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

[\(a\)](#) Concept: MonthlyPeakLoadExcludingIsoAndRto  
Kentucky Power Company's transmission service is administered through an RTO/ISO and requested information is not available on an individual operating company basis.  
**FERC FORM NO. 1 (NEW. 07-04)**

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Filed Date: 04/12/2023

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<b>Monthly ISO/RTO Transmission System Peak Load</b>										
<p>1. Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>2. Report on Column (b) by month the transmission system's peak load.</p> <p>3. Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>4. Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).</p> <p>5. Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).</p>										
Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Import into ISO/RTO (e)	Exports from ISO/RTO (f)	Through and Out Service (g)	Network Service Usage (h)	Point-to-Point Service Usage (i)	Total Usage (j)
	NAME OF SYSTEM: 0									
1	January									
2	February									
3	March									
4	Total for Quarter 1				0	0	0	0	0	0
5	April									
6	May									
7	June									
8	Total for Quarter 2				0	0	0	0	0	0
9	July									
10	August									
11	September									
12	Total for Quarter 3				0	0	0	0	0	0
13	October									
14	November									
15	December									
16	Total for Quarter 4				0	0	0	0	0	0
17	Total Year to Date/Year				0	0	0	0	0	0

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<b>ELECTRIC ENERGY ACCOUNT</b>					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	5,391,298
3	Steam	2,261,055	23	Requirements Sales for Resale (See instruction 4, page 311.)	78,447
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	532,027
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	
7	Other		27	Total Energy Losses	431,301
8	Less Energy for Pumping		27.1	Total Energy Stored	
9	Net Generation (Enter Total of lines 3 through 8)	2,261,055	28	TOTAL (Enter Total of Lines 22 Through 27.1) MUST EQUAL LINE 20 UNDER SOURCES	6,433,073
10	Purchases (other than for Energy Storage)	4,172,018			
10.1	Purchases for Energy Storage	0			
11	Power Exchanges:				
12	Received	0			
13	Delivered	0			
14	Net Exchanges (Line 12 minus line 13)	0			
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)	0			
19	Transmission By Others Losses				
20	TOTAL (Enter Total of Lines 9, 10, 10.1, 14, 18 and 19)	6,433,073			

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<b>MONTHLY PEAKS AND OUTPUT</b>						
<p>1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>2. Report in column (b) by month the system's output in Megawatt hours for each month.</p> <p>3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.</p> <p>4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.</p> <p>5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).</p>						
Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirement Sales for Resale & Associated Losses (c)	Monthly Peak - Megawatts (d)	Monthly Peak - Day of Month (e)	Monthly Peak - Hour (f)
	NAME OF SYSTEM: 0					
29	January	708,096	85,603	1,187	27	8
30	February	532,951	27,024	1,081	15	8
31	March	490,452	13,892	1,049	13	9
32	April	488,510	72,352	812	20	8
33	May	487,711	45,149	897	31	16
34	June	538,730	56,192	996	16	16
35	July	619,177	106,445	939	12	16
36	August	586,454	83,781	935	9	15
37	September	442,298	7,365	880	21	17
38	October	443,853	8,784	863	20	9
39	November	492,648	18,354	1,037	21	8
40	December	602,193	29,381	1,359	23	21
41	Total	6,433,073	554,322			

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<b>Steam Electric Generating Plant Statistics</b>					
<p>1. Report data for plant in Service only.</p> <p>2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants.</p> <p>3. Indicate by a footnote any plant leased or operated as a joint facility.</p> <p>4. If net peak demand for 60 minutes is not available, give data which is available, specifying period.</p> <p>5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant.</p> <p>6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct.</p> <p>7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20.</p> <p>8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.</p> <p>9. Items under Cost of Plant are based on USofA accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses.</p> <p>10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants.</p> <p>11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant.</p> <p>12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.</p>					
Line No.	Item (a)	Plant Name: 0	Plant Name: Big Sandy	Plant Name: Mitchell- Total	Plant Name: Mitchell-KEPCo Share
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)		STEAM	STEAM	STEAM
2	Type of Constr (Conventional, Outdoor, Boiler, etc)		CONVENTIONAL	OUTDOOR BOILER	OUTDOOR BOILER
3	Year Originally Constructed		1963	1971	1971
4	Year Last Unit was Installed		2016	1971	1971
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)		280.50	1,633.00	817.00
6	Net Peak Demand on Plant - MW (60 minutes)		296	1,574	787
7	Plant Hours Connected to Load		3,213	958	958
8	Net Continuous Plant Capability (Megawatts)		0		0
9	When Not Limited by Condenser Water		295	1,560	780
10	When Limited by Condenser Water		295	1,560	780
11	Average Number of Employees		25	309	154
12	Net Generation, Exclusive of Plant Use - kWh		509,961,000	3,502,186,000	1,751,093,000
13	Cost of Plant: Land and Land Rights		1,734,844	6,197,188	3,098,594
14	Structures and Improvements		24,414,231	114,658,466	57,416,483
15	Equipment Costs		152,066,033	1,975,214,424	986,041,982

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16	Asset Retirement Costs		6,618,088	11,057,543	4,618,331	
17	Total cost (total 13 thru 20)		184,833,196	2,107,127,621	1,051,175,390	
18	Cost per KW of Installed Capacity (line 17/5) Including		658.9419	1,290.3415	1,286.6284	
19	Production Expenses: Oper, Supv, & Engr		2,544,916	5,647,624	3,179,971	
20	Fuel		35,169,943	113,322,640	56,724,059	
21	Coolants and Water (Nuclear Plants Only)		0		0	
22	Steam Expenses		162	11,393,278	5,696,651	
23	Steam From Other Sources		0		0	
24	Steam Transferred (Cr)		0		0	
25	Electric Expenses		1	364,109	182,056	
26	Misc Steam (or Nuclear) Power Expenses		1,633,265	6,054,364	3,204,678	
27	Rents		0		0	
28	Allowances		4,592	45,600	48,814	
29	Maintenance Supervision and Engineering		381,489	2,485,553	1,247,979	
30	Maintenance of Structures		1,247,275	1,404,041	702,155	
31	Maintenance of Boiler (or reactor) Plant		2,357,333	21,350,029	10,759,915	
32	Maintenance of Electric Plant		2,055,817	5,035,310	2,517,622	
33	Maintenance of Misc Steam (or Nuclear) Plant		314,569	1,427,781	713,119	
34	Total Production Expenses	0	45,709,362	168,530,329	84,977,019	
35	Expenses per Net kWh		0.0896	0.0481	0.0485	
35	<b>Plant Name</b>	Big Sandy	Mitchell- Total	Mitchell- Total	Mitchell-KEPCo Share	Mitchell-KEPCo Share
36	<b>Fuel Kind</b>	Gas	Coal	Oil	Coal	Oil
37	<b>Fuel Unit</b>	Mcf	t	Boe	t	Boe
38	Quantity (Units) of Fuel Burned	4,296,269	1,523,492	62,205	761,746	32,294
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1,211,000	12,444	125,839	12,444	125,839
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	6.762	64.492	152.075	64.492	152.075
41	Average Cost of Fuel per Unit Burned	14.057	59.643	142.292	59.643	137.042
42	Average Cost of Fuel Burned per Million BTU	11.608	2.396	26.923	2.396	25.929
43	Average Cost of Fuel Burned per kWh Net Gen	0.118	0.026	0.000	0.026	0.000
44		10,358	10,913.000	0.000	10,913	0.000

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Average BTU per kWh Net Generation.....					
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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

<a href="#">(a)</a> Concept: PlantName Plant Name: Mitchell - This plant is owned jointly by Respondent and Wheeling Power Company, also a subsidiary of American Electric Power, Inc. <b>FERC FORM NO. 1 (REV. 12-03)</b>
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Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>Hydroelectric Generating Plant Statistics</b>				
<p>1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings).  2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.  3. If net peak demand for 60 minutes is not available, give that which is available specifying period.  4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.  5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."  6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.</p>				
Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: 0		
1	Kind of Plant (Run-of-River or Storage)			
2	Plant Construction type (Conventional or Outdoor)			
3	Year Originally Constructed			
4	Year Last Unit was Installed			
5	Total installed cap (Gen name plate Rating in MW)			
6	Net Peak Demand on Plant-Megawatts (60 minutes)			
7	Plant Hours Connect to Load			
8	<b>Net Plant Capability (in megawatts)</b>			
9	(a) Under Most Favorable Oper Conditions			
10	(b) Under the Most Adverse Oper Conditions			
11	Average Number of Employees			
12	Net Generation, Exclusive of Plant Use - kWh			
13	<b>Cost of Plant</b>			
14	Land and Land Rights			
15	Structures and Improvements			
16	Reservoirs, Dams, and Waterways			
17	Equipment Costs			
18	Roads, Railroads, and Bridges			
19	Asset Retirement Costs			
20	Total cost (total 13 thru 20)			
21	Cost per KW of Installed Capacity (line 20 / 5)			
22	<b>Production Expenses</b>			
23	Operation Supervision and Engineering			

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24	Water for Power	
25	Hydraulic Expenses	
26	Electric Expenses	
27	Misc Hydraulic Power Generation Expenses	
28	Rents	
29	Maintenance Supervision and Engineering	
30	Maintenance of Structures	
31	Maintenance of Reservoirs, Dams, and Waterways	
32	Maintenance of Electric Plant	
33	Maintenance of Misc Hydraulic Plant	
34	Total Production Expenses (total 23 thru 33)	
35	Expenses per net kWh	

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Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>Pumped Storage Generating Plant Statistics</b>				
<p>1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings).</p> <p>2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.</p> <p>3. If net peak demand for 60 minutes is not available, give that which is available, specifying period.</p> <p>4. If a group of employees attends more than one generating plant, report on Line 8 the approximate average number of employees assignable to each plant.</p> <p>5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."</p> <p>6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.</p> <p>7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.</p>				
Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: 0		
1	Type of Plant Construction (Conventional or Outdoor)			
2	Year Originally Constructed			
3	Year Last Unit was Installed			
4	Total installed cap (Gen name plate Rating in MW)			
5	Net Peak Demand on Plant-Megawatts (60 minutes)	0		
6	Plant Hours Connect to Load While Generating	0		
7	Net Plant Capability (in megawatts)	0		
8	Average Number of Employees			
9	Generation, Exclusive of Plant Use - kWh	0		
10	Energy Used for Pumping			
11	Net Output for Load (line 9 - line 10) - Kwh	0		
12	<b>Cost of Plant</b>			
13	Land and Land Rights			
14	Structures and Improvements	0		
15	Reservoirs, Dams, and Waterways	0		
16	Water Wheels, Turbines, and Generators	0		
17	Accessory Electric Equipment	0		
18	Miscellaneous Powerplant Equipment	0		
19	Roads, Railroads, and Bridges	0		
20	Asset Retirement Costs	0		
21	Total cost (total 13 thru 20)			

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22	Cost per KW of installed cap (line 21 / 4)	
23	<b>Production Expenses</b>	
24	Operation Supervision and Engineering	0
25	Water for Power	0
26	Pumped Storage Expenses	0
27	Electric Expenses	0
28	Misc Pumped Storage Power generation Expenses	0
29	Rents	0
30	Maintenance Supervision and Engineering	0
31	Maintenance of Structures	0
32	Maintenance of Reservoirs, Dams, and Waterways	0
33	Maintenance of Electric Plant	0
34	Maintenance of Misc Pumped Storage Plant	0
35	Production Exp Before Pumping Exp (24 thru 34)	
36	Pumping Expenses	
37	Total Production Exp (total 35 and 36)	
38	Expenses per kWh (line 37 / 9)	
39	Expenses per kWh of Generation and Pumping (line 37/(line 9 + line 10))	0

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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**GENERATING PLANT STATISTICS (Small Plants)**

- Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and storage plants of less than 10,000 Kw installed capacity (name plate rating).
- Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint f give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.
- List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruct 402.
- If net peak demand for 60 minutes is not available, give the which is available, specifying period.
- If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. If exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, re plant.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (MW) (c)	Net Peak Demand MW (60 min) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)	Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)
									Fuel Production Expenses (i)	Maintenance Production Expenses (j)		
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2												
3												
4												
5												
6												
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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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**ENERGY STORAGE OPERATIONS**

1. Large Plants are plants of 10,000 Kw or more.
2. In columns (a) (b) and (c) report the name of the energy storage project, functional classification (Production, Transmission, Distribution), and location.
3. In column (d), report Megawatt hours (MWH) purchased, generated, or received in exchange transactions for storage.
4. In columns (e), (f) and (g) report MWHs delivered to the grid to support production, transmission and distribution. The amount reported in column (e) is the total MWHs delivered to the grid to support production, transmission and distribution. The amount reported in column (f) is the MWHs delivered to the grid to support transmission. The amount reported in column (g) is the MWHs delivered to the grid to support distribution.
5. In columns (h), (i), and (j) report MWHs lost during conversion, storage and discharge of energy.
6. In column (k) report the MWHs sold.
7. In column (l), report revenues from energy storage operations. In a footnote, disclose the revenue accounts and revenue amounts related to energy storage operations.
8. In column (m), report the cost of power purchased for storage operations and reported in Account 555.1, Power Purchased for Storage Operations. Report the cost of power purchased for storage operations associated with self-generated power included in Account 501 and other costs associated with self-generated power.
9. In columns (q), (r) and (s) report the total project plant costs including but not exclusive of land and land rights, structures and improvement purpose is to integrate or tie energy storage assets into the power grid, and any other costs associated with the energy storage project including but not exclusive of land and land rights, structures and improvement.

Line No.	Name of the Energy Storage Project (a)	Functional Classification (b)	Location of the Project (c)	MWHs (d)	MWHs delivered to the grid to support Production (e)	MWHs delivered to the grid to support Transmission (f)	MWHs delivered to the grid to support Distribution (g)	MWHs Lost During Conversion, Storage and Discharge of Energy Production (h)	MWHs Lost During Conversion, Storage and Discharge of Energy Transmission (i)	MWHs Lost During Conversion, Storage and Discharge of Energy Distribution (j)	MWHs Sold (k)	Revenues (l)	Cost of Power Purchased (m)	Total Project Plant Costs (q)	Total Project Plant Costs (r)	Total Project Plant Costs (s)
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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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**TRANSMISSION LINE STATISTICS:**

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage c voltage. If required by a State commission to report individual lines for all voltages, do so but do not group totals for each voltage under 132
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do r
3. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
4. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (;
5. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost c the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, exp the expenses reported for the line designated.
6. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a fo structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s
7. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another cc other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in th such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expen: other party is an associated company.
8. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and h
9. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Line No.	DESIGNATION		VOLTAGE (KV) - (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure	LENGTH (Pole miles) - (In the case of underground lines report circuit miles)		Number of Circuits	Size of Conductor and Material
	From	To	Operating	Designated		On Structure of Line Designated	On Structures of Another Line		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	0700 BIG SANDY, KY	AMOS WV	765.00	765.00	3	0.13	0	1	954 MCMA
2	0701 BIG SANDY, KY	SARGENTS, OH	765.00	765.00	3	24.20	0	1	954 MCMA
3	0701 BIG SANDY, KY	SARGENTS, OH	765.00	765.00	3	4.79	0	1	
4	0702 BIG SANDY, KY	BROADFORD, VA	765.00	765.00	3	12.65	0	1	4-954 KCM ACSR
5	0702 BIG SANDY, KY	BROADFORD, VA	765.00	765.00	3	3.04	0	1	
6	0702 BIG SANDY, KY	BROADFORD, VA	765.00	765.00	3	58.26	0	1	
7	0703 HANGING ROCK, OH	JEFFERSON, IN	765.00	765.00	3	154.74	0	1	1351.5 KCM ACSR
8	0300 BIG SANDY, KY	TRI-STATE, WV	345.00	345.00	3	8.36	0	1	954 KCM ACSR
9	0600 HAZARD, KY	PINEVILLE, KY	161.00	161.00	1	0.33	0	1	500 KCM CU
10	0600 HAZARD, KY	PINEVILLE, KY	161.00	161.00	2	37.08	0	1	500 KCM CU
11	0600 HAZARD, KY	PINEVILLE, KY	161.00	161.00	3	0.06	0	1	795 KCM ACSR
12		PINEVILLE, KY	161.00	161.00	2	0.96	0	2	

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	0600 HAZARD, KY								795 KCM ACSR
13	0135 WOOTEN	ARNOLD DELVINTA (LGE)	161.00	161.00	1	1.09	0	1	795 KCM ACSR
14	0136 WOOTEN EXTENSION		161.00	161.00	1	0.04	0	1	795 KCM ACSR
15	0143 HAZARD	WOOTON	161.00	161.00	1	0.60	0	1	795 KCM ACSR
16	0143 HAZARD	WOOTON	161.00	161.00	1	0.98	0	2	795 KCM ACSR
17	0143 HAZARD	WOOTON	161.00	161.00	3	0.26	0	2	795 KCM ACSR
18	0143 HAZARD	WOOTON	161.00	161.00	3	1.16	0	1	795 KCM ACSR
19	0143 HAZARD	WOOTON	161.00	161.00	2	3.58	0	1	795 KCM ACSR
20	0100 BIG SANDY, KY	BELLEFONTE	138.00	138.00	3	12.08	0	1	2-556.5 KCM ACSR
21	0100 BIG SANDY, KY	BELLEFONTE	138.00	138.00	3	14.77	0	2	795 KCM ACSR
22	0100 BIG SANDY, KY	BELLEFONTE	138.00	138.00	0	0.00	0	0	2-556.5 KCM ACSR
23	0100 BIG SANDY, KY	BELLEFONTE	138.00	138.00	3	0.32	0	1	1272 ACSS
24	0101 BIG SANDY, KY	W HUNTINGTON, WV	138.00	138.00	3	0.33	0	1	1033.5 KCM ACSR
25	0102 BELLEFONTE, KY	N PROCTORVILLE, OH	138.00	138.00	3	0.81	0	2	795 KCM ACSR
26	0103 HAZARD, KY	BEAVER CREEK, KY	138.00	138.00	3	5.91	0	1	397.5 MCMCU
27	0103 HAZARD, KY	BEAVER CREEK, KY	138.00	138.00	3	23.25	0	1	
28	0105 CLINCH RIVER, VA	BEAVER CREEK, KY	138.00	138.00	3	2.30	0	1	636 MCMA
29	0105 CLINCH RIVER, VA	BEAVER CREEK, KY	138.00	138.00	1	16.09	17	1	
30	0107 LOGAN, WV	SPRIGG, KY	138.00	138.00	3	0.48	0	2	397 MCMA
31	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	2	1.48	0	1	954KCM ACSR
32	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	2	3.31	0	1	795KCM ACSR
33	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	3	30.88	0	1	636KCM ACSR
34	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	2	22.86	0	1	636KCM ACSR
35	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	1	0.01	0	1	636KCM ACSR



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36	0111 TRI STATE, WV	BELLEFONTE, KY	138.00	138.00	3	0.71	14	1	795 MCMA
37	0111 TRI STATE, WV	BELLEFONTE, KY	138.00	138.00	1	0.38	0	1	
38	0113 CHADWICK	KY ELECTRIC STEEL	138.00	138.00	1	8.09	0	1	795 MCMA
39	0115 CHADWICK	COALTON	138.00	138.00	1	0.98	0	1	795 MCMA
40	0133 CHADWICK EXTENSION		138.00	138.00		1.06	0	1	795KCM ACSR
41	0117 MILBROOK PARK, OH	FULLERTON	138.00	138.00	1	5.08	2	1	556.5 MCM
42	0116 BEAVER CREEK	SPICEWOOD	138.00	138.00	1	25.83	0	1	795 MCMA
43	0116 BEAVER CREEK	SPICEWOOD	138.00	138.00	3	0.63	0	0	1590 KCM
44	0120 HATFIELD	SPRIGG	138.00	138.00	1	5.88	0	1	1033 MCM
45	0121 HATFIELD	INEZ	138.00	138.00	1	14.67	0	1	1033.5 VAR
46	0122 INEZ	LOVELY	138.00	138.00	1	6.86	0	1	1033.5 VAR
47	0126 INEZ	MARTIKI	138.00	138.00	1	0.30	0	1	336.4 KCM ACSR
48	0127 BIG SANDY	INEZ	138.00	138.00	3	25.08	0	1	795 MCMA
49	0106 DORTON	FLEMING	138.00	138.00	1	6.81	0	1	795 MCMA
50	0106 DORTON	FLEMING	138.00	138.00	3	0.83	0	0	795 MCMA
51	0108 BEAVER CREEK	SPRIGG #1	138.00	138.00	1	32.60	0	1	397 MCMA
52	0124 BIG SANDY	SOUTH NEAL	138.00	138.00	1	0.01	0	1	1033.5 VAR
53	0109 BEAVER CREEK	SPRIGG #3	138.00	138.00		0.00	0	0	
54	0125 BELLEFONTE	AK STEEL OXYGEN PLANT	138.00	138.00	3	0.22	0	2	795 ACSR
55	0130 JOHNS CREEK	SPRIGG	138.00	138.00	3	13.00	0	0	1033 MCM
56	0131 BAKER	BIG SANDY EXT.	138.00	138.00	3	1.00	0	1	1351 KCM
57	0131 BAKER	BIG SANDY EXT.	138.00	138.00	1	0.05	0	2	2 - 1351KCM ACSR
58	0128 INEZ	JOHNS CREEK	138.00	138.00	3	17.00	0	0	2-556.5 MCM
59	0129 BEAVER CREEK	JOHNS CREEK	138.00	138.00	3	22.25	0	2	1033.5KCM ACSR

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60	0132 GRANGSTON LOOP		138.00	138.00	3	0.84	0	2	556.5 KCM ACSR
61	0137 HAYS BRANCH	MORGAN FORK	138.00	138.00	3	8.30	0	1	795 ACSR
62	0138 SOFT SHELL	BEAVER CREEK	138.00	138.00	3	1.40	0	2	1590 ACSR
63	0138 SOFT SHELL	SPICEWOOD	138.00	138.00	3	1.40	0	2	1590 ACSR
64	0139 MORGAN FORK	BETSY LANE	138.00	138.00	3	0.10	0	1	795 ACSR
65	0139 MORGAN FORK	BEAVER CREEK	138.00	138.00	3	0.10	0	1	795 ACSR
66	0140 BONNYMAN	SOFT SHELL	138.00	138.00	3	0.88	0	2	1590 KCM ACSS
67	0140 BONNYMAN	SOFT SHELL	138.00	138.00	1	19.15	0	1	1590 KCM ACSS
68	0154 Raccoon Extension		138.00	138.00	1	0.20	0	2	1033.5KCM ACSR
69	0119 BETSY LAYNE	ALLEN	46.00	138.00	1	5.89	0	1	795KCM ACSR
70	0119 BETSY LAYNE	ALLEN	46.00	138.00	3	0.22	0	2	1033.5KCM ACSR
71	0119 BETSY LAYNE	ALLEN	46.00	138.00	1	0.33	0	2	1033.5KCM ACSR
72	0142 STANVILLE EXTENSION		138.00	138.00	1	0.42	0	1	1033.5KCM ACSR
73	LINES < 132KV		69.00	69.00		593.74	6	0	
74	Line cost and expense are	not available by individual							
75	transmission line	Total shown in Column j - p							
36	TOTAL					1,269.48	39.00	82	

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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**TRANSMISSION LINES ADDED DURING YEAR**

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor r
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of ( columns (l) to (o), it is permissible to report in these columns the costs. Designate, however, if estimated amounts are reported. Include cos in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).
3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE		CONDUCTORS			Voltage KV (Operating) (k)	Land and Land Rights (l)
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)	Size (h)	Specification (i)	Configuration and Spacing (j)		
1	Nothing to Report											
44	TOTAL		0		0	0	0					

FERC FORM NO. 1 (REV. 12-03)

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FERC Form

Document Accession #: 20230412-8009

Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
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**SUBSTATIONS**

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to function be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or to function the capacities reported for the individual stations in column (f).
- Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increase.
- Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of special equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts each case whether lessor, co-owner, or other party is an associated company.

Line No.	Name and Location of Substation (a)	Character of Substation		VOLTAGE (In Mva)			Capacity of Substation (In Service) (In Mva) (f)	Number of Transformers In Service (g)
		Transmission or Distribution (b)	Attended or Unattended (b-1)	Primary Voltage (In Mva) (c)	Secondary Voltage (In Mva) (d)	Tertiary Voltage (In Mva) (e)		
1	ALLEN (KP) - KY	Distribution		46.00	0.00	0.00	0.00	
2	ALLEN (KP) - KY	Distribution		46.00	12.00		6.25	
3	ASHLAND - KY	Distribution		69.00	0.00	0.00	0.00	
4	ASHLAND - KY	Distribution		69.00	12.00		22.40	
5	BAKER 765KV - KY	Transmission		69.00	12.00		10.50	
6	BAKER 765KV - KY	Transmission		69.00	12.00		2.50	
7	BAKER 765KV - KY	Transmission		69.00	4.00		3.00	
8	BAKER 765KV - KY	Transmission		765.00	345.00	34.50	1500.00	
9	BARRENSHE - KY	Distribution		69.00	12.00		25.00	
10	BEAVER CREEK - KY	Transmission		138.00	0.00	0.00	0.00	
11	BEAVER CREEK - KY	Transmission		138.00	0.00	0.00	0.00	
12	BEAVER CREEK - KY	Transmission		138.00	0.00	0.00	0.00	
13	BEAVER CREEK - KY	Transmission		138.00	69.00	46.00	90.00	
14	BEAVER CREEK - KY	Transmission		138.00	34.50		30.00	
15	BEAVER CREEK - KY	Transmission		138.00	70.50	46.00	90.00	
16	BECKHAM - KY	Distribution		138.00	0.00	0.00	0.00	
17	BECKHAM - KY	Distribution		138.00	34.50		30.00	
18	BEEFHIDE - KY	Distribution		138.00	34.50		20.00	
19	BELFRY - KY	Distribution		46.00	12.00		10.50	
20	BELHAVEN - KY	Distribution		138.00	13.09		20.00	
21	BELLEFONTE 138KV - KY	Transmission		138.00	69.00	34.50	308.00	

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22	BELLEFONTE 138KV - KY	Transmission		138.00	35.00		45.00
23	BELLEFONTE 138KV - KY	Transmission		138.00	13.09		22.40
24	BELLEFONTE 69KV - KY	Transmission		69.00	0.00	0.00	0.00
25	BIG SANDY 138KV - KY	Transmission		138.00	13.09		20.00
26	BIG SANDY 138KV - KY	Transmission		138.00	34.50		20.00
27	BIG SANDY 138KV - KY	Transmission		138.00	69.50	13.20	128.80
28	BLUE GRASS - KY	Distribution		69.00	12.00		10.50
29	BONNYMAN - KY	Transmission		69.00	34.50		30.00
30	BONNYMAN - KY	Transmission		138.00	70.50	13.00	130.00
31	BULAN - KY	Distribution		69.00	12.00		9.38
32	BURDINE - KY	Distribution		46.00	12.00		7.50
33	BURTON - KY	Distribution		46.00	12.00		6.25
34	BUSSEYVILLE - KY	Distribution		138.00	34.50		55.00
35	CEDAR CREEK - KY	Transmission		138.00	34.50		25.00
36	CEDAR CREEK - KY	Transmission		69.00	12.00		6.25
37	CEDAR CREEK - KY	Transmission		138.00	69.00	46.00	90.00
38	CHADWICK - KY	Transmission		138.00	69.00	34.50	200.00
39	CHAVIES - KY	Distribution		69.00	12.00		3.75
40	CHAVIES - KY	Distribution		69.00	0.00	0.00	0.00
41	COALTON - KY	Distribution		69.00	0.00	0.00	0.00
42	COALTON - KY	Distribution		69.00	12.00		25.00
43	COLEMAN - KY	Distribution		69.00	12.00		3.75
44	COLEMAN - KY	Distribution		69.00	34.50		20.00
45	COLLIER - KY	Distribution		69.00	0.00	0.00	0.00
46	COLLIER - KY	Distribution		69.00	34.00		25.00
47	COMBS - KY	Distribution		69.00	0.00	0.00	0.00
48	COMBS - KY	Distribution		69.00	12.00		7.50
49	DAISY - KY	Distribution		69.00	0.00	0.00	0.00
50	DAISY - KY	Distribution		69.00	12.00		4.70
51	DEWEY - KY	Transmission		138.00	69.00	12.00	90.00
52	DEWEY - KY	Transmission		69.00	0.00	0.00	0.00
53	DEWEY - KY	Transmission		138.00	34.50		25.00
54	DORTON - KY	Transmission		138.00	70.50	46.00	144.00
55	DRAFFIN - KY	Distribution		46.00	12.00		10.50
56	EAST PRESTONSBURG - KY	Distribution		46.00	12.00		20.00
57	ELWOOD (KP) - KY	Distribution		46.00	0.00	0.00	0.00

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58	ELWOOD (KP) - KY	Distribution		46.00	34.50	6.50	25.00	
59	ENGLE - KY	Distribution		69.00	34.50		20.00	
60	FALCON - KY	Distribution		69.00	12.00		20.00	
61	FALCON - KY	Distribution		69.00	46.00		20.00	
62	FEDS CREEK - KY	Distribution		69.00	12.00		22.34	
63	FISHTRAP - KY	Distribution		69.00	12.00		3.75	
64	FLEMING - KY	Transmission		69.00	0.00	0.00	0.00	
65	FLEMING - KY	Transmission		138.00	69.00	46.00	130.00	
66	FLEMING - KY	Transmission		69.00	12.00		20.00	
67	FORDS BRANCH - KY	Distribution		46.00	34.50	12.00	30.00	
68	FORDS BRANCH STEPDOWN - KY	Distribution		34.50	12.00		3.75	
69	FORTY SEVENTH STREET - KY	Distribution		69.00	13.09		12.00	
70	GARRETT (KP) - KY	Transmission		46.00	12.00		10.50	
71	GRAHN - KY	Distribution		69.00	12.00		3.13	
72	GRAYS BRANCH - KY	Distribution		69.00	12.00		5.00	
73	GRAYSON - KY	Distribution		69.00	12.00		20.00	
74	HADDIX - KY	Distribution		69.00	34.50		25.00	
75	HADDIX - KY	Distribution		69.00	0.00	0.00	0.00	
76	HATFIELD (KP) - KY	Transmission		138.00	69.00	46.00	60.00	
77	HAYWARD - KY	Distribution		69.00	13.09		9.38	
78	HAZARD - KY	Transmission		69.00	0.00	0.00	0.00	
79	HAZARD - KY	Transmission		138.00	0.00	0.00	0.00	
80	HAZARD - KY	Transmission		161.00	138.00	11.00	135.00	
81	HAZARD - KY	Transmission		138.00	69.00	12.00	180.00	
82	HAZARD - KY	Transmission		34.50	12.00		9.38	
83	HAZARD - KY	Transmission		138.00	36.20		30.00	
84	HENRY CLAY - KY	Distribution		46.00	0.00	0.00	0.00	
85	HENRY CLAY - KY	Distribution		46.00	34.50		30.00	
86	HIGHLAND (KP) - KY	Distribution		69.00	13.09		25.00	
87	HIGHLAND (KP) - KY	Distribution		69.00	0.00	0.00	0.00	
88	HITCHINS - KY	Distribution		69.00	13.09		25.00	
89	HOODS CREEK - KY	Distribution		69.00	12.00		10.50	
90	HOWARD COLLINS - KY	Distribution		69.00	12.00		30.50	
91	INDEX - KY	Distribution		69.00	12.00		9.40	
92	INEZ - KY	Transmission		69.00	0.00	0.00	0.00	
93	INEZ - KY	Transmission		138.00	0.00	0.00	0.00	
94	INEZ - KY	Transmission		138.00	69.00	13.09	50.00	

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95	JACKSON - KY	Distribution		69.00	12.00		14.50
96	JACKSON - KY	Distribution		69.00	0.00	0.00	0.00
97	JEFF - KY	Distribution		69.00	36.20		30.00
98	JENKINS - KY	Distribution		69.00	12.00		10.50
99	JOHNS CREEK - KY	Transmission		138.00	70.50	36.20	54.00
100	JOHNS CREEK - KY	Transmission		138.00	0.00	0.00	0.00
101	JOHNS CREEK - KY	Transmission		69.00	0.00	0.00	0.00
102	KENWOOD - KY	Distribution		46.00	12.00		20.00
103	KENWOOD - KY	Distribution		46.00	0.00	0.00	0.00
104	KEYSER - KY	Distribution		69.00	12.00		20.00
105	KIMPER - KY	Distribution		69.00	12.00		9.38
106	LESLIE - KY	Transmission		69.00	34.50		30.00
107	LESLIE - KY	Transmission		69.00	0.00	0.00	0.00
108	LESLIE - KY	Transmission		161.00	69.00	12.00	90.00
109	LOVELY - KY	Distribution		138.00	34.00		30.00
110	MANSBACH - KY	Distribution		69.00	4.00		9.38
111	MAYKING - KY	Distribution		69.00	12.00		20.00
112	MAYO TRAIL - KY	Distribution		69.00	0.00	69.00	25.00
113	MCKINNEY - KY	Distribution		34.50	12.00		6.67
114	MCKINNEY - KY	Distribution		46.00	34.00		20.00
115	MIDDLE CREEK - KY	Distribution		46.00	12.00		3.75
116	MORGAN FORK - KY	Transmission		138.00	0.00	0.00	0.00
117	NEW CAMP - KY	Distribution		69.00	12.00		20.00
118	OLIVE HILL - KY	Distribution		69.00	12.00		7.50
119	OLIVE HILL - KY	Distribution		69.00	4.00		5.00
120	PRESTONSBURG - KY	Distribution		46.00	13.09		10.00
121	PRESTONSBURG - KY	Distribution		46.00	0.00	0.00	0.00
122	PRINCESS - KY	Distribution		69.00	0.00	0.00	0.00
123	RACELAND - KY	Distribution		69.00	2.40		7.50
124	REEDY COAL - KY	Distribution		69.00	34.00		20.00
125	RUSSELL - KY	Distribution		69.00	12.00		22.40
126	RUSSELL FORK - KY	Distribution		69.00	12.00		3.75
127	SALISBURY (KP) - KY	Distribution		46.00	13.09		20.00
128	SECOND FORK - KY	Distribution		69.00	0.00	0.00	0.00
129	SECOND FORK - KY	Distribution		69.00	12.00		7.50
130	SHAMROCK - KY	Distribution		69.00	34.50		10.50

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131	SIDNEY - KY	Distribution		69.00	12.00		20.00
132	SILOAM - KY	Distribution		69.00	12.00		4.68
133	SLEMP - KY	Distribution		69.00	34.00		20.00
134	SLEMP - KY	Distribution		69.00	34.50		10.50
135	SOFT SHELL - KY	Distribution		138.00	34.50		30.00
136	SOUTH PIKEVILLE - KY	Distribution		69.00	13.09		25.00
137	SOUTH SHORE - KY	Distribution		69.00	13.09		7.50
138	SPRING FORK - KY	Distribution		46.00	7.20		0.83
139	STINNETT - KY	Distribution		161.00	34.50	7.20	22.40
140	STINNETT - KY	Distribution		161.00	34.00	7.20	14.93
141	STINNETT - KY	Distribution		161.00	34.50	7.20	22.40
142	STONE - KY	Transmission		138.00	70,500.00	46.00	90.00
143	TENTH STREET - KY	Distribution		69.00	13.09		25.00
144	THELMA - KY	Transmission		138.00	69.00	46.00	70.00
145	THELMA - KY	Transmission		138.00	69.00	12.00	90.00
146	THELMA - KY	Transmission		138.00	0.00	0.00	0.00
147	THELMA - KY	Transmission		46.00	0.00	0.00	0.00
148	TOM WATKINS - KY	Distribution		69.00	12.00		10.50
149	TOPMOST - KY	Distribution		138.00	13.09		20.00
150	VICCO - KY	Distribution		138.00	34.50		30.00
151	WEEKSBURY - KY	Distribution		69.00	12.00		6.25
152	WEST PAINTSVILLE - KY	Distribution		69.00	12.00		25.00
153	WHITESBURG - KY	Distribution		69.00	12.00		35.50
154	WHITESBURG - KY	Distribution		69.00	0.00	0.00	0.00
155	WORTHINGTON - KY	Distribution		69.00	12.00		1.50
156	WURLAND - KY	Distribution		69.00	12.00		20
157	TotalTransmissionSubstationMember						
158	Total						



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Filed Date: 04/12/2023

Name of Respondent: Kentucky Power Company		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
<b>TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES</b>				
<p>1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.</p> <p>2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".</p> <p>3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.</p>				
Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	<b>Non-power Goods or Services Provided by Affiliated</b>			
2	Administrative and General Expenses - Maintenance	AEPSC	935	1,485,323
3	Distribution Expenses - Maintenance	OPCO	592,593,595	1,026,502
4	Transmission Expenses - Maintenance	AEPSC	568-573	1,341,761
5	Administrative and General Expenses - Maintenance	APCO	935	263,657
6	Distribution Expenses - Operation	AEPSC	580-583,584,586-588	1,109,418
7	Transmission Expenses - Operation	AEPSC	560-563,564,920,923	4,157,525
8	Administrative and General Expenses - Operation	AEPSC	920-928,930.1,930.2,931	3,827,415
9	Transmission Expenses - Operation	I&M	560,563,565,566	2,017,372
10	Audit Services	AEPSC	920,923	282,338
11	Fuel & Storeroom Services	AEPSC	152,163	2,692,700
12	Treasury & Risk	AEPSC	920,923	597,520
13	Barging	I&M	151	2,009,631
14	Information Technology	AEPSC	920,923	2,157,812
15	Urea	APCO	154	818,932
16	Central Machine Shop	APCo	107,108,506,511-514,570,592	1,012,304
17	Infrastructure Ops & Support	AEPSC	920,923	330,464
18	Urea	WPCO	154	1,381,108
19		AEPSC	920,923	388,956

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	Bus Ops & Perf Assurance			
20	Civil & Political Activities and Other Svcs	AEPSC	426	786,566
21	Legal GC/Administration	AEPSC	920,923	1,988,672
22	Construction Services	AEPSC	107,108	30,691,324
23	Materials and Supplies	OPCo	107,184,513,564,569-570,592,935	1,111,360
24	Construction Services	APCO	107,108	591,918
25	O&M Services for Jointly Owned Facility - Mitchell	WPCo	107,108,143,154,186,408,421,426.1,426.3,426.4,426.5,500-502,505,506,510-514,557,920-928,930.1,930.2,931,935	29,954,990
26	Construction Services	OPCo	107,108	459,751
27	Other Power Supply Expenses	AEPSC	556,557	1,124,134
28	Corp Safety & Health	AEPSC	920,923	558,909
29	Physical & Cyber Security	AEPSC	920,923	325,058
30	Corporate Accounting	AEPSC	920,923	1,022,510
31	Real Estate & Workplace Svcs	AEPSC	920,923	628,038
32	Corporate Communications	AEPSC	920,923	306,314
33	Regulatory Services	AEPSC	920,923	369,298
34	Corporate Human Resources	AEPSC	920,923	1,048,286
35	Research and Other Services	AEPSC	183,186,188	699,436
36	Corporate Planning & Budgeting	AEPSC	920,923	489,403
37	Steam Power Generation - Maintenance	AEPSC	510-514	1,094,040
38	Customer Accounts Expenses	AEPSC	901-903,905	3,576,574
39	Steam Power Generation - Operation	AEPSC	500-502,506	4,513,394
40	Distribution Expenses - Maintenance	AEPSC	590-598	889,370
41	Tax Services	AEPSC	920,923	329,866
42	Distribution Expenses - Maintenance	I&M	592,593	510,453
43	Taxes Other Than Income taxes	WPCO	4,081	775,568
19				
20	<b>Non-power Goods or Services Provided for Affiliated</b>			
21	Building and Property Leases	AEPSC	4540	961,628

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22	Fleet and Vehicle Charges	AEP Texas	See Foonote	943,108
23	Materials and Supplies	APCo	154	315,895
24	O&M Services for Jointly Owned Facility - Mitchell	WPCo	107,108,154,186,401,408,421,426,500,501,502,505,506,510-514,557,920-923,925,926,928,930,931,935	42,624,515
25	Research and Other Services	WPCo	183,184,186	618,935
26	Steam Power Generation - Maintenance	WPCo	510-514	536,394
27	Steam Power Generation - Operation	WPCO	501-502,505,506	796,708
28	Administrative and General Expenses - Operation	American Electric Power Company	920,921,923,926-928,931	1,867,973
29	Construction Services	WPCo	107,108	403,048
30	Fuel & Storeroom Services	WPCo	151,152,154	4,528,927
31	Taxes Other Than Income taxes	WPCo	4081	1,046,305
32	Urea	APCo	154	758,851
33	Urea	WPCO	154	419,327
34	Use of Jointly Owned Facility	KYTCo	454	574,646
42				

FERC FORM NO. 1 ((NEW))

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Name of Respondent: Kentucky Power Company	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4
FOOTNOTE DATA			

[\(a\)](#) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies  
 Cost related to AEP's fleet vehicles are allocated in the same manner as the labor of each department utilizing the vehicles. To the extent a department provides service to another affiliate company, an applicable share of their fleet costs are also assigned to that affiliate company.

FERC FORM NO. 1 ((NEW))

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[XBRL Instance File](#)  
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Document Content(s)

wk-20221231.xml\_99113.html.....1

NOT A NEW ISSUE - BOOK ENTRY ONLY

On June 26, 2014, Squire Patton Boggs (US) LLP, Bond Counsel, delivered its opinion that, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds would be excluded from gross income for federal income tax purposes, except interest on any Bond for any period during which it is held by a “substantial user” or a “related person,” as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the “Code”), (ii) interest on the Bonds would be an item of tax preference under Section 57 of the Code for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (iii) the Bonds, and all interest and income thereon, would be exempt from all taxation by the State of West Virginia and any county, municipality, political subdivision or agency thereof, except inheritance taxes. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. See TAX EXEMPTION. The form of such opinion is included in Appendix B-1 to this Reoffering Circular. Bond Counsel’s opinion spoke only as of its date. In connection with the proposed change in interest rate Determination Method from the current Long-Term Interest Rate to a new Long-Term Interest Rate, Bond Counsel is rendering its opinion that such change will not, by itself, adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes, and is permitted under the Act and by the Indenture. The proposed form of such opinion is included in Appendix B-2 to this Reoffering Circular. For further information, including information on the status of interest on the Bonds for purposes of the Federal alternative minimum tax under current law, see TAX EXEMPTION herein.

**\$65,000,000**  
**West Virginia Economic Development Authority**  
**Solid Waste Disposal Facilities Revenue Refunding Bonds**  
**(Kentucky Power Company – Mitchell Project),**  
**Series 2014A**

Dated date: June 26, 2014

Due: April 1, 2036

The Series 2014A Bonds (the “Bonds”) are limited obligations of the West Virginia Economic Development Authority (the “Issuer”), and do not constitute an indebtedness or a charge against the general credit of the Issuer or the State of West Virginia. The Bonds are payable solely from, and secured by a pledge of, the loan repayments under a note issued under the terms of a Loan Agreement (the “Agreement”) between the Issuer and

**KENTUCKY POWER COMPANY**

Commencing June 20, 2023, the Bonds will bear interest at the rate of 4.70% per annum to, but not including, June 17, 2026, the date on which they are subject to mandatory tender for purchase. The failure to pay the purchase price on the mandatory tender date is an Event of Default under the Indenture. Interest on the Bonds will be payable semi-annually in arrears, commencing on December 1, 2023 and on each June 1 and December 1 of each year thereafter, and also the date on which the Bonds are subject to mandatory tender for purchase. Prior to June 17, 2026 the Bonds will not be subject to optional redemption but will be subject to extraordinary optional redemption and extraordinary mandatory redemption as described under *THE BONDS – Redemption*.

The Bonds will be reoffered as fully registered bonds and will be registered initially in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”). DTC acts as a securities depository for the Bonds. The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Except under the limited circumstances described herein, Beneficial Owners of book-entry interests in the Bonds will not receive certificates representing their ownership interests. Payments of principal or purchase price of and premium, if any, and interest on the Bonds will be made through DTC and disbursements of such payments to Beneficial Owners will be the responsibility of DTC and its Participants (see *THE BONDS – Book-Entry Only System* herein). KeyBanc Capital Markets Inc. (the “Remarketing Agent”) will act as the remarketing agent for the Company and reoffer the Bonds. The Bank of New York Mellon Trust Company, N.A. will act as Trustee for the Bonds.

**PRICE: 100%**

This cover page contains limited information for quick reference only and is not a summary of this Reoffering Circular. Investors should read the entire Reoffering Circular to obtain information essential to the making of an informed investment decision.

The Bonds are reoffered by the Remarketing Agent subject to the receipt of an opinion of Squire Patton Boggs (US) LLP, as described herein, and certain other conditions. Certain legal matters, other than the validity of the Bonds and the exclusion from gross income for Federal income tax purposes of interest thereon, will be passed on for the Remarketing Agent by its counsel, Hunton Andrews Kurth LLP, New York, New York, and for the Company by its internal counsel. Delivery of the Bonds in book-entry-only form is expected on or about June 20, 2023, through the facilities of DTC in New York, New York, against payment therefor.

**KeyBanc Capital Markets**

Dated: June 1, 2023

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No person has been authorized to give any information or to make any representations other than those contained in this Reoffering Circular in connection with the offer made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the Company or the Remarketing Agent. Neither the delivery of this Reoffering Circular nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer or the Company since the date hereof. This Reoffering Circular does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. The Issuer neither has nor assumes any responsibility as to the accuracy or completeness of the information in this Reoffering Circular, all of which has been furnished by others, other than information under *THE ISSUER*.

The Remarketing Agent has provided the following sentence for inclusion in this Reoffering Circular. The Remarketing Agent has reviewed the information in this Reoffering Circular in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information. This Reoffering Circular is submitted in connection with the sale of the securities referenced herein, and may not be reproduced or be used, in whole or in part, for any other purpose. The delivery of this Reoffering Circular at any time does not imply that the information is correct as of any time subsequent to its date.

CERTAIN PERSONS PARTICIPATING IN THIS REOFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE BONDS, INCLUDING ENTERING STABILIZING BIDS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE *REMARKETING* HEREIN.

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER, THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, AND MAKE AN INDEPENDENT DECISION WHETHER THE OFFERING MEETS THE INVESTOR’S INVESTMENT OBJECTIVES AND FINANCIAL RISK TOLERANCE. THESE SECURITIES HAVE NOT BEEN APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES, INCLUDING, WITHOUT LIMITATION, THE WEST VIRGINIA SECURITIES COMMISSION, HAVE NOT REVIEWED THIS REOFFERING CIRCULAR OR CONFIRMED THE ACCURACY OR TRUTHFULNESS OR DETERMINED THE ADEQUACY OF THIS REOFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE ISSUER IS RELYING ON AN EXEMPTION FROM REGISTRATION BY QUALIFICATION UNDER THE WEST VIRGINIA SECURITIES ACT. IMPORTANT RISK FACTORS ARE EXPLAINED IN APPENDIX A UNDER “RISK FACTORS.”**

**\$65,000,000**  
**West Virginia Economic Development Authority**  
**Solid Waste Disposal Facilities Revenue Refunding Bonds**  
**(Kentucky Power Company - Mitchell Project),**  
**Series 2014A**

**INTRODUCTORY STATEMENT**

This Reoffering Circular, including the Appendices hereto, is provided to furnish certain information in connection with the reoffering by the West Virginia Economic Development Authority, a body politic and corporate of the State of West Virginia (“Issuer”) of its Solid Waste Disposal Facilities Revenue Refunding Bonds (Kentucky Power Company - Mitchell Project) Series 2014A, in the aggregate principal amount of \$65,000,000 (the “Bonds”). The Issuer neither has nor assumes any responsibility as to the accuracy or completeness of the information in this Reoffering Circular, all of which has been furnished by others, other than the information pertaining to the Issuer under *THE ISSUER*.

The Bonds were issued under and pursuant to a resolution of the Issuer adopted on March 20, 2014 (“Resolution”) and an Indenture of Trust, dated as of June 15, 2014, as heretofore supplemented and amended (“Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Indenture.

Pursuant to a Loan Agreement, dated as of June 15, 2014 (“Agreement”), between the Issuer and Kentucky Power Company (“Company”), the Issuer loaned to the Company the proceeds of the Bonds to be used to provide funds to refund or to pay at redemption the Issuer’s Solid Waste Disposal Facilities Revenue Refunding Bonds (Ohio Power Company – Mitchell Project) Series 2008A, the proceeds of which having been used to provide funds to finance the cost of acquisition, construction and improvement of solid waste disposal facilities (the “Project”), or portions thereof, designed for the disposal of solid waste at the Mitchell Generating Station located near Moundsville, West Virginia (the “Plant”).

In order to evidence the loan from the Issuer (the “Loan”) and to provide for its repayment, the Company issued a nonnegotiable promissory note (the “Note”) pursuant to the Agreement. Payments required under the Note will be sufficient, together with any other funds on deposit in the Bond Fund (hereinafter described) under the Indenture, to pay the principal of and premium, if any, and interest on the Bonds and to make or provide for payments to the Trustee equal to 100% of the principal amount of the Bonds plus accrued interest, if any, upon tender thereof (“Purchase Price”). The Bonds are not otherwise secured by a mortgage on, or security interest in, any of the Project or any other property of the Company.

The Bonds are special obligations of the Issuer, and are paid solely from, and are secured by a pledge of, payments to be made to the Issuer under the terms of the Agreement. See *THE BONDS – Security*.

The Bonds will mature and become due and payable, together with any accrued and unpaid interest, on April 1, 2036. The Bonds will bear interest for a Long-Term Interest Rate Period at the rate of 4.70% per year, from June 20, 2023 to, but not including, June 17, 2026. Interest on



the Bonds will be payable semi-annually in arrears, commencing on December 1, 2023 and on each June 1 and December 1 of each year thereafter, and also the date on which the Bonds are subject to mandatory tender for purchase. The Bonds are subject to mandatory tender for purchase on June 17, 2026. The failure to pay the purchase price on the mandatory tender date is an Event of Default under the Indenture.

The Bonds will be issued in authorized denominations of \$5,000 or any integral multiple thereof and are held by The Depository Trust Company (“DTC”), or its nominee, as securities depository with respect to the Bonds. See *THE BONDS – Book-Entry Only System*.

Brief descriptions of the Issuer, the Project, the Bonds, the Agreement and the Indenture are included in this Reoffering Circular. Information regarding the business, properties and financial condition of the Company is included or incorporated by reference in Appendix A attached hereto. The form of opinion Bond Counsel delivered upon the original issuance of the Bonds is set forth in Appendix B-1 hereto and the proposed form of opinion to be delivered by Bond Counsel upon conversion of the interest rate on the Bonds is set forth in Appendix B-2 hereto. The descriptions herein of the Agreement and the Indenture are qualified in their entirety by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting generally the enforcement of creditors’ rights. Copies of such documents may be obtained from the Company.

This Reoffering Circular describes the Bonds only while the Bonds are in the Long-Term Interest Rate Period commencing June 20, 2023 and ending June 17, 2026.

### **THE ISSUER**

The West Virginia Economic Development Authority, empowered and authorized pursuant to Chapter 31, Article 15, Section 1, et. seq. of the Code of West Virginia, 1931, as amended (the “Act”), is a body corporate and politic, constituting a public corporation and government instrumentality of the State of West Virginia, with the power to borrow money and issue its bonds and other debt instruments for any of its purposes, and to finance making loans to finance any project to private corporations. Such projects include solid waste disposal facilities. The Issuer has no taxing power.

THE BONDS SHALL NOT CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OF WEST VIRGINIA OR OF ANY COUNTY, MUNICIPALITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF WEST VIRGINIA, AND THE HOLDERS AND OWNERS THEREOF SHALL HAVE NO RIGHT TO HAVE TAXES LEVIED BY THE LEGISLATURE OF THE STATE OF WEST VIRGINIA OR THE TAXING AUTHORITY OF ANY COUNTY, MUNICIPALITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF WEST VIRGINIA FOR THE PAYMENT OF THE PRINCIPAL OF, INTEREST ON OR PURCHASE PRICE OF THE BONDS, BUT SHALL BE PAYABLE SOLELY FROM REVENUES AND FUNDS PLEDGED FOR ITS PAYMENT AS AUTHORIZED BY THE ACT.

## THE PROJECT

The Project consists of various systems which are designed for the disposal of solid wastes resulting from the operation of the Plant. The solid waste disposal facilities are comprised of the portion of the flue gas desulfurization system (the “FGD System”) constructed with respect to the two 800 megawatt units at the Plant that relates to the disposal of solid waste generated as part of the FGD System.

## THE BONDS

### General

The Bonds were issued in fully registered form only in the aggregate amount set forth on the cover page hereof. The Bonds are dated as of their date of issuance and bear interest from such date. The Bonds will mature and become due and payable, together with any accrued and unpaid interest, on April 1, 2036. For the period beginning June 20, 2023 to, but not including, June 17, 2026, the Bonds will bear interest at a Long-Term Interest Rate of 4.70% per annum. Interest on the Bonds will be payable semi-annually in arrears, commencing on December 1, 2023 and on each June 1 and December 1 of each year thereafter, and also the date on which the Bonds are subject to mandatory tender for purchase. The Bonds are subject to mandatory tender for purchase on June 17, 2026.

During the Long-Term Interest Rate Period commencing June 20, 2023 and ending June 17, 2026, the Company may not change the Interest Rate Determination Method. The Bonds may subsequently be converted to bear interest at a Daily Rate, Two-Day Rate, Weekly Rate, Commercial Paper Rate, Index-Based Rate, Auction Mode Rate or another Long-Term Interest Rate. THIS REOFFERING CIRCULAR DESCRIBES THE TERMS AND CONDITIONS OF THE BONDS, THE AGREEMENT AND THE INDENTURE ONLY WHILE THE BONDS ARE IN THE LONG-TERM INTEREST RATE PERIOD COMMENCING JUNE 20, 2023 AND ENDING JUNE 17, 2026.

Beneficial interests in the Bonds have been issued pursuant to a Book-Entry Only System (“Book-Entry Only System”) maintained by The Depository Trust Company, New York, New York (“DTC”), as described below under the caption *Book-Entry Only System*. Under the Indenture, the Trustee and the Issuer may appoint a successor securities depository to DTC. (DTC, together with any such successor securities depository, is hereinafter referred to as the “Securities Depository”). The following information is subject in its entirety to the provisions described below under the caption *Book-Entry Only System* while the Bonds are in the Book-Entry Only System.

## **Form and Denomination of Bonds; Payments on the Bonds**

### General

The Bonds have been issued only as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds are registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC acts as securities depository for the Bonds and individual purchases of Bonds may be made in book-entry form only. So long as the Bonds are in book-entry only form, purchasers of Bonds will not receive certificates representing their interest in the Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders or registered owners or holder shall mean Cede & Co., and shall not mean the Beneficial Owners (as defined below) of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, principal of, premium, if any, and interest on the Bonds are payable to Cede & Co., as nominee for DTC, which will, in turn, remit such amounts to the DTC Participants (as defined below) for subsequent disbursement to the Beneficial Owners. See – *Book-Entry Only System* below.

The Bank of New York Mellon Trust Company, N.A. has been appointed as Trustee under the Indenture. The designated office of the Trustee is located, initially, in New Albany, Ohio. The Company and its affiliates maintain banking relationships with The Bank of New York Mellon Trust Company, N.A. and its affiliates. The Bank of New York Mellon Trust Company, N.A. and its affiliates serve as trustee under various indentures with, or for the benefit of, the Company and its affiliates.

Neither the Issuer nor the Trustee shall be required to make any transfer or exchange of any Bond during the ten Business Days prior to the mailing of a notice of Bonds selected for redemption or, with respect to a Bond, after such Bond or any portion thereof has been selected for redemption. Registration of transfers and exchanges shall be made without charge to the Bondholders, except that any required taxes or other governmental charges shall be paid by the Bondholder requesting registration of transfer or exchange.

### Interest

Each payment of interest shall include interest accrued through the day before such interest payment date. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

All payments of interest on the Bonds will be paid to the registered owner thereof whose name appears in the bond register kept by the Trustee as of the close of business on the Record Date (as defined below) by check mailed on the interest payment date, provided that any registered owner of \$1,000,000 or more in aggregate principal amount of the Bonds may, upon written request given to the Trustee at least two Business Days (as defined below) prior to an interest payment date designating an account in a domestic bank, be paid by wire transfer of immediately available funds. If any payment on the Bonds is due on a non-Business Day, it will be made on the next Business Day and no interest will accrue as a result.

“Business Day” means any day other than a Saturday or Sunday or other than a day on which commercial banks in New York, New York or the city in which the designated corporate trust office of the Trustee is located are required or authorized by law to close or other than a day on which the New York Stock Exchange is closed.

“Record Date” means the fifteenth day of the calendar month preceding the relevant interest payment date.

### **Security**

The Bonds are special obligations of the Issuer, the principal of and premium, if any, and interest on which are payable solely from, and secured by a pledge of, the Loan Payments to be made by the Company under the Agreement. In addition, the Company is obligated to pay the Purchase Price with respect to the Bonds. The pledge does not extend to funds to which the Trustee is entitled in its own right as fees, reimbursement, indemnity or otherwise. The Bonds are not secured by a mortgage or security interest in the Project or any other property of the Company.

### **Mandatory Tender**

The Purchase Price will be payable upon mandatory tender of the Bonds on June 17, 2026. The Company is obligated to pay the Purchase Price of Bonds tendered to the extent that remarketing proceeds are not available to pay such Purchase Price. No other source of payment of such Purchase Price is being provided.

### **Redemption**

The Bonds are subject to redemption as described below:

Optional Redemption. Except as described under the caption *Extraordinary Optional Redemption*, the Bonds are not redeemable at the option of the Issuer or the Company prior to June 17, 2026.

Extraordinary Optional Redemption. The Bonds are subject to redemption in whole or in part on any date at a redemption price equal to the aggregate principal amount of the outstanding Bonds plus accrued interest thereon to the redemption date, without premium, upon receipt by the Trustee of a direction from the Company stating that any of the following events has occurred:

- (a) The Project or the Plant shall have been damaged or destroyed to such an extent that the Company deems it not practical or desirable to rebuild, repair or restore the Project or the Plant, as the case may be.
- (b) Title to, or the temporary use of, all or a significant part of the Project or the Plant shall have been taken under the exercise of the power of eminent domain so as to render the Project unsatisfactory to the Company for its intended purpose.
- (c) As a result of any changes in the Constitution of the State, the Constitution of the United States of America or any state or federal laws or as a result of legislative or administrative action (whether state or federal) or by final decree, judgment or order

of any court or administrative body (whether state or federal) entered after any contest thereof by the Issuer or the Company in good faith, the Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in the Agreement.

- (d) Unreasonable burdens or excessive liabilities shall have been imposed upon the Issuer or the Company with respect to the Project or the Plant or the operation thereof, including, without limitation, the imposition of federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Agreement.
- (e) Changes in the economic availability of raw materials, operating supplies, energy sources or supplies or facilities (including, but not limited to, facilities in connection with the disposal of industrial wastes) necessary for the operation of the Project or the Plant occur or technological or other changes occur which in the Company's reasonable judgment render the Project or the Plant uneconomic or obsolete.
- (f) Any court or administrative body shall enter a judgment, order or decree, or shall take administrative action, requiring the Company to cease all or any substantial part of its operations served by the Project or the Plant to such extent that the Company is or will be prevented from carrying on its normal operations at the Project or the Plant for a period of six consecutive months.
- (g) The termination by the Company of operations at the Plant.

Extraordinary Mandatory Redemption. The Bonds are subject to mandatory redemption at any time, in whole, or in part if such partial redemption will preserve the exemption from federal income taxation of interest on the remaining outstanding Bonds, at a redemption price equal to the principal amount thereof together with unpaid interest accrued to the date fixed for redemption, and without premium, if (a) a final decree or judgment of any federal court, in which the Company participates to the extent it deems sufficient, or (b) a final action by the Internal Revenue Service, in proceedings in which the Company participates to the extent it deems sufficient, determines that the interest paid or payable on Bonds to a person, other than, as provided in Section 147(a) of the Code, a "substantial user" of the Project or a "related person", is or was includable in the gross income of the owner thereof for federal income tax purposes under the Code, as a result of the failure by the Company to observe or perform any covenant, condition or agreement on its part to be observed or performed under the Agreement or the inaccuracy of any representation by the Company under the Agreement or receipt by the Company of an Opinion of Tax Counsel to such effect obtained by the Company and rendered at the request of the Company; provided, however, that no decree or judgment by any court or action by the Internal Revenue Service shall be considered final unless the Bondholder or Beneficial Owner involved in such proceeding or action (i) gives the Company and the Trustee prompt written notice of the commencement thereof and (ii) if the Company agrees to pay all expenses in connection therewith and to indemnify such Bondholder or Beneficial Owner against all liabilities in connection therewith, offers the Company the opportunity to control the defense thereof. Any such redemption shall be made on a date determined by the Trustee not more than 180 days after the date of such final decree, judgment or

action. The Trustee shall give the Issuer and the Company not less than 45 days written notice of such date.

Notice of Redemption. At least 30 days before each redemption, the Trustee will mail a notice of redemption by first-class mail to each Bondholder with Bonds to be redeemed at such holder's registered address. Failure to give any required notice of redemption as to any particular Bonds, or any defect therein, will not affect the validity of the call for redemption of any Bonds in respect of which no failure or defect occurs. Any notice mailed as provided in this paragraph shall be effective when sent and will be conclusively presumed to have been given whether or not actually received by the addressee.

The notice shall identify the Bonds to be redeemed and shall state (1) the redemption date (and, if the Bonds provide that accrued interest will not be paid on the redemption date, the date it will be paid), (2) the redemption price, (3) that the Bonds called for redemption must be surrendered to collect the redemption price, (4) the address at which the Bonds must be surrendered and (5) that interest on the Bonds called for redemption ceases to accrue on the redemption date.

With respect to an optional redemption of any Bonds, unless moneys sufficient to pay the principal of, premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice may state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Bonds, the redemption price shall not be due and payable and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

When notice is required and given, Bonds called for redemption become due and payable on the redemption date; in such case when funds are deposited with the Trustee sufficient for redemption, interest on the Bonds to be redeemed ceases to accrue as of the date of redemption.

### **Book-Entry Only System**

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing

Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). The contents of such website do not constitute a part of this Reoffering Circular.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct

Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is our responsibility, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Tender/Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Tender/Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Tender/Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer, the Company, the Trustee and the Remarketing Agent believe to be reliable, but none of the Issuer, the Company, the Trustee or the Remarketing Agent take responsibility for the accuracy thereof.

NONE OF THE ISSUER, THE COMPANY, THE TRUSTEE OR THE REMARKETING AGENT (OTHER THAN IN ITS CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR INDIRECT PARTICIPANT) WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS OF THE CERTIFICATES.



## **THE AGREEMENT**

*In addition to the description of certain provisions of the Agreement contained elsewhere herein, the following is a brief summary of certain provisions of the Agreement and does not purport to be comprehensive or definitive. All references herein to the Agreement are qualified in their entirety by reference to the Agreement for the detailed provisions thereof.*

### **Use of Bond Proceeds**

The Issuer loaned the proceeds of the original sale of the Bonds to the Company in accordance with the Agreement and the Indenture.

### **Repayment of Loan**

In order to evidence the Loan and the Company's obligation to repay the same, the Company issued the Note in the same principal amount as the Bonds and having the same stated maturity and interest rate. Pursuant to the Note, the Company will pay to the Trustee, as assignee of the Issuer, amounts to fund payments on the Bonds in such amounts which, together with other moneys available therefor in the Bond Fund or the Purchase Fund created under the Indenture, will be sufficient to pay when due the principal of, premium, if any, and interest on and Purchase Price for the outstanding Bonds as they shall mature, be redeemed, be purchased or deemed purchased or otherwise become due as provided in the Indenture.

The payment obligations of the Company under the Note are absolute and unconditional, and the Company will make such payments free of any deductions and without abatement, diminution or setoff. In the event that the Company fails to make any such payments, the payment so in default will continue as an obligation of the Company until the amount in default has been fully paid.

### **Other Payments Under The Agreement**

In addition to the payments under the Note, the Company agreed to pay certain costs and expenses of the Issuer and the Trustee in connection with the Bonds and to indemnify such parties against certain liabilities arising in connection with the sale of the Bonds and the execution and delivery of the related bond documents.

### **Pledge**

The Issuer assigned to the Trustee a security interest in all rights, title and interest in, to and under the Note and the Agreement and all amounts payable thereunder (except for certain payments under the Agreement in respect of indemnification and certain fees and expenses). The Company assented to such assignment and agreed that, as to the Trustee, its obligation to make payments will be absolute and not subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by the Issuer or the Trustee of any obligation to the Company.

### **Corporate Existence**

The Company will maintain its legal existence and will not sell its properties as an entirety or substantially as an entirety or consolidate with or merge into another entity or permit one or

more other entities to consolidate with or merge into it, unless the successor corporation or transferee resulting from any such consolidation, merger, sale or transfer shall assume all obligations of the Company arising under or contemplated by the Agreement, the Note and the Indenture. No further consolidation, merger or sale or other transfer shall be made except in compliance with those provisions.

### **Assignment of the Agreement**

The Agreement may be assigned in whole or in part by the Company only with the consent of the Issuer, subject to the following conditions: (a) no assignment will relieve the Company from primary liability for any of its obligations under the Agreement; (b) any assignment by the Company must retain for the Company such rights and interests to permit it to perform its remaining obligations under the Agreement, and any assignee from the Company shall assume the obligations of the Company hereunder to the extent of the interest assigned; (c) the Company will, within 30 days after the execution thereof, furnish or cause to be furnished to the Issuer and the Trustee a true and complete copy of each assignment together with any instrument of assumption; and (d) any assignment from the Company will not materially impair fulfillment of the purposes of the Project to be accomplished by operation of the Project as provided in the Agreement.

### **Events of Default and Remedies**

The Agreement provides that the occurrence of one or more of the following events will constitute an “Event of Default:”

- (a) The failure to pay any Loan Payment, or pay any payment required to be made to pay the Purchase Price, when due;
- (b) The occurrence of an Event of Default described in paragraph (a), (b) or (c) under *THE INDENTURE—Events of Defaults and Remedies*;
- (c) Failure by the Company to observe and perform any other agreement, term or condition under the Agreement, other than such failure which will result in an event of default described in (a) or (b) above, which continues for a period of 90 days after notice to the Company by the Issuer or the Trustee or such longer period as the Issuer and the Trustee may agree to in writing; *provided* that the failure shall not constitute an Event of Default if the Company institutes curative action within the applicable period and diligently pursues that action to completion;
- (d) Any representation or warranty under the Agreement shall not have been true in all material respects when made; and
- (e) Certain events relating to bankruptcy, insolvency or reorganization of the Company.

A failure by the Company described in subparagraph (c) above is not a default under that subparagraph if it occurs by reason of certain courses, circumstances and events of force majeure specified in the Agreement that are not reasonably within the control of the Company.

Whenever any Event of Default under the Agreement has happened and is subsisting, the Issuer or the Trustee may take either or both of the following remedial steps:

- (a) Inspect, examine and make copies of the books, records, accounts and financial data of the Company, only, however, insofar as they pertain to the Project; and
- (b) Pursue all remedies to recover all amounts then due and thereafter to become due under the Agreement and the Note, or to enforce the performance and observance of any other obligation or agreement of the Company under those instruments.

Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to action taken as provided above shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the outstanding Bonds have been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in the Indenture for transfers of remaining amounts in the Bond Fund.

#### **Certain Covenants Regarding Arbitrage and Tax Exemption**

The Issuer and the Company have agreed not to knowingly take any action or omit to take any action, which would result in a loss of the exemption from federal income taxation of interest on the Bonds by virtue of the Bonds being considered “arbitrage bonds” within the meaning of Section 148 of the Code.

The Issuer and the Company have agreed that they will not take any action, cause any action to be taken, omit to take any action or cause any omission to occur which would cause the interest on the Bonds to become includable in gross income of the recipients thereof for purposes of federal income taxation.

#### **Amendments to the Agreement**

The Indenture provides that the Agreement may be amended without the consent of or notice to the owners of the Bonds only as may be required or permitted (i) by the provisions of the Agreement or the Indenture or for the purposes for which the Indenture may be amended or supplemented without the consent of the owners, (ii) for the purpose of curing any ambiguity or formal defect or omission in the Agreement or (iii) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the owners of the Bonds. Any other amendments to the Agreement may be made only with the written approval or consent of the owners of not less than a majority in aggregate principal amount of the Bonds outstanding. An Opinion of Tax Counsel to the effect that such action is permitted under the Act and the Indenture and will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes (a “Favorable Opinion of Tax Counsel”) is required for any amendment to the Agreement.

## THE INDENTURE

*In addition to the description of certain provisions of the Indenture contained elsewhere herein, the following is a brief summary of certain provisions of the Indenture and does not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to the Indenture for the detailed provisions thereof.*

### **Pledge and Security**

Pursuant to the Indenture, the payments to be made by the Company under the Agreement and the Note have been assigned by the Issuer to the Trustee to secure the payment, when due, of the principal of, and premium, if any, and interest on, the Bonds. The Issuer has mortgaged, pledged and granted a security interest to the Trustee all right, title and interest of the Issuer in and to (i) the Revenues, including without limitation, all Loan Payments and all other amounts receivable by the Issuer under the Agreement in respect of repayment of the loan and (ii) the Note and the Agreement (except certain rights to the payment of its costs and expenses, to indemnification and to enforce certain covenants of the Company); provided, that the Trustee, in case of an acceleration of the Bonds, will have a prior claim on the Bond Fund for the payment of its compensation and expenses.

### **Bond Fund**

Payments made by the Company under the Agreement with respect to the Bonds and certain other amounts specified in the Indenture will be deposited in the Bond Fund. The Trustee will apply money contained in the accounts described below maintained within the Bond Fund as follows:

- (a) Interest Account. The Trustee, on each Interest Payment Date, will withdraw and apply from moneys on deposit in the Interest Account an amount sufficient to pay interest on the outstanding Bonds on such Interest Payment Date.
- (b) Principal Account. The Trustee, on each Principal Payment Date (as defined in the Indenture), will withdraw and apply from moneys on deposit in the Principal Account, an amount equal to the principal becoming due on the Bonds on such Principal Payment Date (other than a redemption date). Money in such Principal Account will be used and withdrawn by the Trustee on each Principal Payment Date solely for the payment of the principal of outstanding Bonds.
- (c) Redemption Account. The Trustee, on or before each redemption date, will withdraw and apply from moneys on deposit in the Redemption Account amounts required to pay the principal of and premium, if any, and accrued interest on Bonds to be redeemed prior to their stated maturity. Money in such Redemption Account will be used and withdrawn by the Trustee on each redemption date solely for the payment of the principal of and premium, if any, and accrued interest on outstanding Bonds upon the redemption thereof prior to their stated maturity.

Monies held in the Bond Fund shall be shall be invested and reinvested by the Trustee as provided in the Indenture, including, if directed by the Company, in Permitted Investments.

## **Purchase Fund**

The Trustee will apply money contained in the accounts described below maintained within the Purchase Fund as follows:

*Remarketing Proceeds Account.* Upon receipt of the proceeds of a remarketing of Bonds on a purchase date, the Trustee will directly deposit such proceeds, and will deposit only such proceeds, in the Remarketing Proceeds Account for application to the Purchase Price of the Bonds. Neither the Issuer nor the Company will have any interest in the Remarketing Proceeds Account.

*Company Purchase Account.* Upon receipt of immediately available funds provided to the Trustee by the Company pursuant to the Indenture, the Trustee shall directly deposit such money, and shall deposit only such money, in the Company Purchase Account for application to the Purchase Price of the Bonds. Any amounts deposited in the Company Purchase Account and determined by the Trustee to be not needed with respect to any purchase date for the payment of the Purchase Price for any Bonds shall be promptly returned following such determination to the Company.

## **Events of Default and Remedies**

The following events are Events of Default under the Indenture:

- (a) Default in the due and punctual payment of interest on any Bond;
- (b) Default in the due and punctual payment of the principal of, or premium, if any, on any Bond, whether at the stated maturity thereof, or upon unconditional proceedings for redemption thereof;
- (c) Default in the due and punctual payment of the Purchase Price of any Bond required to be purchased in accordance with its terms;
- (d) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in the Indenture or in the Bonds, continuing 30 days after delivery of notice thereof; or
- (e) The occurrence and continuance of an event of default under the Agreement as described under *THE AGREEMENT – Events of Default and Remedies*.

Upon the occurrence and continuance of an Event of Default above the Trustee may, and upon the written request of the owners of at least 25% in aggregate principal amount of the Bonds then outstanding shall, declare the principal of and accrued interest on the outstanding Bonds to be due and payable immediately. Upon any such declaration, the principal of and accrued interest on the outstanding Bonds shall be due and payable immediately.

The Trustee may rescind an acceleration of the Bonds and its consequences if (1) all payment defaults with respect to the Bonds have been cured and all reasonable fees and charges of the Trustee, including reasonable attorneys' fees, have been paid, and (2) the Bondholders have

not been notified of the acceleration. Except as provided above, the Trustee will not declare the Bonds to be due and payable.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the principal of and premium, if any, or interest on the Bonds or to enforce the performance of any provision of the Bonds or the Indenture.

A majority in aggregate principal amount of the outstanding Bonds by notice to the Trustee may waive an existing Event of Default and its consequences. When an Event of Default is waived, it is cured and stops continuing, but no such waiver will extend to any subsequent or other Event of Default or impair any right consequent to it.

The holders of a majority in aggregate principal amount of Bonds outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on it.

An owner of a Bond may not pursue any remedy with respect to the Indenture or the Bonds unless (a) the owner gives the Trustee notice stating that an Event of Default is continuing, (b) the owners of at least 25% in aggregate principal amount of the outstanding Bonds make a written request to the Trustee to pursue the remedy, (c) such owner or owners offer to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense, and (d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity.

### **Supplemental Indentures**

The Issuer and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into such indenture or indentures supplemental to the Indenture as shall not be inconsistent with the terms and provisions thereof

- (a) to cure any ambiguity, defect or omission in the Indenture, or otherwise amend the Indenture, in such manner as shall not in the opinion of the Trustee impair the security under the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee;
- (c) to evidence any succession to the Issuer and the assumption by its successor of the covenants, agreements and obligations of the Issuer under the Indenture, the Agreement and the Bonds, to add additional covenants of the Issuer, or to surrender any right or power therein conferred upon the Issuer;
- (d) to subject to the pledge of the Indenture additional revenues, properties, or collateral, which may be accomplished by, among other things, entering into instruments with the Company and/or other persons providing for further security, covenants, limitations or restrictions for the benefit of the Bonds;
- (e) to modify the Indenture to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect;

- (f) to amend any provision pertaining to matters under federal income tax laws, including Section 148(f) of the Code;
- (g) to authorize different authorized denominations of the Bonds and to make correlative amendments and modifications to the Indenture regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;
- (h) to increase or decrease the number of days specified for the giving of notices of mandatory tender and to make corresponding changes to the period for notice of redemption of the Bonds; *provided*, that no decreases in any such number of days will become effective except while the Bonds bear interest at a Daily Rate or a Weekly Rate and until 30 days after the Trustee has given notice to the owners of the Bonds;
- (i) to provide for an uncertificated system of registering the Bonds or to provide for the change to or from a Book-Entry System for the Bonds;
- (j) to evidence the succession of a new trustee or the appointment by the Trustee or the Issuer of a co-trustee;
- (k) to make any change related to the Bonds that does not materially adversely affect the rights of any Bondholder;
- (l) prior to, or concurrently with, the conversion of the Bonds to an Auction Rate Period, to make any change appropriate or necessary with respect to the procedures, definitions or provisions in the Indenture or in Exhibit C attached to the Indenture related to the Auction Mode Rate in order to provide for or facilitate the marketability of Bonds in the Auction Mode Rate; and
- (m) to make any other changes to the Indenture that take effect as to any or all remarketed Bonds following a mandatory tender.

The Indenture also provides that the owners of not less than a majority in aggregate principal amount of the Bonds outstanding shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or supplemental indentures as shall be deemed necessary and desirable by the Issuer and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; *provided, however*, that nothing shall permit, without certain additional consents, (a) an extension of the maturity date of the principal of or the interest on any Bond; (b) a reduction in the principal amount of any Bond, the rate of interest thereon or any redemption premium; or (c) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture or for actions related to amendments to the Agreement. A Favorable Opinion of Tax Counsel is required for any supplement to the Indenture.

**Discharge of the Indenture**

If the whole amount of principal and interest due and payable on the Bonds has been paid, or provision shall have been made for payment of the same, and if, at the time of such payment, the Issuer shall have kept, performed and observed all the covenants and promises in such Bonds and in the Indenture required or contemplated to be kept, performed and observed by the Issuer or on its part on or prior to that time, then the Indenture shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of the Indenture and such lien and all covenants, agreements and other obligations of the Issuer thereunder shall cease, terminate, become void and be completely discharged as to such Bonds.

**No Personal Liability of Issuer's Officials**

No covenant, stipulation, obligation or agreement of the Issuer contained in the Indenture will be or be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer in other than his or her official capacity. No member of the Issuer or official executing the Bonds, the Indenture, the Agreement or any amendment or supplement to the Indenture or the Agreement will be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance or execution thereof.

**Removal of Trustee**

The Trustee may be removed by the owners of not less than a majority in principal amount of Bonds at the time outstanding or by the Issuer and the Company so long as no Event of Default has occurred and is continuing. The Trustee shall continue to serve as such until a successor Trustee shall be appointed under the Indenture and has accepted such appointment.



## REMARKETING

KeyBanc Capital Markets Inc. has been appointed Remarketing Agent for the Bonds. Pursuant to the Remarketing Agreement (the "Remarketing Agreement") to be entered into by the Company and the Remarketing Agent, the Remarketing Agent will agree, subject to certain conditions, to reoffer the Bonds on June 20, 2023 to the public at a purchase price equal to 100% of the principal amount thereof. The Company has agreed to pay the Remarketing Agent \$260,000 as a fee, plus expenses. Pursuant to the Remarketing Agreement the Company has agreed to indemnify the Remarketing Agent and its officers, directors and employees, against certain liabilities, including liabilities under the federal securities laws.

After the Bonds are released for sale to the public, the reoffering price and other selling terms may from time to time be varied by the Remarketing Agent and such Bonds may be reoffered and sold to certain dealers (including dealers depositing such Bonds into investment accounts) and others at prices lower than the public reoffering price set forth on the cover hereof.

In connection with this reoffering and in compliance with applicable law and industry practice, the Remarketing Agent may overallocate or effect transactions which stabilize, maintain or otherwise affect the market price of the Bonds at levels above those which might otherwise prevail in the open market, including by entering stabilizing bids. A stabilizing bid means the placing of a bid, or the effecting of any purchase, for the purpose of pegging, fixing or maintaining the price of a security. In general, purchases of a security for the purpose of stabilization could cause the price of the security to be higher than it might be in the absence of such purchases.

None of the Issuer, the Company nor the Remarketing Agent make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Bonds. In addition, none of the Issuer, the Company nor the Remarketing Agent make any representation that the Remarketing Agent will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

The Remarketing Agent and its affiliates together comprise a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Such activities may involve or relate to assets, securities and/or instruments of the Issuer and/or the Company or its affiliates (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with (or that are otherwise involved with transactions by) the Issuer and/or the Company.

The Remarketing Agent and its affiliates may have, from time to time, engaged, and may in the future engage, in transactions with, and performed and may in the future perform, various investment banking services for the Issuer and/or the Company for which they received or will receive customary fees and expenses. Under certain circumstances, the Remarketing Agent and its affiliates may have certain creditor and/or other rights against the Issuer and/or the Company and any affiliates thereof in connection with such transactions and/or services. In addition, the Remarketing Agent and its affiliates may currently have and may in the future have investment and commercial banking, trust and other relationships with parties that may relate to assets of, or be involved in the issuance of securities and/or instruments by, the Issuer and/or the Company and any affiliates thereof. The Remarketing Agent and its affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express

independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

### **CONTINUING DISCLOSURE AGREEMENT**

The Company will agree to deliver certain continuing disclosure information satisfying the requirements of Rule 15c2-12 (“Rule”) under the 1934 Act. The Company will undertake in a written agreement for the benefit of the holders and beneficial owners of the Bonds (the “Continuing Disclosure Undertaking”) to provide the Municipal Securities Rulemaking Board (“MSRB”) as the sole nationally recognized securities repository through the MSRB’s Electronic Municipal Market Access (“EMMA”) audited annual financial statements of the Company of the type included in Annex I to Appendix A not later than 120 days after each fiscal year. In addition, the Company will undertake, for the benefit of the holders and beneficial owners of the Bonds, to provide to the MSRB through EMMA, in a timely manner (not in excess of ten (10) business days after the occurrence of such event), notices of any of the events enumerated in the Rule. Notices of the aforesaid events and any filing to be made under the Continuing Disclosure Undertaking may be made solely by transmitting such filing to the MSRB through EMMA as provided at <http://emma.msrb.org>. The contents of such website do not constitute a part of this Reoffering Circular.

The sole and exclusive remedy for breach or default under the Continuing Disclosure Undertaking is an action to compel specific performance of the undertakings of the Company and no person, including a holder of the Bonds, may recover monetary damages thereunder under any circumstances. A breach or default under the Continuing Disclosure Undertaking shall not constitute an event of default under the Indenture or the Agreement. In addition, if all or any part of the Rule ceases to be in effect for any reason, then, subject to the terms of the Continuing Disclosure Undertaking, the information required to be provided under the Continuing Disclosure Undertaking, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

### **TAX EXEMPTION**

#### **Original Opinion of Bond Counsel**

On June 26, 2014, Bond Counsel delivered its opinion that, under then existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds would be excluded from gross income for federal income tax purposes, except interest on any Bond for any period during which it is held by a “substantial user” or a “related person,” as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the “Code”), (ii) interest on the Bonds would be an item of tax preference under Section 57 of the Code for purposes of the federal alternative minimum tax imposed on individuals and corporations (however, it should be noted that under current law, the corporate alternative minimum tax has been repealed, effective for tax years beginning after December 31, 2017), and (iii) the Bonds, and all interest and income thereon, would be exempt from all taxation by the State of West Virginia and any county, municipality, political subdivision or agency thereof, except inheritance taxes. No other opinion was expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Bonds. Bond Counsel expressed no opinion with respect to the exemption of interest from income taxation under West

Virginia law on any Bond for any period during which it is held by a person who is a “substantial user” of the Project or a “related person” within the meaning of Section 147(a) of the Code.

Bond Counsel’s opinion was given in reliance on certifications by representatives of the Issuer and the Company as to certain facts relevant to both the opinion and requirements of the Code, and was subject to the condition that there is compliance subsequent to the issuance of the Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for Federal income tax purposes. The Issuer and the Company have covenanted to comply with provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds. Failure by the Issuer or the Company to comply with such covenants could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactively to their date of issue.

### **Other Tax Matters**

In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Each prospective purchaser of the Bonds should consult their own tax advisors as to the status of interest on the Bonds under the tax laws of any commonwealth or state other than West Virginia.

### **General Considerations**

The Internal Revenue Service (the “Service”) has a program to audit state and local government obligations to determine whether the interest thereon is includible in gross income for Federal income tax purposes. If the Service does audit the Bonds, under current Service procedures, the Service will treat the Issuer as the taxpayer and the owners of the Bonds will have only limited rights, if any, to participate.

Bond Counsel’s opinion represented its legal judgment based in part upon the representations and covenants referenced therein and its review of then current law, but is not a guarantee of result or binding on the Service or the courts. Bond Counsel assumed no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel’s attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

There are many events which could affect the value and liquidity or marketability of the Bonds after their issuance, including but not limited to public knowledge of an audit of the Bonds by the Service, a general change in interest rates for comparable securities, a change in Federal or state income tax rates, legislative or regulatory proposals affecting state and local government

securities and changes in judicial interpretation of existing law. In addition, certain tax considerations relevant to owners of Bonds who purchase Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Reoffering Circular purport to address the likelihood or effect of any such potential events or such other tax considerations and purchasers of the Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Bonds.

Finally, other than the matters specifically referred to above, Bond Counsel expressed no opinion regarding the federal, state, local or other tax consequences of the purchase, ownership and disposition of the Bonds. Prospective purchasers of the Bonds should be aware, however, that the Code contains numerous provisions under which receipt of interest on the Bonds may have adverse federal tax consequences for certain taxpayers. Such consequences include the following: (1) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of financial institutions, that portion of a holder's interest expense allocated to interest on the Bonds; (2) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Bonds; (3) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (4) passive interest income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (5) Section 86 of the Code requires recipients of certain Social Security and certain railroad retirement benefits to take into account, in determining the inclusion of such benefits in gross income, receipts or accrual of interest on the Bonds; and (6) under Section 55(b) of the Code, interest on the Bonds may be subject to an alternative minimum tax imposed on "applicable corporations" (within the meaning of Section 59(k) of the Code).

### **Opinion of Bond Counsel Upon Remarketing**

In connection with the proposed change in interest rate Determination Method, Bond Counsel, will render its opinion, that such change will not, by itself, adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes, and is permitted under the Act and by the Indenture. In rendering such opinion, Bond Counsel examined such proceedings, documents, matters and law as it deemed necessary to render such opinions. In rendering such opinion, Bond Counsel will assume (and not undertake independently to verify), and therefore will not confirm the continuing correctness of the opinion delivered on June 26, 2014 in connection with the original issuance of the Bonds. Bond Counsel will not obtain, verify or review any information concerning any event, except the matters specifically described in the first sentence of this paragraph, which may have occurred subsequent to the original issuance of the Bonds and which might adversely affect the federal tax treatment of interest on the Bonds. See Appendix B-2 for the proposed form of such opinion.

**Prospective purchasers of the Bonds should consult their own tax advisors as to the applicability and extent of federal, state, local or other tax consequences of the purchase, ownership and disposition of the Bonds, including the potential consequences of any pending or proposed legislation, in light of their particular tax situation.**

## **LEGAL MATTERS**

Certain legal matters will be passed upon by William E. Johnson, counsel for the Company. William E. Johnson is Senior Counsel of American Electric Power Service Corporation, an affiliate of the Company. Certain legal matters, other than the validity of the Bonds and the exclusion from gross income of interest thereon, will be passed upon by Hunton Andrews Kurth LLP, New York, New York, counsel for the Remarketing Agent. Hunton Andrews Kurth LLP from time to time acts as counsel to the Company and certain affiliates for some matters.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

### **MISCELLANEOUS**

The attached Appendices are an integral part of this Reoffering Circular and must be read together with all of the balance of this Reoffering Circular.

The Issuer does not assume any responsibility for the matters contained in this Reoffering Circular other than information under *THE ISSUER*. All findings and determinations by the Issuer relating to the issuance and sale of the Bonds are, and have been, made by the Issuer for its own internal uses and purposes in performing its duties under West Virginia law.

## APPENDIX A

### KENTUCKY POWER COMPANY

Kentucky Power Company (the “Company”) is engaged in the generation, transmission and distribution of electric power to approximately 163,000 retail customers in eastern Kentucky, and in supplying and marketing electric power at wholesale to other electric utility companies, municipalities and other market participants. The Company owns 1,075 MW of generating capacity. The Company uses its generation to serve its retail and other customers. As of December 31, 2023, the Company had 285 employees. The principal industries served by the Company include petroleum and coal products manufacturing, chemical manufacturing, coal-mining, oil and gas extraction and pipeline transportation. The Company’s principal executive offices are located at 1 Riverside Plaza, Columbus, Ohio, and the telephone number is (614) 716-1000.

### FINANCIAL STATEMENTS

Annex 1 to this Appendix A contains the balance sheets of the Company as of December 31, 2022 and 2021 and the statements of income, comprehensive income (loss), changes in common shareholder’s equity and cash flows for each of the two years in the period ended December 31, 2022 and the related notes thereto. Annex 2 to this Appendix A contains the unaudited condensed balance sheets of the Company as of March 31, 2023 and December 31, 2022 and the unaudited condensed statements of income, comprehensive income (loss), changes in common shareholder’s equity and statements of cash flows of the Company for the three months in the periods ended March 31, 2023 and 2022 and the related notes thereto.

### RISK FACTORS

*An investment in the Bonds involves a number of risks. Risks described below should be carefully considered together with the other information included in this Reoffering Circular. Any of the events or circumstances described as risks below could result in a significant or material adverse effect on our business, results of operations, cash flows or financial condition, and a corresponding decline in the market price of, or our ability to repay, the Bonds. The risks and uncertainties described below may not be the only risks and uncertainties that we face. Additional risks and uncertainties not currently known or that we currently deem immaterial may also result in a significant or material adverse effect on our business, results of operations, cash flow or financial condition. References to “we”, “our” or similar terms mean Kentucky Power Company.*

#### Risks Related To Our Business

**We may not be able to recover the costs of our substantial planned investment in capital improvements and additions.**

Our business plan calls for extensive investment in capital improvements and additions including the construction of additional transmission facilities, modernizing existing infrastructure as well as other initiatives. We currently provide service at rates approved by the Kentucky Public Service Commission (“KPSC”) and the Federal Energy Regulatory Commission (“FERC”). If these regulatory commissions do not approve adjustments to the rates we charge, we would not be

able to recover the costs associated with our planned extensive investment. This would cause our financial results to be diminished.

**Our regulated electric revenues, earnings and results are dependent on regulation that may limit our ability to recover costs and other amounts.**

The rates we collect for providing electricity are subject to approval by the KPSC and FERC. If these regulators do not allow recovery of costs incurred in providing service on a timely basis, it could reduce future net income and cash flows and impact financial condition. Similarly, if recovery or other rate relief authorized in the past is overturned or reversed on appeal, our future earnings could be negatively impacted. Any regulatory action or litigation outcome that triggers a reversal of a regulatory asset or deferred cost generally results in an impairment to the balance sheet and a charge to the income statement. For additional information, see Note 4 – Rate Matters of the notes to the financial statements, included in the 2022 Annual Report appearing elsewhere in this reoffering circular.

**Our transmission investment strategy and execution are dependent on federal and state regulatory policy.**

A significant portion of our earnings is derived from transmission investments and activities. FERC policy currently favors the expansion and updating of the transmission infrastructure within its jurisdiction. If the FERC were to adopt a different policy, if states were to limit or restrict such policies, or if transmission needs do not continue or develop as projected, our strategy of investing in transmission could be impacted. Management believes our experience with transmission facilities construction and operation gives us an advantage over other competitors in securing authorization to install, construct and operate new transmission lines and facilities. However, there can be no assurance that PJM or other regional transmission organizations (“RTOs”) will authorize new transmission projects or will award such projects to us.

**Certain elements of our transmission formula rates have been challenged, which could result in lowered rates and/or refunds of amounts previously collected and thus have an adverse effect on our business, financial condition, results of operations and cash flows.**

We provide transmission service under rates regulated by the FERC. The FERC has approved the cost-based formula rate templates used by us to calculate its respective annual revenue requirements, but it has not expressly approved the amount of actual capital and operating expenditures to be used in the formula rates. All aspects of our rates accepted or approved by the FERC, including the formula rate templates, the rates of return on the actual equity portion of its respective capital structures and the approved targeted capital structures, are subject to challenge by interested parties at the FERC, or by the FERC on its own initiative. In addition, interested parties may challenge the annual implementation and calculation by us of its projected rates and formula rate true-up pursuant to its approved formula rate templates under our formula rate implementation protocols. If a challenger can establish that any of these aspects are unjust, unreasonable, unduly discriminatory or preferential, then the FERC can make appropriate



prospective adjustments to them and/or disallow any of our inclusion of those aspects in the rate setting formula.

Inquiries related to rates of return, as well as challenges to the formula rates of other utilities, are ongoing in other proceedings at the FERC. The results of these proceedings could potentially negatively impact us in any future challenges to our formula rates. If the FERC orders revenue reductions, including refunds, in any future cases related to its formula rates, it could reduce future net income and cash flows and impact financial condition.

End-use consumers and entities supplying electricity to end-use consumers may also attempt to influence government and/or regulators to change the rate setting methodologies that apply to us, particularly if rates for delivered electricity increase substantially.

**We face risks to project siting, financing, construction, permitting, governmental approvals and the negotiation of project development agreements that may impede their development and operating activities.**

We own, develop, construct, manage and operate electric generation, transmission and distribution facilities. A key component of our growth is its ability to construct and operate these facilities. As part of these operations, we must periodically apply for licenses and permits from various local, state, federal and other regulatory authorities and abide by their respective conditions. Should we be unsuccessful in obtaining necessary licenses or permits on acceptable terms or resolving third-party challenges to such licenses or permits, should there be a delay in obtaining or renewing necessary licenses or permits or should regulatory authorities initiate any associated investigations or enforcement actions or impose related penalties or disallowances, it could reduce future net income and cash flows and impact financial condition. Any failure to negotiate successful project development agreements for new facilities with third-parties could have similar results.

**Changes in technology and regulatory policies may lower the value of electric utility facilities and franchises.**

We primarily generate electricity and deliver that electricity to customers over transmission and distribution facilities to customers situated within an exclusive franchise. This method results in economies of scale and generally lower costs than newer technologies such as fuel cells and microturbines, and distributed generation using either new or existing technology. Other technologies, such as light emitting diodes (LEDs), increase the efficiency of electricity and, as a result, lower the demand for it. Changes in regulatory policies and advances in batteries or energy storage, wind turbines and photovoltaic solar cells are reducing costs of new technology to levels that are making them competitive with some central station electricity production and delivery. These developments can challenge our competitive ability to maintain relatively low cost, efficient and reliable operations, to establish fair regulatory mechanisms and to provide cost-effective programs and services to customers. Further, in the event that alternative generation resources are mandated, subsidized or encouraged through legislation or regulation or otherwise are economically competitive and added to the available generation supply, such resources could

displace a higher marginal cost generating units, which could reduce the price at which market participants sell their electricity.

**We may not recover costs incurred to begin construction on projects that are canceled.**

Our business plan for the construction of new projects involves a number of risks, including construction delays, nonperformance by equipment and other third-party suppliers, and increases in equipment and labor costs. To limit the risks of these construction projects, we enter into equipment purchase orders and construction contracts and incur engineering and design service costs in advance of receiving necessary regulatory approvals and/or siting or environmental permits. If any of these projects is canceled for any reason, including our failure to receive necessary regulatory approvals and/or siting or environmental permits, we could incur significant cancellation penalties under the equipment purchase orders and construction contracts. In addition, if we have recorded any construction work or investments as an asset we may need to impair that asset in the event the project is canceled.

**We are exposed to risks through participation in the market and transmission structures in various regional power markets that are beyond their control.**

Results are likely to be affected by differences in the market and transmission structures in various regional power markets. The rules governing the various RTOs, such as PJM, may also change from time to time which could affect costs or revenues. Existing, new or changed rules of these RTOs could result in significant additional fees and increased costs to participate in those structures, including the cost of transmission facilities built by others due to changes in transmission rate design. In addition, these RTOs may assess costs resulting from improved transmission reliability, reduced transmission congestion and firm transmission rights. As members of PJM, we are subject to certain additional risks, including the allocation among existing members, of losses caused by unreimbursed defaults of other participants in these markets and resolution of complaint cases that may seek refunds of revenues previously earned by members of these markets.

**Our financial performance may be adversely affected if we are unable to successfully operate our facilities or perform certain corporate functions.**

Our performance is highly dependent on the successful operation of our transmission and distribution facilities. Operating these facilities involves many risks, including:

- Operator error and breakdown or failure of equipment or processes.
- Operating limitations that may be imposed by regulatory requirements.
- Labor disputes.
- Compliance with mandatory reliability standards, including mandatory cyber security standards.
- Information technology failure that impairs our information technology infrastructure or disrupts normal business operations.

- Information technology failure that affects our ability to access customer information or causes us to lose confidential or proprietary data that materially and adversely affects our reputation or exposes us to legal claims.
- Supply chain disruptions and inflation.
- Fuel or water supply interruptions caused by transportation constraints, adverse weather such as drought, non-performance by suppliers and other factors.
- Catastrophic events such as fires, earthquakes, explosions, hurricanes, tornados, ice storms, terrorism (including cyber-terrorism), floods or other similar occurrences.
- Fuel costs and related requirements triggered by financial stress in the coal industry.

**Physical attacks or hostile cyber intrusions could severely impair operations, lead to the disclosure of confidential information and damage our reputation.**

We face physical security and cybersecurity risks as the owner-operators of generation, transmission and/or distribution facilities and as participants in commodities trading. We own assets deemed as critical infrastructure, the operation of which is dependent on information technology systems. Further, the computer systems that run these facilities are not completely isolated from external networks. Parties that wish to disrupt the U.S. bulk power system or our operations could view these computer systems, software or networks as targets for cyber-attack. In addition, the electric utility business requires the collection of sensitive customer data, as well as confidential employee and shareholder information, which is subject to electronic theft or loss.

A security breach of our physical assets or information systems, interconnected entities in RTOs, or regulators could impact the operation of the generation fleet and/or reliability of the transmission and distribution system. We could be subject to financial harm associated with ransomware theft or inappropriate release of certain types of information, including sensitive customer, vendor, employee, trading or other confidential data. A successful cyber-attack on the systems that control generation, transmission, distribution or other assets could severely disrupt business operations, preventing service to customers or collection of revenues. The breach of certain business systems could affect the ability to correctly record, process and report financial information. A major cyber incident could result in significant expenses to investigate and repair security breaches or system damage and could lead to litigation, fines, other remedial action, heightened regulatory scrutiny and damage to our reputation. In addition, the misappropriation, corruption or loss of personally identifiable information and other confidential data could lead to significant breach notification expenses and mitigation expenses such as credit monitoring. We and our third-party vendors have been subject, and will likely continue to be subject, to attempts to gain unauthorized access to their technology systems and confidential data or to attempts to disrupt utility and related business operations. While there have been immaterial incidents of phishing, unauthorized access to technology systems, financial fraud, and disruption of remote access across our system, there has been no material impact on business or operations from these attacks. However, we cannot guarantee that security efforts will detect or prevent breaches, operational incidents, or other breakdowns of technology systems and network infrastructure and cannot provide any assurance that such incidents will not have a material adverse effect in the future.

**The amount of taxes imposed on us could change.**

We are subject to income taxation at the federal level and by certain states and municipalities. In determining our income tax liability for these jurisdictions, management monitors changes to the applicable tax laws and related regulations. While management believes it is in compliance with current prevailing laws, one or more taxing jurisdictions could seek to impose incremental or new taxes on the company. In addition, any adverse developments in these laws or regulations, including legislative changes, judicial holdings or administrative interpretations, could have a material and adverse effect on financial condition and results of operations.

**If we are unable to access capital markets or insurance markets on reasonable terms, it could reduce our future net income and cash flows and negatively impact our financial condition.**

We rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows, and on insurance markets to assist in managing our risk and liability profile. Volatility, increased interest rates and reduced liquidity in the financial markets could affect our ability to raise capital on reasonable terms to fund capital needs, including construction costs and refinancing maturing indebtedness. Certain sources of insurance and debt and equity capital have expressed increasing unwillingness to procure insurance for or to invest in companies, such as us, that rely on fossil fuels. The public holds diverse and often conflicting views on the use of fossil fuels. We have multiple stakeholders, including our customers, associates, federal and state regulatory authorities, and the communities in which we operate, and these stakeholders will often have differing priorities and expectations regarding issues related to the use of fossil fuels. Any adverse publicity in connection with our use of fossil fuels could curtail availability from certain sources of capital. If our sources of capital are reduced, capital costs could increase materially. Restricted access to capital or insurance markets and/or increased borrowing costs or insurance premiums could reduce future net income and cash flows and negatively impact financial condition.

**Our operating results may fluctuate on a seasonal or quarterly basis and with general economic and weather conditions.**

Electric power consumption is generally seasonal. In many parts of the country, demand for power peaks during the hot summer months, with market prices also peaking at that time. In other areas, power demand peaks during the winter. As a result, overall operating results in the future may fluctuate substantially on a seasonal basis. In addition, we have historically sold less power, and consequently earned less income, when weather conditions are milder. Unusually mild weather in the future could reduce future net income and cash flows and negatively impact financial condition. In addition, unusually extreme weather conditions could impact our results of operations in a manner that would not likely be sustainable.

**Our revenues and results of operations are subject to risks that are beyond our control.**

The cost of repairing damage to our facilities due to storms, natural disasters, wars, terrorist acts and other catastrophic events, in excess of reserves established for such repairs, may harm our revenues, operating and capital expenses and results of operations.

**Supply chain disruptions and inflation could negatively impact our operations and corporate strategy.**

Our operations and business plans depend on the global supply chain to procure the equipment, materials and other resources necessary to build and provide services in a safe and reliable manner. The delivery of components, materials, equipment and other resources that are critical to our business operations and corporate strategy has been restricted by domestic and global supply chain upheaval. This has resulted in the shortage of critical items. International tensions, including the ramifications of regional conflict, could further exacerbate the global supply chain upheaval. These disruptions and shortages could adversely impact business operations and corporate strategy. The constraints in the supply chain could restrict the availability and delay the construction, maintenance or repair of items that are needed to support normal operations or are required to execute on our corporate strategy for continued capital investment in utility equipment. These disruptions and constraints could reduce future net income and cash flows and possibly harm our financial condition.

Supply chain disruptions have contributed to higher prices of components, materials, equipment and other needed commodities and these inflationary increases may continue in the future. The economy in the United States has encountered a material level of inflation compared to the recent past and that has contributed to increased uncertainty in the outlook of near-term economic activity, including the level of future inflation and the possibility of a recession. We typically recover increases in capital expenses from customers through rates. Failure to recover increased capital costs could reduce future net income and cash flows and possibly harm our financial condition. Increases in inflation raises our costs for labor, materials and services, and failure to secure these on reasonable terms may adversely impact our financial condition.

**Our results of operations and cash flows may be negatively affected by a lack of growth or slower growth in the number of customers or decline in customer demand.**

Growth in customer accounts and growth of customer usage each directly influence demand for electricity and the need for additional power generation and delivery facilities. Customer growth and customer usage are affected by a number of factors outside of our control, such as mandated energy efficiency measures, demand-side management goals, distributed generation resources and economic and demographic conditions, such as population changes, job and income growth, housing starts, new business formation and the overall level of economic activity, including changes due to public health considerations.

**Failure to attract and retain an appropriately qualified workforce could harm our results of operations.**

Certain events, such as an aging workforce without appropriate replacements, mismatch of skillset or complement to future needs, or unavailability of contract resources may lead to operating challenges and increased costs. The challenges include potential higher rates of existing employee departures, lack of resources, loss of knowledge and a lengthy time period associated with skill development. In this case, costs, including costs for contractors to replace employees, productivity costs and safety costs, may rise. Failure to hire and adequately train replacement employees, including the transfer of significant internal historical knowledge and expertise to the new employees, or the future availability and cost of contract labor may adversely affect the ability to manage and operate the business. If we are unable to successfully attract and retain an appropriately qualified workforce, future net income and cash flows may be reduced.

**Parties we have engaged to provide construction materials or services may fail to perform their obligations, which could harm our results of operations.**

Our business plan calls for extensive investment in capital improvements and additions, including the construction of additional transmission facilities as well as other initiatives. We are exposed to the risk of substantial price increases in the costs of materials used in construction. We have engaged numerous contractors and entered into a large number of agreements to acquire the necessary materials and/or obtain the required construction related services. As a result, we are also exposed to the risk that these contractors and other counterparties could breach their obligations to us. Should the counterparties to these arrangements fail to perform, we may be forced to enter into alternative arrangements at then-current market prices that may exceed our contractual prices and almost certainly cause delays in that and related projects. Although our agreements are designed to mitigate the consequences of a potential default by the counterparty, our actual exposure may be greater than these mitigation provisions. This would cause our financial results to be diminished, and we might incur losses or delays in completing construction.

**Changes in the price of commodities, emission allowances for criteria pollutants and the costs of transport may increase our cost of producing power, impacting financial performance.**

We are exposed to changes in the price and availability of fuel (including the cost to procure coal and gas) and the price and availability to transport fuel. We have existing contracts of varying durations for the supply of fuel, but as these contracts end or if they are not honored, we may not be able to purchase fuel on terms as favorable as the current contracts. The inability to procure fuel at costs that are economical could cause us to retire generating capacity prior to the end of its useful life, and while we typically recover expenditures for undepreciated plant balances, there can be no assurance in the future that we will recover such costs. Similarly, we are exposed to changes in the price and availability of emission allowances. We use emission allowances based on the amount of fuel used and reductions achieved through emission controls and other measures. Based on current environmental programs remaining in effect, we have sufficient emission allowances to cover the majority of the projected needs for the next two years and beyond. Additional costs may be incurred either to acquire additional allowances or to achieve further reductions in emissions.

If we need to obtain allowances, those purchases may not be on as favorable terms as those under the current environmental programs. Our risks relative to the price and availability to transport coal include the volatility of the price of diesel which is the primary fuel used in transporting coal by barge.

Prices for coal, natural gas and emission allowances have shown material swings in the past. Changes in the cost of fuel, emission allowances or natural gas and changes in the relationship between such costs and the market prices of power could reduce future net income and cash flows and negatively impact financial condition.

In addition, actual power prices and fuel costs will differ from those assumed in financial projections used to value trading and marketing transactions, and those differences may be material. As a result, as those transactions are marked-to-market, they may impact future results of operations and cash flows and impact financial condition.

**We are subject to physical and financial risks associated with climate change.**

Climate change creates physical and financial risk. Physical risks from climate change include an increase in sea level and changes in weather conditions, such as changes in precipitation and extreme weather events. Our customers' energy needs vary with weather conditions, primarily temperature and humidity. For residential customers, heating and cooling represent their largest energy use. To the extent weather conditions are affected by climate change, customers' energy use could increase or decrease depending on the duration and magnitude of the changes.

Increased energy use due to weather changes may require us to invest in additional transmission and other infrastructure to serve increased load. Decreased energy use due to weather changes may affect our financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stress, including service interruptions.

Severe weather impacts our service territories, primarily when thunderstorms, tornadoes, hurricanes and snow or ice storms occur. To the extent the frequency of extreme weather events increases, this could increase our cost of providing service. Changes in precipitation resulting in droughts or water shortages could adversely affect our operations. A negative impact to water supplies due to long-term drought conditions could adversely impact our ability to provide electricity to customers, as well as increase the price they pay for energy. We may not recover all costs related to mitigating these physical and financial risks.

To the extent climate change impacts a region's economic health, it may also impact our revenues. Our financial performance is tied to the health of the regional economies we serve. The price of energy, as a factor in a region's cost of living as well as an important input into the cost of goods and services, has an impact on the economic health of our communities.

**Hazards associated with high-voltage electricity transmission may result in suspension of our operations or the imposition of civil or criminal penalties.**

Our operations are subject to the usual hazards associated with high-voltage electricity transmission, including explosions, fires, inclement weather, natural disasters, mechanical failure, unscheduled downtime, equipment interruptions, remediation, chemical spills, discharges or releases of toxic or hazardous substances or gases and other environmental risks. The hazards can cause personal injury and loss of life, severe damage to or destruction of property and equipment and environmental damage, and may result in suspension of operations and the imposition of civil or criminal penalties. We maintain property and casualty insurance, but we are not fully insured against all potential hazards incident to our business, such as damage to poles, towers and lines or losses caused by outages.

**Costs of compliance with existing and evolving environmental laws are significant.**

Operations are subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, natural resources and health and safety. A majority of the electricity we generated is produced by the combustion of fossil fuels. Emissions of nitrogen and sulfur oxides, mercury and particulates and the discharge and disposal of solid waste (including coal-combustion residuals or CCR) resulting from fossil fueled generation plants are subject to increased regulations, controls and mitigation expenses. Compliance with these legal requirements (including any new and more stringent application of existing CCR regulations) requires us to commit significant capital toward environmental monitoring, installation of pollution control equipment, emission fees, disposal, remediation and permits at our facilities and could cause us to retire generating capacity prior to the end of its estimated useful life. Costs of compliance with environmental statutes and regulations could reduce future net income and negatively impact financial condition, especially if emission limits, CCR waste discharge and/or discharge disposal obligations are tightened, more extensive operating and/or permitting requirements are imposed or additional substances or facilities become regulated. Although we typically recover expenditures for pollution control technologies, replacement generation, undepreciated plant balances and associated operating costs from customers, there can be no assurance in the future that we will recover the remaining costs associated with such plants. Failure to recover these costs could reduce future net income and cash flows and possibly harm financial condition.

**Regulation of greenhouse gas emissions could materially increase our costs or cause our electric generating unit to be uneconomical to operate or maintain.**

Federal or state laws or regulations may be adopted that would impose new or additional limits on the emissions of greenhouse gases, including, but not limited to, carbon dioxide and methane, from electric generation units using fossil fuels like coal. The potential effects of greenhouse gas emission limits on our electric generation units are subject to significant uncertainties based on, among other things, the timing of the implementation of any new requirements, the required levels of emission reductions, the nature of any market-based or tax-based mechanisms adopted to facilitate reductions, the relative availability of greenhouse gas emission reduction offsets, the development of cost-effective, commercial-scale carbon capture



and storage technology and supporting regulations and liability mitigation measures, and the range of available compliance alternatives.

Our results of operations could be materially adversely affected to the extent that new federal or state laws or regulations impose any new greenhouse gas emission limits. Any future limits on greenhouse gas emissions could create substantial additional costs in the form of taxes or emissions allowances, require significant capital investment in carbon capture and storage technology, fuel switching, or the replacement of high-emitting generation facilities with lower-emitting generation facilities and/or could cause us to retire generating capacity prior to the end of its estimated useful life. Although we typically recover environmental expenditures, there can be no assurance in the future that we can recover such costs which could reduce future net income and cash flows and possibly harm financial condition.

**Courts adjudicating nuisance and other similar claims in the future may order us to pay damages or to limit or reduce emissions.**

In the past, there have been several cases seeking damages based on allegations of federal and state common law nuisance in which our affiliates, among others, were defendants. In general, the actions allege that emissions from the defendants' power plants constitute a public nuisance. The plaintiffs in these actions generally seek recovery of damages and other relief. If future actions are resolved against us, substantial modifications of our existing coal-fired power plant could be required and we might be required to limit or reduce emissions. Such remedies could require us to purchase power from third parties to fulfill our commitments to supply power to our customers. This could have a material impact on costs. In addition, we could be required to invest significantly in additional emission control equipment, accelerate the timing of capital expenditures, pay damages or penalties and/or halt operations. While management believes such costs should be recoverable from customers as costs of doing business, without such recovery, those costs could reduce future net income and cash flows and harm financial condition. Moreover, results of operations and financial position could be reduced due to the timing of recovery of these investments and the expense of ongoing litigation.

**Commodity trading and marketing activities are subject to inherent risks which can be reduced and controlled but not eliminated.**

We routinely have open trading positions in the market, within guidelines, resulting from the management of our trading portfolio. To the extent open trading positions exist, fluctuating commodity prices can improve or diminish financial results and financial position.

Our power trading activities also expose us to risks of commodity price movements. To the extent that our power trading does not hedge the price risk associated with the generation we own, or control, we would be exposed to the risk of rising and falling spot market prices.

In connection with these trading activities, we routinely enter into financial contracts, including futures and options, over-the counter options, financially-settled swaps and other derivative contracts. These activities expose us to risks from price movements. If the values of

the financial contracts change in a manner we do not anticipate, it could harm financial position or reduce the financial contribution of trading operations.

**We rely on electric transmission facilities that we do not own or control. If these facilities do not provide us with adequate transmission capacity, we may not be able to deliver wholesale electric power to the purchasers of our power.**

We depend on transmission facilities owned and operated by other nonaffiliated power companies to deliver the power we sell at wholesale. This dependence exposes us to a variety of risks. If transmission is disrupted, or transmission capacity is inadequate, we may not be able to sell and deliver wholesale power. If a region's power transmission infrastructure is inadequate, our recovery of wholesale costs and profits may be limited. If restrictive transmission price regulation is imposed, the transmission companies may not have sufficient incentive to invest in expansion of transmission infrastructure.

The FERC has issued electric transmission initiatives that require electric transmission services to be offered unbundled from commodity sales. Although these initiatives are designed to encourage wholesale market transactions, access to transmission systems may not be available if transmission capacity is insufficient because of physical constraints or because it is contractually unavailable. We also cannot predict whether transmission facilities will be expanded in specific markets to accommodate competitive access to those markets.

**We are subject to various regulatory requirements, including reliability standards; contract filing requirements; reporting, recordkeeping and accounting requirements; and transaction approval requirements.**

Under federal law, owners and operators of the bulk power transmission system are subject to mandatory reliability standards, including both operational and cybersecurity standards, promulgated by the North American Electric Reliability Corporation ("NERC") and enforced by the FERC. The standards are based on the functions that need to be performed to ensure the bulk power system operates reliably and are guided by reliability and market interface principles. Compliance with new reliability standards may subject us to higher operating costs and/or increased capital expenditures. If we were found not to be in compliance with the mandatory reliability standards, we could be subject to sanctions, including substantial monetary penalties, which likely would not be recoverable.

The Company must comply with FERC requirements for approval of certain transactions; reporting, recordkeeping and accounting requirements; and for filing contracts related to the provision of jurisdictional services. Under FERC policy, failure to file jurisdictional agreements on a timely basis may result in foregoing the time value of revenues collected under the agreement, but not to the point where a loss would be incurred. The failure to obtain timely approval of transactions or to comply with applicable reporting, recordkeeping or accounting requirements could subject us to penalties that could have a material adverse effect on our financial condition, results of operations and cash flows.

**Acts of war, terrorist attacks, natural disasters, severe weather and other catastrophic events may have a material adverse effect on our business, financial condition, results of operations and cash flows.**

Acts of war, terrorist attacks, natural disasters, severe weather and other catastrophic events may negatively affect our business, financial condition and cash flows in unpredictable ways, such as increased security measures and disruptions of markets. Energy related assets, including, for example, our transmission facilities and the generation and distribution facilities that we interconnect with, may be at risk of acts of war, terrorist attacks, as well as natural disasters, severe weather and other catastrophic events. Such events or the threat of such events may increase costs associated with heightened security requirements. In addition, such events or threats may have a material effect on the economy in general and could result in a decline in energy consumption, which may have a material adverse effect on our business, financial condition, results of operations and cash flows.

**Downgrades in our credit ratings could negatively affect our ability to access capital.**

The credit ratings agencies periodically review our capital structure and the quality and stability of our earnings. Any negative ratings actions could constrain the capital available to us and could limit our access to funding for our operations. Our business is capital intensive, and we are dependent upon our ability to access capital at rates and on terms we determine to be attractive. In periods of market turmoil, access to capital is difficult for all borrowers. If our ability to access capital becomes significantly constrained, our interest costs will likely increase and could reduce future net income and cash flows and impact financial condition.

**New climate disclosure rules proposed by the U.S. Securities and Exchange Commission may increase our costs of compliance and adversely impact our business.**

On March 21, 2022, the SEC proposed new rules relating to the disclosure of a range of climate-related risks. We currently assessing the proposed rule, but at this time we cannot predict the costs of implementation or any potential adverse impacts resulting from the rule. To the extent this rule is finalized as proposed, we could incur increased costs relating to the assessment and disclosure of climate-related risks. We may also face increased litigation risks related to disclosures made pursuant to the rule if finalized as proposed. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders restricting or seeking more stringent conditions with respect to their investments in certain carbon-intensive sectors.

### **Risks Relating to Our Corporate and Financial Structure**

**The Trustee's rights under the Agreement are unsecured and effectively subordinated to any future secured debt of the Company, to the extent of the value of the collateral therefor.**

The Trustee's rights under the Agreement are unsecured obligations and therefor will be effectively subordinated to our future secured indebtedness. As of December 31, 2022, we had no

secured indebtedness outstanding. If we were to incur secured indebtedness and if we defaulted under the Agreement or certain other indebtedness or became bankrupt, liquidated or reorganized, any secured creditor could use the value of the collateral securing that debt to satisfy their secured indebtedness before the Trustee would receive any payment for the benefit of the Bonds. If the value of such collateral is not sufficient to pay any secured indebtedness in full, our secured creditors would share the value of our other assets, if any, with the Trustee and the holders of other claims against us which rank equally to the Agreement.

**We could enter into various transactions that could increase the amount of its outstanding indebtedness, or adversely affect its capital structure or credit ratings, or otherwise adversely affect the holders of the Bonds.**

The terms of the Agreement do not prevent us from entering into a variety of acquisition, refinancing, recapitalization or other highly-leveraged transactions. As a result, we may enter into a transaction even though the transaction could increase the total amount of its outstanding indebtedness, adversely affect its capital structure or credit ratings or otherwise adversely affect the holders of the Bonds.

As of March 31, 2023, the Company had approximately \$1.3 billion of indebtedness outstanding.

**Certain provisions in our debt instruments limit our financial and operating flexibility.**

Our outstanding debt instruments contain numerous financial and operating covenants that place significant restrictions on, among other things, our ability to:

- create liens;
- dispose of certain assets;
- enter into certain lines of business;
- engage in transactions with affiliates;
- engage in mergers and consolidations

Our outstanding debt instruments also require us to meet certain financial ratios, such as maintaining certain debt to capitalization ratios. Our ability to comply with these and other requirements and restrictions may be affected by changes in economic or business conditions, results of operations or other events beyond our control. A failure to comply with the obligations contained in any of our debt instruments could result in acceleration of certain of our outstanding debt and the acceleration of debt under other instruments evidencing indebtedness that may contain cross-acceleration provisions.

## **INDEPENDENT AUDITORS**

The financial statements of Kentucky Power Company as of December 31, 2022 and 2021 and for the years then ended, included in this Reoffering Circular, have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report appearing herein.

**ANNEX 1**

# Kentucky Power Company

2022 Annual Report

Audited Financial Statements



An **AEP** Company

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BOUNDLESS ENERGY<sup>SM</sup>

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**GLOSSARY OF TERMS**

**When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.**

<b>Term</b>	<b>Meaning</b>
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority-owned consolidated subsidiaries and consolidated affiliates.
AEP Credit	AEP Credit, Inc., a consolidated VIE of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP East Companies	APCo, I&M, KGPCo, KPCo, OPCo and WPCo.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AEPSC	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AEPTCo	AEP Transmission Company, LLC, a wholly-owned subsidiary of AEP Transmission Holdco, is an intermediate holding company that owns the State Transcos.
AFUDC	Allowance for Equity Funds Used During Construction.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
ASU	Accounting Standards Update.
CCR	Coal Combustion Residual.
COVID-19	Coronavirus 2019, a highly infectious respiratory disease. In March 2020, the World Health Organization declared COVID-19 a worldwide pandemic.
CWIP	Construction Work in Progress.
ELG	Effluent Limitation Guidelines.
EIS	Energy Insurance Services, Inc., a nonaffiliated captive insurance company and consolidated VIE of AEP.
Excess ADIT	Excess accumulated deferred income taxes.
FAC	Fuel Adjustment Clause.
FASB	Financial Accounting Standards Board.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.
FTR	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.
IRS	Internal Revenue Service.
ITC	Investment Tax Credit.
KGPCo	Kingsport Power Company, an AEP electric utility subsidiary.
KPCo	Kentucky Power Company, an AEP electric utility subsidiary.
KPSC	Kentucky Public Service Commission.
KTCo	AEP Kentucky Transmission Company, Inc., a wholly-owned AEPTCo transmission subsidiary.
Liberty	Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corporation.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatt-hour.
NO <sub>x</sub>	Nitrogen oxide.
OATT	Open Access Transmission Tariff.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.



<b>Term</b>	<b>Meaning</b>
OPEB	Other Postretirement Benefits.
Operating Agreement	Agreement, dated January 1, 1997, as amended, by and among PSO and SWEPCo governing generating capacity allocation, energy pricing, and revenues and costs of third-party sales. AEPSC acts as the agent.
OTC	Over-the-counter.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PCA	Power Coordination Agreement among APCo, I&M, KPCo and WPCo.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PUCO	Public Utilities Commission of Ohio.
Risk Management Contracts	Trading and non-trading derivatives, including those derivatives designated as cash flow and fair value hedges.
Rockport Plant	A generation plant, jointly-owned by AEGCo and I&M, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana.
ROE	Return on Equity.
RPM	Reliability Pricing Model.
RTO	Regional Transmission Organization, responsible for moving electricity over large interstate areas.
SIA	System Integration Agreement, effective June 15, 2000, as amended, provides contractual basis for coordinated planning, operation and maintenance of the power supply sources of the combined AEP.
SPP	Southwest Power Pool regional transmission organization.
SWEPCo	Southwestern Electric Power Company, an AEP electric utility subsidiary.
TA	Transmission Agreement, effective November 2010, among APCo, I&M, KGPCo, KPCo, OPCo and WPCo with AEPSC as agent.
Tax Reform	On December 22, 2017, President Trump signed into law legislation referred to as the “Tax Cuts and Jobs Act” (the TCJA). The TCJA includes significant changes to the Internal Revenue Code of 1986, including a reduction in the corporate federal income tax rate from 35% to 21% effective January 1, 2018.
UPA	Unit Power Agreement.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
VIE	Variable Interest Entity.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.
WVPSC	West Virginia Public Service Commission.



## **Report of Independent Auditors**

To the Management and Board of Directors of Kentucky Power Company

### ***Opinion***

We have audited the accompanying financial statements of Kentucky Power Company (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, of comprehensive income (loss), of changes in common shareholder's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*PricewaterhouseCoopers LLP*

Columbus, Ohio  
February 23, 2023

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF INCOME**  
**For the Years Ended December 31, 2022 and 2021**  
**(in thousands)**

	<b>Years Ended December 31,</b>	
<b>REVENUES</b>	<b>2022</b>	<b>2021</b>
Electric Generation, Transmission and Distribution	\$ 752,371	\$ 634,765
Sales to AEP Affiliates	19,251	10,542
Other Revenues	1,599	1,076
<b>TOTAL REVENUES</b>	<b>773,221</b>	<b>646,383</b>
<b>EXPENSES</b>		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	277,291	167,027
Purchased Electricity from AEP Affiliates	93,137	93,365
Other Operation	133,992	126,479
Maintenance	64,821	64,353
Depreciation and Amortization	123,238	115,097
Taxes Other Than Income Taxes	26,919	27,745
<b>TOTAL EXPENSES</b>	<b>719,398</b>	<b>594,066</b>
<b>OPERATING INCOME</b>	53,823	52,317
<b>Other Income (Expense):</b>		
Interest Income	134	19
Allowance for Equity Funds Used During Construction	1,192	1,822
Non-Service Cost Components of Net Periodic Benefit Cost	6,490	4,141
Interest Expense	(45,115)	(35,628)
<b>INCOME BEFORE INCOME TAX BENEFIT</b>	16,524	22,671
Income Tax Benefit	(31,028)	(27,479)
<b>NET INCOME</b>	<b>\$ 47,552</b>	<b>\$ 50,150</b>

*The common stock of KPSC is wholly-owned by Parent.*

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**For the Years Ended December 31, 2022 and 2021**  
**(in thousands)**

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
Net Income	\$ 47,552	\$ 50,150
<b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES</b>		
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(21) and \$(36) in 2022 and 2021, Respectively	(79)	(137)
Pension and OPEB Funded Status, Net of Tax of \$0 and \$268 in 2022 and 2021, Respectively	—	1,008
Pension and OPEB Adjustment Related to Plant Transfers, Net of Tax of \$(444) and \$0 in 2022 and 2021, Respectively	(1,670)	—
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>(1,749)</b>	<b>871</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 45,803</b>	<b>\$ 51,021</b>

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF CHANGES IN COMMON SHAREHOLDER'S EQUITY**  
**For the Years Ended December 31, 2022 and 2021**  
(in thousands)

	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2020</b>	\$ 50,450	\$ 526,135	\$ 245,871	\$ 878	\$ 823,334
Net Income			50,150		50,150
Other Comprehensive Income				871	871
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2021</b>	50,450	526,135	296,021	1,749	874,355
Capital Contribution from Parent		152			152
Net Income			47,552		47,552
Other Comprehensive Loss				(1,749)	(1,749)
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2022</b>	<u>\$ 50,450</u>	<u>\$ 526,287</u>	<u>\$ 343,573</u>	<u>\$ —</u>	<u>\$ 920,310</u>

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**BALANCE SHEETS**  
**ASSETS**  
**December 31, 2022 and 2021**  
**(in thousands)**

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,684	\$ 763
Accounts Receivable:		
Customers	63,432	16,281
Affiliated Companies	10,818	25,578
Accrued Unbilled Revenues	35,002	16,647
Miscellaneous	72	57
Allowance for Uncollectible Accounts	(1,013)	(3)
Total Accounts Receivable	108,311	58,560
Fuel	21,994	10,090
Materials and Supplies	26,182	20,515
Risk Management Assets	8,463	5,986
Regulatory Asset for Under-Recovered Fuel Costs	23,241	8,216
Margin Deposits	960	14,229
Prepayments and Other Current Assets	2,512	3,490
<b>TOTAL CURRENT ASSETS</b>	<b>194,347</b>	<b>121,849</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Electric:		
Generation	1,236,474	1,231,494
Transmission	801,838	760,359
Distribution	1,061,601	1,017,406
Other Property, Plant and Equipment	167,981	137,554
Construction Work in Progress	137,964	95,093
<b>Total Property, Plant and Equipment</b>	3,405,858	3,241,906
Accumulated Depreciation and Amortization	1,156,221	1,104,492
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT – NET</b>	<b>2,249,637</b>	<b>2,137,414</b>
<b>OTHER NONCURRENT ASSETS</b>		
Regulatory Assets	504,185	476,457
Employee Benefit and Pension Assets	20,531	60,333
Operating Lease Assets	528	10,748
Deferred Charges and Other Noncurrent Assets	37,877	33,848
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<b>563,121</b>	<b>581,386</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,007,105</b>	<b>\$ 2,840,649</b>

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**BALANCE SHEETS**  
**LIABILITIES AND COMMON SHAREHOLDER'S EQUITY**  
**December 31, 2022 and 2021**  
**(dollars in thousands)**

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>CURRENT LIABILITIES</b>		
Advances from Affiliates	\$ 94,428	\$ 47,895
Accounts Payable:		
General	56,969	52,837
Affiliated Companies	51,076	42,223
Long-term Debt Due Within One Year – Nonaffiliated	490,000	200,000
Risk Management Liabilities	—	51
Customer Deposits	38,784	32,432
Accrued Taxes	40,272	45,243
Accrued Interest	8,543	5,685
Obligations Under Operating Leases	128	2,173
Other Current Liabilities	17,284	21,384
<b>TOTAL CURRENT LIABILITIES</b>	<b>797,484</b>	<b>449,923</b>
<b>NONCURRENT LIABILITIES</b>		
Long-term Debt – Nonaffiliated	688,448	903,105
Deferred Income Taxes	456,217	437,152
Regulatory Liabilities	108,853	140,506
Asset Retirement Obligations	18,447	16,399
Employee Benefits and Pension Obligations	9,736	8,064
Obligations Under Operating Leases	450	8,614
Deferred Credits and Other Noncurrent Liabilities	7,160	2,531
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,289,311</b>	<b>1,516,371</b>
<b>TOTAL LIABILITIES</b>	<b>2,086,795</b>	<b>1,966,294</b>
Rate Matters (Note 4)		
Commitments and Contingencies (Note 6)		
<b>COMMON SHAREHOLDER'S EQUITY</b>		
Common Stock – Par Value – \$50 Per Share:		
Authorized – 2,000,000 Shares		
Outstanding – 1,009,000 Shares	50,450	50,450
Paid-in Capital	526,287	526,135
Retained Earnings	343,573	296,021
Accumulated Other Comprehensive Income (Loss)	—	1,749
<b>TOTAL COMMON SHAREHOLDER'S EQUITY</b>	<b>920,310</b>	<b>874,355</b>
<b>TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY</b>	<b>\$ 3,007,105</b>	<b>\$ 2,840,649</b>

*See Notes to Financial Statements beginning on page 11.*



**KENTUCKY POWER COMPANY**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2022 and 2021**  
**(in thousands)**

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
<b>Net Income</b>	\$ 47,552	\$ 50,150
<b>Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:</b>		
Depreciation and Amortization	123,238	115,097
Deferred Income Taxes	(31,793)	(24,509)
Allowance for Equity Funds Used During Construction	(1,192)	(1,822)
Mark-to-Market of Risk Management Contracts	(2,542)	(2,992)
Pension and Postemployment Benefit Reserves	31,242	(1,343)
Deferred Fuel Over/Under-Recovery, Net	(15,025)	(8,529)
Change in Regulatory Assets	(28,263)	(56,447)
Asset Retirement Obligation	—	(2,174)
Change in Other Noncurrent Assets	(5,950)	(10,503)
Change in Other Noncurrent Liabilities	5,339	2,979
<b>Changes in Certain Components of Working Capital:</b>		
Accounts Receivable, Net	(49,138)	(7,482)
Fuel, Materials and Supplies	(17,492)	11,771
Margin Deposits	13,269	(14,097)
Accounts Payable	22,773	13,013
Accrued Taxes, Net	(4,843)	8,628
Other Current Assets	777	384
Other Current Liabilities	(3,198)	(3,522)
<b>Net Cash Flows from Operating Activities</b>	<u>84,754</u>	<u>68,602</u>
<b>INVESTING ACTIVITIES</b>		
Construction Expenditures	(210,346)	(164,912)
Proceeds from Sales of Assets	8,004	1,075
Other Investing Activities	685	2,995
<b>Net Cash Flows Used for Investing Activities</b>	<u>(201,657)</u>	<u>(160,842)</u>
<b>FINANCING ACTIVITIES</b>		
Capital Contribution from Parent	152	—
Issuance of Long-term Debt - Nonaffiliated	149,869	149,974
Change in Advances from Affiliates, Net	46,533	(17,752)
Retirement of Long-term Debt - Nonaffiliated	(75,000)	(40,000)
Principal Payments for Finance Lease Obligations	(2,735)	(920)
Other Financing Activities	5	168
<b>Net Cash Flows from Financing Activities</b>	<u>118,824</u>	<u>91,470</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,921	(770)
<b>Cash and Cash Equivalents at Beginning of Period</b>	763	1,533
<b>Cash and Cash Equivalents at End of Period</b>	<u>\$ 2,684</u>	<u>\$ 763</u>
<b>SUPPLEMENTARY INFORMATION</b>		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 41,512	\$ 37,378
Net Cash Paid (Received) for Income Taxes	2,489	(4,123)
Noncash Acquisitions Under Finance Leases	131	331
Construction Expenditures Included in Current Liabilities as of December 31,	18,898	28,280

*See Notes to Financial Statements beginning on page 11.*

**INDEX OF NOTES TO FINANCIAL STATEMENTS**

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## **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **ORGANIZATION**

As a public utility, KPCo engages in the generation and purchase of electric power, and the subsequent sale, transmission and distribution of that power to approximately 163,000 retail customers in its service territory in eastern Kentucky. KPCo also sells power at wholesale to municipalities.

In December 2022, the UPA between AEGCo, an affiliated company, and KPCo ended upon the termination of the Rockport Plant, Unit 2 lease. The UPA allowed KPCo to purchase 30% of AEGCo's 50% capacity of Rockport Plant, Unit 2. Following the end of the lease, KPCo reached an agreement with I&M, an affiliated company, to purchase capacity from Rockport Plant, Unit 2 through May 2024 at a rate equal to PJM's RPM clearing price.

To minimize the credit requirements and operating constraints when operating within PJM, participating AEP companies, including KPCo, agreed to a netting of certain payment obligations incurred by the participating AEP companies against certain balances due to such AEP companies and to hold PJM harmless from actions that any one or more AEP companies may take with respect to PJM.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Rates and Service Regulation***

KPCo's rates are regulated by the FERC and the KPSC. The FERC also regulates KPCo's affiliated transactions, including AEPSC intercompany service billings which are generally at cost, under the 2005 Public Utility Holding Company Act and the Federal Power Act. The FERC also has jurisdiction over certain issuances and acquisitions of securities of public utility subsidiaries, the acquisition or sale of certain utility assets and mergers with another electric utility or holding company. For non-power goods and services, the FERC requires a nonregulated affiliate to bill an affiliated public utility company at no more than market while a public utility must bill the higher of cost or market to a nonregulated affiliate. The KPSC also regulates certain intercompany transactions under its affiliate statutes. Both the FERC and state regulatory commissions are permitted to review and audit the relevant books and records of companies within a public utility holding company system.

The FERC regulates wholesale power markets, wholesale power transactions and wholesale transmission operations and rates. KPCo's wholesale power transactions are generally market-based. Wholesale power transactions are cost-based regulated when KPCo negotiates and files a cost-based contract with the FERC or the FERC determines that KPCo has "market power" in the region where the transaction occurs. KPCo has entered into wholesale power supply contracts with various municipalities that are FERC-regulated, cost-based contracts. These contracts are generally formula rate mechanisms, which are trued-up to actual costs annually.

The KPSC regulates all of the distribution operations and rates and retail transmission rates on a cost basis. The KPSC also regulates retail generation/power supply operations and rates.

In addition, the FERC regulates the SIA and the TA, which allocate shared system costs and revenues among the utility subsidiaries that are parties to each agreement. The FERC also regulates the PCA. See Note 13 - Related Party Transactions for additional information.

#### ***Accounting for the Effects of Cost-Based Regulation***

As a rate-regulated electric public utility company, KPCo's financial statements reflect the actions of regulators that result in the recognition of certain revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with accounting guidance for "Regulated Operations," KPCo records regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

### ***Use of Estimates***

The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include but are not limited to inventory valuation, allowance for doubtful accounts, long-lived asset impairment, unbilled electricity revenue, valuation of long-term energy contracts, the effects of regulation, long-lived asset recovery, storm costs, the effects of contingencies and certain assumptions made in accounting for pension and postretirement benefits. The estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could ultimately differ from those estimates.

### ***Cash and Cash Equivalents***

Cash and Cash Equivalents include temporary cash investments with original maturities of three months or less.

### ***AEP System Tax Allocation***

KPCo joins in the filing of a consolidated federal income tax return with its affiliates in the AEP System. Historically, the allocation of the AEP System's current consolidated federal income tax to the AEP System companies allocated the benefit of current tax loss of the parent company (Parent Company Loss Benefit) to the AEP System subsidiaries through a reduction of current tax expense. In the first quarter of 2022, AEP and subsidiaries changed accounting for the Parent Company Loss Benefit from a reduction of current tax expense to an allocation through equity. The impact of this change was immaterial to KPCo's financial statements. The consolidated net operating losses of the AEP System is allocated to each company in the consolidated group with taxable loss. With the exception of the allocation of the consolidated AEP System net operating losses, the loss of the Parent and tax credits, the method of allocation reflects a separate return result for each company in the consolidated group.

### ***Inventory***

Fossil fuel inventories and materials and supplies inventories are carried at average cost.

### ***Accounts Receivable***

Customer accounts receivable primarily include receivables from wholesale and retail energy customers, receivables from energy contract counterparties related to risk management activities and customer receivables primarily related to other revenue-generating activities.

Revenue is recognized from electric power sales when power is delivered to customers. To the extent that deliveries have occurred but a bill has not been issued, KPCo accrues and recognizes, as Accrued Unbilled Revenues on the balance sheets, an estimate of the revenues for energy delivered since the last billing.

### ***Allowance for Uncollectible Accounts***

Prior to the first quarter of 2022, KPCo sold, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit under an affiliated receivables sales arrangement. Under the arrangement, KPCo was charged a fee for each sale based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience from previous purchases of KPCo's customer accounts receivable. As a result, no allowance for uncollectible accounts was recognized within KPCo's financial statements for customer accounts receivable sold to AEP Credit, and any bad debt stemming from these receivables would be recognized by AEP Credit. KPCo terminated selling accounts receivable to AEP Credit in the first quarter of 2022, based on the pending sale to Liberty. As a result of the termination, in the first quarter of 2022, KPCo recorded an allowance for uncollectible accounts on its balance sheet for those receivables no longer sold to AEP Credit. KPCo's bad debt reserve is calculated based on a rolling two-year average write-off in proportion to gross accounts receivable.

***Concentrations of Credit Risk and Significant Customers***

KPCo had a significant customer which accounts for the following percentages of Total Revenues for the years ended December 31 and Accounts Receivable – Customers as of December 31:

<b>Significant Customer of KPCo: Marathon Petroleum Company</b>	<b>2022</b>	<b>2021</b>
Percentage of Total Revenues	14 %	12 %
Percentage of Accounts Receivable – Customers	14 %	45 %

Management monitors credit levels and the financial condition of KPCo’s customers on a continuous basis to minimize credit risk. The KPSC allows recovery in rates for a reasonable level of bad debt costs. Management believes adequate provision for credit loss has been made in the accompanying financial statements.

***Property, Plant and Equipment***

Electric utility property, plant and equipment are stated at original cost. Additions, major replacements and betterments are added to the plant accounts. Under the group composite method of depreciation, continuous interim routine replacements of items such as boiler tubes, pumps, motors, etc. result in original cost retirements, less salvage, being charged to accumulated depreciation. The group composite method of depreciation assumes that on average, asset components are retired at the end of their useful lives and thus there is no gain or loss. The equipment in each primary electric plant account is identified as a separate group. The depreciation rates that are established take into account the past history of interim capital replacements and the amount of removal cost incurred and salvage received. These rates and the related lives are subject to periodic review. Removal costs accrued are typically recorded as regulatory liabilities when the revenue received for removal costs accrued exceeds actual removal costs incurred. The asset removal costs liability is relieved as removal costs are incurred. A regulatory asset balance will occur if actual removal costs incurred exceed accumulated removal costs accrued.

The costs of labor, materials and overhead incurred to operate and maintain plant and equipment are included in operating expenses.

Long-lived assets are required to be tested for impairment when it is determined that the carrying value of the assets may no longer be recoverable or when the assets meet the held-for-sale criteria under the accounting guidance for “Impairment or Disposal of Long-Lived Assets.” When it becomes probable that an asset in-service or an asset under construction will be abandoned and regulatory cost recovery has been disallowed or is not probable, the cost of that asset shall be written down to its then current estimated fair value, with the change charged to expense, and the asset is removed from plant-in-service or CWIP.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, as opposed to a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and are used as the basis for the measurement, if available. In the absence of quoted prices for identical or similar assets in active markets, fair value is estimated using various internal and external valuation methods including cash flow analysis and appraisals.

***Allowance for Funds Used During Construction***

AFUDC represents the estimated cost of borrowed and equity funds used to finance construction projects that is capitalized and recovered through depreciation over the service life of regulated electric utility plant. KPCo records the equity component of AFUDC in Allowance for Equity Funds Used During Construction and the debt component of AFUDC as a reduction to Interest Expense.

### ***Asset Retirement Obligations (ARO)***

KPCo records ARO in accordance with the accounting guidance for “Asset Retirement and Environmental Obligations” for legal obligations for asbestos removal and for the retirement of certain ash disposal facilities. AROs are computed as the present value of the estimated costs associated with the future retirement of an asset and are recorded in the period in which the liability is incurred. Estimates of the timing and amounts of future cash outlays are based on projections of when and how the assets will be decommissioned, inflation, and discount rate, which may change significantly over time. The estimated costs are capitalized as part of the related long-lived asset and depreciated over the asset's useful life. KPCo has identified, but not recognized, ARO liabilities related to electric transmission and distribution assets as a result of certain easements on property on which assets are owned. Generally, such easements are perpetual and require only the retirement and removal of assets upon the cessation of the property's use. The retirement obligation is not estimable for such easements since KPCo plans to use their facilities indefinitely. The retirement obligation would only be recognized if and when the Registrants abandon or cease the use of specific easements, which is not expected.

### ***Valuation of Nonderivative Financial Instruments***

The book values of Cash and Cash Equivalents, Advances from Affiliates, Accounts Receivable and Accounts Payable approximate fair value because of the short-term maturity of these instruments.

### ***Fair Value Measurements of Assets and Liabilities***

The accounting guidance for “Fair Value Measurements and Disclosures” establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

For commercial activities, exchange-traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange-traded derivatives where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket-based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

AEP utilizes its trustee's external pricing service to estimate the fair value of the underlying investments held in the benefit plan trusts. AEP's investment managers review and validate the prices utilized by the trustee to determine fair value. AEP's management performs its own valuation testing to verify the fair values of the securities. AEP receives audit reports of the trustee's operating controls and valuation processes.

Assets in the benefits trusts are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and equity securities. They are valued based on observable inputs primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments. Investments classified as Other are valued using Net Asset Value as a practical expedient. Items classified as Other are primarily cash equivalent funds, common collective trusts, commingled funds, structured products, private equity, real estate, infrastructure and alternative credit investments. These investments do not have a readily determinable fair value or they contain redemption restrictions which may include the right to suspend redemptions under certain circumstances. Redemption restrictions may also prevent certain investments from being redeemed at the reporting date for the underlying value.

### ***Deferred Fuel Costs***

The cost of fuel and related emission allowances and emission control chemicals/consumables is charged to Fuel and Other Consumables Used for Electric Generation expense when the fuel is burned or the allowance or consumable is utilized. In regulated jurisdictions with an active FAC, fuel cost over-recoveries (the excess of fuel-related revenues over applicable fuel costs incurred) are generally deferred as current regulatory liabilities and under-recoveries (the excess of applicable fuel costs incurred over fuel-related revenues) are generally deferred as current regulatory assets. Fuel cost over-recovery and under-recovery balances are classified as noncurrent when there is an expectation that refunds or recoveries will extend beyond a one year period, based on a company's filing with a commission or a commission directive. These deferrals are amortized when refunded or when billed to customers in later months with the KPSC's review and approval. The amount of an over-recovery or under-recovery can also be affected by actions of the KPSC. On a routine basis, the KPSC reviews and/or audits KPCo's fuel procurement policies and practices, the fuel cost calculations and FAC deferrals. FAC deferrals are adjusted when costs are no longer probable of recovery or when refunds of fuel reserves are probable. Changes in fuel costs, including purchased power, are reflected in rates in a timely manner through the FAC. A portion of margins from off-system sales are given to customers through the FAC.

### ***Revenue Recognition***

#### ***Regulatory Accounting***

KPCo's financial statements reflect the actions of regulators that can result in the recognition of revenues and expenses in different time periods than enterprises that are not rate-regulated. Regulatory assets (deferred expenses or alternative revenues recognized in accordance with the guidance for "Regulated Operations") and regulatory liabilities (deferred revenue reductions or refunds) are recorded to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching revenue with its passage to customers in cost-based regulated rates.

When regulatory assets are probable of recovery through regulated rates, KPCo records them as assets on its balance sheets. Regulatory assets are reviewed for probability of recovery at each balance sheet date or whenever new events occur. Examples of new events include the issuance of a regulatory commission order or passage of new legislation. If it is determined that recovery of a regulatory asset is no longer probable, KPCo derecognizes that regulatory asset as a charge against income.

### *Electricity Supply and Delivery Activities*

KPCo recognizes revenues from customers for retail and wholesale electricity sales and electricity transmission and distribution delivery services. KPCo recognizes such revenues on the statements of income as the performance obligations of delivering energy to customers are satisfied. Recognized revenues include unbilled as well as-billed amounts. Wholesale transmission revenue is based on a FERC-approved formula rate filing made for each calendar year using estimated costs. Revenues initially recognized per the annual rate filing are compared to actual costs, resulting in the subsequent recognition of an over or under-recovered amount, with interest, that is refunded or recovered, respectively, in a future year's rates. The annual true-up meets the definition of alternative revenues in accordance with the accounting guidance for "Regulated Operations". An estimated annual true-up is recorded by KPCo in the fourth quarter of each calendar year and a final annual true-up is recognized by KPCo in the second quarter of each calendar year following the filing of the annual FERC report. Any portion of the true-up applicable to an affiliated company is recorded as Accounts Receivable - Affiliated Companies or Accounts Payable - Affiliated Companies on the balance sheets. Any portion of the true-ups applicable to third-parties is recorded as Regulatory Assets or Regulatory Liabilities on the balance sheets. See Note 16 - Revenue from Contracts with Customers for additional information.

### *Gross versus Net Presentation of Certain Electricity Supply and Delivery Activities*

The power produced at KPCo's generation plants is sold to PJM. KPCo also purchases power from PJM to supply power to its customers. Generally, these power sales and purchases are reported on a net basis in revenues on the statements of income. However, purchases of power in excess of sales to PJM, on an hourly net basis, used to serve retail load are recorded gross as Purchased Electricity for Resale on the statements of income.

Physical energy purchases arising from non-derivative contracts are accounted for on a gross basis in Purchased Electricity for Resale on the statements of income. Energy purchases arising from non-trading derivative contracts are recorded based on the transaction's facts and circumstances. Purchases under non-trading derivatives used to serve accrual based obligations are recorded in Purchased Electricity for Resale on the statements of income. All other non-trading derivative purchases are recorded net in revenues.

In general, KPCo records expenses when purchased electricity is received and when expenses are incurred, with the exception of certain power purchase contracts that are derivatives and accounted for using MTM accounting. KPCo defers the unrealized MTM amounts as regulatory assets (for losses) and regulatory liabilities (for gains).

### *Energy Marketing and Risk Management Activities*

KPCo engages in power marketing as a major power producer and participant in electricity markets. KPCo also engages in power, capacity, coal, natural gas and, to a lesser extent, heating oil, gasoline and other commodity risk management activities focused on markets where the AEP System owns assets and on adjacent markets. These activities include the purchase-and-sale of energy under forward contracts at fixed and variable prices. These contracts include physical transactions, exchange-traded futures, and to a lesser extent, OTC swaps and options. Certain energy marketing and risk management transactions are with RTOs.

KPCo recognizes revenues from marketing and risk management transactions that are not derivatives as the performance obligation of delivering the commodity is satisfied. Expenses from marketing and risk management transactions that are not derivatives are also recognized upon delivery of the commodity.

KPCo uses MTM accounting for marketing and risk management transactions that are derivatives unless the derivative is designated in a qualifying cash flow hedge relationship or elected normal under the normal purchase normal sale election. Unrealized MTM gains and losses are included on KPCo's balance sheets as Risk Management Assets or Liabilities, as appropriate, and on KPCo's statements of income in Total Revenues. Realized gains and losses on marketing and risk management transactions are included in revenues or expenses based on the transaction's facts and circumstances. However, in regulated jurisdictions subject to cost-based regulation, unrealized MTM amounts and some realized gains and losses are deferred as regulatory assets (for losses) and regulatory liabilities (for gains).



Certain qualifying marketing and risk management derivative transactions are designated as hedges of variability in future cash flows as a result of forecasted transactions (cash flow hedge). In the event KPCo designates a cash flow hedge, the cash flow hedge's gain or loss is initially recorded as a component of AOCI. When the forecasted transaction is realized and affects net income, KPCo subsequently reclassifies the gain or loss on the hedge from AOCI into revenues or expenses within the same financial statement line item as the forecasted transaction on the statements of income. See "Accounting for Cash Flow Hedging Strategies" section of Note 8.

### ***Maintenance***

Maintenance costs are expensed as incurred. If it becomes probable that KPCo will recover specifically-incurred costs through future rates, a regulatory asset is established to match the expensing of those maintenance costs with their recovery in cost-based regulated revenues.

### ***Income Taxes***

KPCo uses the liability method of accounting for income taxes. Under the liability method, deferred income taxes are provided for all temporary differences between the book and tax basis of assets and liabilities which will result in a future tax consequence. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

When the flow-through method of accounting for temporary differences is reflected in regulated revenues (that is, when deferred taxes are not included in the cost-of-service for determining regulated rates for electricity), deferred income taxes are recorded and related regulatory assets and liabilities are established to match the regulated revenues and tax expense.

KPCo accounts for uncertain tax positions in accordance with the accounting guidance for "Income Taxes." KPCo classifies interest expense or income related to uncertain tax positions as interest expense or income as appropriate and classifies penalties as Other Operation expense.

### ***Excise Taxes***

As an agent for some state and local governments, KPCo collects from customers certain excise taxes levied by those state or local governments on customers. KPCo does not recognize these taxes as revenue or expense.

### ***Debt***

Gains and losses from the reacquisition of debt used to finance regulated electric utility plants are deferred and amortized over the remaining term of the reacquired debt in accordance with their rate-making treatment unless the debt is refinanced. If the reacquired debt is refinanced, the reacquisition costs are generally deferred and amortized over the term of the replacement debt consistent with its recovery in rates.

Debt discount or premium and debt issuance expenses are deferred and amortized generally utilizing the straight-line method over the term of the related debt. The straight-line method approximates the effective interest method and is consistent with the treatment in rates for regulated operations. The net amortization expense is included in Interest Expense on the statements of income.

***Pension and OPEB Plans***

KPCo participates in an AEP sponsored qualified pension plan and two unfunded non-qualified pension plans. Substantially all of KPCo’s employees are covered by the qualified plan or both the qualified and non-qualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees. KPCo accounts for its participation in the AEP sponsored pension and OPEB plans using multiple-employer accounting. See Note 7 - Benefit Plans for additional information including significant accounting policies associated with the plans.

***Investments Held in Trust for Future Liabilities***

AEP has several trust funds with significant investments intended to provide for future payments of pension and OPEB benefits. All of the trust funds’ investments are diversified and managed in compliance with all laws and regulations. The investment strategy for the trust funds is to use a diversified portfolio of investments to achieve an acceptable rate of return while managing the investment risk of the assets relative to the associated liabilities. To minimize investment risk, the trust funds are broadly diversified among classes of assets, investment strategies and investment managers. Management regularly reviews the actual asset allocations and periodically rebalances the investments to targeted allocations when appropriate. Investment policies and guidelines allow investment managers in approved strategies to use financial derivatives to obtain or manage market exposures and to hedge assets and liabilities. The investments are reported at fair value under the “Fair Value Measurements and Disclosures” accounting guidance.

***Benefit Plans***

All benefit plan assets are invested in accordance with each plan’s investment policy. The investment policy outlines the investment objectives, strategies and target asset allocations by plan.

The investment philosophies for AEP’s benefit plans support the allocation of assets to minimize risks and optimize net returns. Strategies used include:

- Maintaining a long-term investment horizon.
- Diversifying assets to help control volatility of returns at acceptable levels.
- Managing fees, transaction costs and tax liabilities to maximize investment earnings.
- Using active management of investments where appropriate risk/return opportunities exist.
- Keeping portfolio structure style-neutral to limit volatility compared to applicable benchmarks.
- Using alternative asset classes such as real estate and private equity to maximize return and provide additional portfolio diversification.

The objective of the investment policy for the pension fund is to maintain the funded status of the plan while providing for growth in the plan assets to offset the growth in the plan liabilities. The current target asset allocations are as follows:

<b>Pension Plan Assets</b>	<b>Target</b>
Equity	30 %
Fixed Income	54 %
Other Investments	15 %
Cash and Cash Equivalents	1 %
<b>OPEB Plans Assets</b>	<b>Target</b>
Equity	59 %
Fixed Income	40 %
Cash and Cash Equivalents	1 %

The investment policy for each benefit plan contains various investment limitations. The investment policies establish concentration limits for securities and prohibit the purchase of securities issued by AEP (with the exception of proportionate and immaterial holdings of AEP securities in passive index strategies or certain commingled funds). However, the investment policies do not preclude the benefit trust funds from receiving contributions in the form of AEP securities, provided that the AEP securities acquired by each plan may not exceed the limitations imposed by law.

For equity investments, the concentration limits are generally as follows:

- No security in excess of 5% of all equities.
- Cash equivalents must be less than 10% of an investment manager's equity portfolio.
- No individual stock may be more than 10% and 7% for pension and OPEB investments, respectively, of each manager's equity portfolio.
- No securities may be bought or sold on margin or other use of leverage.

For fixed income investments, each investment manager's portfolio is compared to investment grade, diversified long and intermediate benchmark indices.

A portion of the pension assets is invested in real estate funds to provide diversification, add return and hedge against inflation. Real estate properties are illiquid, difficult to value and not actively traded. The pension plan uses external real estate investment managers to invest in commingled funds that hold real estate properties. To mitigate investment risk in the real estate portfolio, commingled real estate funds are used to ensure that holdings are diversified by region, property type and risk classification. Real estate holdings include core, value-added and opportunistic classifications.

A portion of the pension assets is invested in private equity. Private equity investments add return and provide diversification and typically require a long-term time horizon to evaluate investment performance. Private equity is classified as an alternative investment because it is illiquid, difficult to value and not actively traded. The pension plan uses limited partnerships to invest across the private equity investment spectrum. The private equity holdings are with multiple general partners who help monitor the investments and provide investment selection expertise. The holdings are currently comprised of venture capital, buyout and hybrid debt and equity investments.

AEP participates in a securities lending program with BNY Mellon to provide incremental income on idle assets and to provide income to offset custody fees and other administrative expenses. AEP lends securities to borrowers approved by BNY Mellon in exchange for collateral. All loans are collateralized by at least 102% of the loaned asset's market value and the collateral is invested. The difference between the rebate owed to the borrower and the collateral rate of return determines the earnings on the loaned security. The securities lending program's objective is to provide modest incremental income with a limited increase in risk. As of December 31, 2022 and 2021, the fair value of securities on loan as part of the program was \$83 million and \$137 million, respectively. Cash and securities obtained as collateral exceeded the fair value of the securities loaned as of December 31, 2022 and 2021.

Trust owned life insurance (TOLI) underwritten by The Prudential Insurance Company is held in the OPEB plan trusts. The strategy for holding life insurance contracts in the taxable Voluntary Employees' Beneficiary Association trust is to minimize taxes paid on the asset growth in the trust. Earnings on plan assets are tax-deferred within the TOLI contract and can be tax-free if held until claims are paid. Life insurance proceeds remain in the trust and are used to fund future retiree medical benefit liabilities. With consideration to other investments held in the trust, the cash value of the TOLI contracts is invested in two diversified funds. A portion is invested in a commingled fund with underlying investments in stocks that are actively traded on major international equity exchanges. The other portion of the TOLI cash value is invested in a diversified, commingled fixed income fund with underlying investments in government bonds, corporate bonds and asset-backed securities.

Cash and cash equivalents are held in each trust to provide liquidity and meet short-term cash needs. Cash equivalent funds are used to provide diversification and preserve principal. The underlying holdings in the cash funds are investment grade money market instruments including commercial paper, certificates of deposit, treasury bills and other types of investment grade short-term debt securities. The cash funds are valued each business day and provide daily liquidity.

***Comprehensive Income (Loss)***

Comprehensive income (loss) is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) has two components: net income (loss) and other comprehensive income (loss).

***Earnings Per Share (EPS)***

KPCo is a wholly-owned subsidiary of AEP. Therefore, KPCo is not required to report EPS.

***Supplementary Income Statement Information***

The following table provides the components of Depreciation and Amortization for the years ended December 31, 2022 and 2021:

<b>Depreciation and Amortization</b>	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Depreciation and Amortization of Property, Plant and Equipment	\$ 108,301	\$ 102,390
Amortization of Regulatory Assets and Liabilities	14,937	12,707
<b>Total Depreciation and Amortization</b>	<b>\$ 123,238</b>	<b>\$ 115,097</b>

***Disposition of KPCo and KTCo***

In October 2021, AEP entered into a Stock Purchase Agreement (SPA) to sell KPCo and KTCo to Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corp. (Liberty), for approximately a \$2.85 billion enterprise value. In May 2022, the KPSC approved the transfer of KPCo to Liberty subject to certain conditions contingent upon the closing of the sale. AEP has received clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR) and the Committee on Foreign Investment in the United States during 2022. Clearance under the HSR expired in January 2023. AEP and Liberty refiled a joint application seeking HSR clearance in February 2023. The sale is also contingent upon FERC approval under Section 203 of the Federal Power Act. The parties to the SPA have certain termination rights if the closing of the sale does not occur by April 26, 2023.

***Transfer of Ownership***

**FERC Proceedings**

In December 2021, Liberty, KPCo and KTCo (the applicants) requested FERC approval of the sale under Section 203 of the Federal Power Act. In February 2022, several intervenors in the case filed protests related to whether the sale will negatively impact the wholesale transmission rates of applicants. In April 2022, the FERC issued a deficiency letter stating that the Section 203 application is deficient and that additional information is required to process it. In May 2022, Liberty, KPCo and KTCo supplemented the application. In December 2022, the FERC issued an order denying, without prejudice, authorization of the proposed sale stating the applicants failed to demonstrate the proposed transaction will not have an adverse effect on rates.

In January 2023, AEP, AEPTCo, and Liberty entered into an amendment to the SPA that specified the applicants will submit a new filing for approval under Section 203 of the Federal Power Act. The new filing was submitted to the FERC on February 14, 2023. The applicants requested expedited treatment of the new filing, including an

accelerated comment period. In response, the FERC granted a shortened 45 day comment period. The applicants believe the new Section 203 application addresses the concerns raised in the FERC's December 2022 order. The application contains several additional commitments by Liberty to mitigate potential adverse impacts on FERC jurisdictional rates over the next five years, including: a) maintaining the current return on equity; b) maintaining the current cost cap on equity; c) financing future investments at the current credit rating; and d) capping certain operating and administrative costs. The sale remains subject to FERC approval. The statute requires an order from the FERC within 180 days of the February 14, 2023 filing date in accordance with Section 203 of the Federal Power Act.

#### KPSC Proceedings

In May 2022, the KPSC approved the transfer of KPCo to Liberty subject to conditions contingent upon the closing of the sale, including establishment of regulatory liabilities to subsidize retail customer transmission and distribution expenses, a fuel adjustment clause bill credit, and a three-year Big Sandy decommissioning rider rate holiday during which KPCo's carrying charge is reduced by 50%.

#### *Mitchell Plant Operations and Maintenance Agreement and Ownership Agreement*

KPCo and WPCo each own a 50% undivided interest in the 1,560 MW coal-fired Mitchell Plant. As of December 31, 2022 and 2021, the net book value of KPCo's share of the Mitchell Plant, before cost of removal including CWIP and inventory, was \$577 million and \$586 million, respectively. The SPA includes a condition precedent to closing requiring the issuance of regulatory orders approving new Mitchell Plant agreements.

The KPSC and WVPSC issued orders proposing materially different modifications to the Mitchell Plant agreements filed by AEP such that the new agreements could not be executed by the parties. In lieu of new agreements, in July 2022, KPCo and WPCo confirmed with the KPSC and WVPSC, respectively, that they will continue operating under the existing Mitchell Agreement, utilizing the Mitchell Agreement Operating Committee's authority under that agreement to issue appropriate resolutions so the parties can operate in accordance with each state commission's directives related to CCR and ELG investment. In September 2022, pursuant to resolutions under the existing Mitchell Plant agreement, WPCo replaced KPCo as the Operator of Mitchell Plant.

#### *Summary*

Management believes it is probable that FERC authorization under Section 203 of the Federal Power Act will be received and closing will occur after receipt of the order with Liberty acquiring the assets and assuming the liabilities of KPCo and KTCO, excluding pension and other post-retirement benefit plan assets and liabilities. AEP expects to provide customary transition services to Liberty for a period of time after closing of the transaction.

In June 2022, KPCo entered into agreements to purchase assets under lease, terminating remaining lease obligations prior to the original maturity date. As a result of the early terminations, current obligations under operating and finance leases of \$1.9 million and \$583 thousand, respectively, and noncurrent obligations under operating and finance leases of \$7.2 million and \$1.4 million, respectively, were relieved from KPCo's balance sheet in the second quarter of 2022.

#### *Subsequent Events*

Management reviewed subsequent events through February 23, 2023, the date that KPCo's 2022 annual report was available to be issued.

**2. NEW ACCOUNTING STANDARDS**

During the FASB's standard-setting process and upon issuance of final standards, management reviews the new accounting literature to determine its relevance, if any, to KPCo's business. There are no new standards expected to have a material impact on KPCo's financial statements.

### 3. COMPREHENSIVE INCOME

#### *Presentation of Comprehensive Income*

The following tables provide the components of changes in AOCI and details of reclassifications from AOCI for the years ended December 31, 2022 and 2021. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 7 - Benefit Plans for additional details.

<b>For the Year Ended December 31, 2022</b>	<b>Pension and OPEB</b>		<b>Total</b>
	<b>Amortization of Deferred Costs</b>	<b>Changes in Funded Status</b>	
	(in thousands)		
<b>Balance in AOCI as of December 31, 2021</b>	\$ 2,890	\$ (1,141)	\$ 1,749
Change in Fair Value Recognized in AOCI, Net of Tax	—	—	—
Amount of (Gain) Loss Reclassified from AOCI			
Amortization of Prior Service Cost (Credit)	(119)	—	(119)
Amortization of Actuarial (Gains) Losses	19	—	19
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(100)	—	(100)
Income Tax (Expense) Benefit	(21)	—	(21)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(79)	—	(79)
Pension and OPEB Adjustment Related to Plant Transfers	—	(2,114)	(2,114)
Income Tax (Expense) Benefit	—	(444)	(444)
Pension and OPEB Adjustment Related to Plant Transfers, Net of Income Tax (Expense) Benefit	—	(1,670)	(1,670)
Net Current Period Other Comprehensive Income (Loss)	(79)	(1,670)	(1,749)
<b>Balance in AOCI as of December 31, 2022</b>	<b>\$ 2,811</b>	<b>\$ (2,811)</b>	<b>\$ —</b>

<b>For the Year Ended December 31, 2021</b>	<b>Pension and OPEB</b>		<b>Total</b>
	<b>Amortization of Deferred Costs</b>	<b>Changes in Funded Status</b>	
	(in thousands)		
<b>Balance in AOCI as of December 31, 2020</b>	\$ 3,027	\$ (2,149)	\$ 878
Change in Fair Value Recognized in AOCI, Net of Tax	—	1,008	1,008
Amount of (Gain) Loss Reclassified from AOCI			
Amortization of Prior Service Cost (Credit)	(235)	—	(235)
Amortization of Actuarial (Gains) Losses	62	—	62
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(173)	—	(173)
Income Tax (Expense) Benefit	(36)	—	(36)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(137)	—	(137)
Net Current Period Other Comprehensive Income (Loss)	(137)	1,008	871
<b>Balance in AOCI as of December 31, 2021</b>	<b>\$ 2,890</b>	<b>\$ (1,141)</b>	<b>\$ 1,749</b>

#### **4. RATE MATTERS**

KPCo is involved in rate and regulatory proceedings at the FERC and the KPSC. Rate matters can have a material impact on net income, cash flows and possibly financial condition. KPCo's recent significant rate orders and pending rate filings are addressed in this note.

##### ***CCR/ELG Compliance Plan Filings***

KPCo and WPCo each own a 50% interest in the Mitchell Plant. As of December 31, 2022, the net book value of KPCo's share of the Mitchell Plant, before cost of removal including CWIP and inventory, was \$577 million. In December 2020 and February 2021, WPCo and KPCo filed requests with the WVPSC and KPSC, respectively, to obtain the regulatory approvals necessary to implement CCR and ELG compliance plans and seek recovery of the estimated \$132 million investment for the Mitchell Plant that would allow the plant to continue operating beyond 2028. Within those requests, WPCo and KPCo also filed a \$25 million alternative to implement only the CCR-related investments with the WVPSC and KPSC, respectively, which would allow the Mitchell Plant to continue operating only through 2028.

In July 2021, the KPSC issued an order approving the CCR only alternative and rejecting the full CCR and ELG compliance plan. In May 2022, the KPSC approved recovery of the Kentucky jurisdictional share of ELG costs incurred at the Mitchell Plant prior to July 15, 2021.

In August 2021, the WVPSC approved the full CCR and ELG compliance plan for the WPCo share of the Mitchell Plant. In September 2021, WPCo submitted a filing with the WVPSC to reopen the CCR/ELG case that was approved by the WVPSC in August 2021. Due to the rejection by the KPSC of the KPCo share of the ELG investments, WPCo requested the WVPSC consider approving the construction and recovery of all ELG costs at the plant. In October 2021, the WVPSC affirmed its August 2021 order approving the construction of CCR/ELG investments and directed WPCo to proceed with CCR/ELG compliance plans that would allow the plant to continue operating beyond 2028. The WVPSC also ordered that WPCo will be given the opportunity to recover, from its customers, the ELG and new capital and operating costs arising solely from the WVPSC's directive to operate the plant beyond 2028 if the WVPSC finds that the costs are reasonably and prudently incurred. The WVPSC's order further states that unless KPCo pays for its share of costs for ELG improvements and costs necessary to continue operations beyond 2028, the benefit of the capacity and energy made possible by those improvements and operating Mitchell Plant beyond 2028 should benefit only West Virginia jurisdictional customers who have shared in paying for those costs.

##### ***Storm-Related Costs***

In June 2022, KPCo's service territory was impacted by strong winds from severe storms resulting in system damages and power outages. In July 2022, KPCo's service territory was impacted again by severe storms, which caused flash flooding, resulting in additional system damages and power outages. In August 2022, KPCo filed an application with the KPSC requesting deferral authority for \$18 million of incremental operation and maintenance costs related to these storms. In September 2022, the KPSC issued an order granting deferral authority. KPCo intends to seek recovery of the deferral in a future base rate case. If any of these incremental storm costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

##### ***Deferred Purchased Power Expenses***

In September 2022, the KPSC initiated a proceeding to investigate the appropriate amortization period and recovery mechanism for the deferral of Kentucky Deferred Purchased Power Expenses related to the Rockport Plant Unit Power Agreement, as well as KPCo's ability to use the level of non-fuel, non-environmental Rockport UPA expense included in base rates to earn its authorized ROE in 2023 since the KPCo UPA ended in December 2022. KPCo requested the KPSC approve the terms related to each of the foregoing items as reflected in the settlement agreement in the 2017 Kentucky Base Rate Case, including recovery of the Kentucky Deferred Purchased Power Expenses over five years through a rider beginning in December 2022. In December 2022, the KPSC approved



KPCo's request and recovery began through a rider, including recovery of an estimated allowed cost (Rockport Offset) of \$22.8 million in accordance with the terms of the settlement agreement in the 2017 Kentucky Base Rate Case permitting KPCo to use the level of non-fuel, non-environmental Rockport UPA expense included in base rates to earn its authorized ROE in 2023. This estimated Rockport Offset is subject to true-up based on KPCo's actual 2023 financial results and KPSC review in the first quarter of 2024. The actual Rockport Offset cannot exceed \$40.8 million. If the actual Rockport Offset is not recoverable, it could reduce future net income and cash flows and impact financial condition.

**5. EFFECTS OF REGULATION**

***Regulatory Assets and Liabilities***

Regulatory assets and liabilities are comprised of the following items:

Regulatory Assets:	December 31,		Remaining Recovery Period
	2022	2021	
	(in thousands)		
<b>Current Regulatory Assets</b>			
Under-recovered Fuel Costs - does not earn a return	\$ 23,241	\$ 8,216	1 year
<b>Total Current Regulatory Assets</b>	<u>23,241</u>	<u>8,216</u>	
<b>Noncurrent Regulatory Assets</b>			
<b>Regulatory assets pending final regulatory approval:</b>			
<u>Regulatory Assets Currently Earning a Return</u>			
Kentucky Deferred Purchased Power Expenses	\$ —	\$ 47,528	
<b>Total Regulatory Assets Currently Earning a Return</b>	<u>—</u>	<u>47,528</u>	
<u>Regulatory Assets Currently Not Earning a Return</u>			
Storm Related Costs (a)	74,430	56,506	
Other Regulatory Assets Pending Final Regulatory Approval	1,699	893	
<b>Total Regulatory Assets Currently Not Earning a Return</b>	<u>76,129</u>	<u>57,399</u>	
<b>Total Regulatory Assets Pending Final Regulatory Approval</b>	<u>76,129</u>	<u>104,927</u>	
<b>Regulatory assets approved for recovery:</b>			
<u>Regulatory Assets Currently Earning a Return</u>			
Plant Retirement Costs	178,502	193,229	18 years
Plant Retirement Costs - Asset Retirement Obligation Costs	110,010	109,577	18 years
Kentucky Deferred Purchased Power Expenses	52,970	—	5 years
Plant Retirement Costs - Materials and Supplies	3,016	3,016	18 years
Other Regulatory Assets Approved for Recovery	931	928	various
<b>Total Regulatory Assets Currently Earning a Return</b>	<u>345,429</u>	<u>306,750</u>	
<u>Regulatory Assets Currently Not Earning a Return</u>			
Fuel and Purchased Power Rider	38,164	28,727	2 years
Pension and OPEB Funded Status	23,704	12,236	12 years
Plant Retirement Costs - Asset Retirement Obligation Costs	5,295	4,721	18 years
Environmental Costs	5,139	5,920	2 years
Postemployment Benefits	4,416	3,410	3 years
Storm Related Costs	100	2,167	1 year
Other Regulatory Assets Approved for Recovery	5,809	7,599	various
<b>Total Regulatory Assets Currently Not Earning a Return</b>	<u>82,627</u>	<u>64,780</u>	
<b>Total Regulatory Assets Approved for Recovery</b>	<u>428,056</u>	<u>371,530</u>	
<b>Total Noncurrent Regulatory Assets</b>	<u>\$ 504,185</u>	<u>\$ 476,457</u>	

(a) KPCo will seek recovery of these costs during the next base rate case.

Regulatory Liabilities:	December 31, 2022      2021		Remaining Refund Period
	(in thousands)		
<b>Noncurrent Regulatory Liabilities</b>			
<b>Regulatory liabilities pending final regulatory determination:</b>			
<u>Regulatory Liabilities Currently Paying a Return</u>			
Income Taxes, Net (a) (b)	\$ (32,843)	\$ —	
<b>Total Regulatory Liabilities Currently Paying a Return</b>	<u>(32,843)</u>	<u>—</u>	
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Other Regulatory Liabilities Pending Final Regulatory Determination	2,098	2,098	
<b>Total Regulatory Liabilities Currently Not Paying a Return</b>	<u>2,098</u>	<u>2,098</u>	
<b>Total Regulatory Liabilities Pending Final Regulatory Determination</b>	<u>(30,745)</u>	<u>2,098</u>	
<b>Regulatory liabilities approved for payment:</b>			
<u>Regulatory Liabilities Currently Paying a Return</u>			
Asset Removal Costs	74,393	57,793	(c)
Income Taxes, Net (a)	54,732	73,213	(d)
<b>Total Regulatory Liabilities Currently Paying a Return</b>	<u>129,125</u>	<u>131,006</u>	
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Unrealized Gain on Forward Commitments	3,982	3,199	2 years
Off-system Sales Margin Sharing	3,417	—	1 year
PJM Transmission Enhancement Refund	2,031	2,644	3 years
Other Regulatory Liabilities Approved for Payment	1,043	1,559	various
<b>Total Regulatory Liabilities Currently Not Paying a Return</b>	<u>10,473</u>	<u>7,402</u>	
<b>Total Regulatory Liabilities Approved for Payment</b>	<u>139,598</u>	<u>138,408</u>	
<b>Total Noncurrent Regulatory Liabilities</b>	<u>\$ 108,853</u>	<u>\$ 140,506</u>	

- (a) Predominately pays a return due to the inclusion of Excess ADIT in rate base.
- (b) Represents an income tax related regulatory asset, which is presented within net regulatory liabilities on the balance sheet.
- (c) Relieved as removal costs are incurred.
- (d) Refunded over the period for which the related deferred income tax reverse, which is generally based on the expected life for the underlying assets. Excess ADIT Associated with Certain Depreciable Property is refunded over the remaining depreciable life of the underlying assets. Excess ADIT that is Not Subject to Rate Normalization Requirements were \$40.7 million and \$81.4 million for the years ended December 31, 2022 and 2021, respectively. The remaining balance of Excess ADIT that is Not Subject to Rate Normalization Requirements as of December 31, 2022 is to be refunded over 6 years.

**6. COMMITMENTS, GUARANTEES AND CONTINGENCIES**

KPCo is subject to certain claims and legal actions arising in its ordinary course of business. In addition, KPCo’s business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation against KPCo cannot be predicted. Management accrues contingent liabilities only when management concludes that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum possible loss exposure. Circumstances change over time and actual results may vary significantly from estimates.

For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements.

**COMMITMENTS**

KPCo has substantial commitments to support its business. KPCo purchases fuel, energy and capacity contracts as part of its normal course of business. Certain contracts contain penalty provisions for early termination.

In accordance with the accounting guidance for “Commitments”, the following table summarizes KPCo’s actual contractual commitments as of December 31, 2022:

<b>Contractual Commitments</b>	<b>Less Than 1 Year</b>	<b>2-3 Years</b>	<b>4-5 Years (in thousands)</b>	<b>After 5 Years</b>	<b>Total</b>
Fuel Purchase Contracts (a)	\$ 5,993	\$ 12,002	\$ 11,985	\$ 20,474	\$ 50,454
Energy and Capacity Purchase Contracts	—	1,577	—	—	1,577
<b>Total</b>	<u>\$ 5,993</u>	<u>\$ 13,579</u>	<u>\$ 11,985</u>	<u>\$ 20,474</u>	<u>\$ 52,031</u>

(a) Represents contractual commitments to purchase coal, natural gas and other consumables as fuel for electric generation along with related transportation of the fuel.

**GUARANTEES**

Liabilities for guarantees are recorded in accordance with the accounting guidance for “Guarantees.” There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third-parties unless specified below.

***Indemnifications and Other Guarantees***

*Contracts*

KPCo enters into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of December 31, 2022, there were no material liabilities recorded for any indemnifications.

AEPSC conducts power purchase-and-sale activity on behalf of APCo, I&M, KPCo and WPCo, who are jointly and severally liable for activity conducted on their behalf.

## **CONTINGENCIES**

### ***Insurance and Potential Losses***

KPCo maintains insurance coverage normal and customary for an electric utility, subject to various deductibles. KPCo also maintains property and casualty insurance that may cover certain physical damage or third-party injuries caused by cyber security incidents. Insurance coverage includes all risks of physical loss or damage to assets, subject to insurance policy conditions and exclusions. Covered property generally includes power plants, substations, facilities and inventories. Excluded property generally includes transmission and distribution lines, poles and towers. The insurance programs also generally provide coverage against loss arising from certain claims made by third-parties and are in excess of KPCo's retentions. Coverage is generally provided by a combination of the protected cell of EIS and/or various industry mutual and/or commercial insurance carriers.

Some potential losses or liabilities may not be insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities, including, but not limited to, liabilities relating to a cyber security incident. Future losses or liabilities, if they occur, which are not completely insured, unless recovered from customers, could reduce future net income and cash flows and impact financial condition.

### ***The Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation***

By-products from the generation of electricity include materials such as ash, slag and sludge. Coal combustion by-products, which constitute the overwhelming percentage of these materials, are typically treated and deposited in captive disposal facilities or are beneficially utilized. In addition, the generation plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls and other hazardous and non-hazardous materials. KPCo currently incurs costs to dispose of these substances safely.

Superfund addresses clean-up of hazardous substances that are released to the environment. The Federal EPA administers the clean-up programs. Several states enacted similar laws. As of December 31, 2022, there is one site for which KPCo has received an information request which could lead to a Potentially Responsible Party designation. In the instance where KPCo has been named a defendant, disposal or recycling activities were in accordance with the then-applicable laws and regulations. Superfund does not recognize compliance as a defense, but imposes strict liability on parties who fall within its broad statutory categories. Liability has been resolved for a number of sites with no significant effect on net income.

Management evaluates the potential liability for each site separately, but several general statements can be made about potential future liability. Allegations that materials were disposed at a particular site are often unsubstantiated and the quantity of materials deposited at a site can be small and often non-hazardous. Although Superfund liability has been interpreted by the courts as joint and several, typically many parties are named for each site and several of the parties are financially sound enterprises. As of December 31, 2022, management's estimates do not anticipate material clean-up costs for the identified site.

***Claims Challenging Transition of American Electric Power System Retirement Plan to Cash Balance Formula***

Four participants in The American Electric Power System Retirement Plan (the Plan) filed a class action complaint in December 2021 in the U.S. District Court for the Southern District of Ohio against AEPSC and the Plan. When the Plan's benefit formula was changed in the year 2000, AEP provided a special provision for employees hired before January 1, 2001, allowing them to continue benefit accruals under the then benefit formula for a full 10 years alongside of the new cash balance benefit formula then being implemented. Employees who were hired on or after January 1, 2001 accrued benefits only under the new cash balance benefit formula. The plaintiffs assert a number of claims on behalf of themselves and the purported class, including that: (a) the Plan violates the requirements under the Employee Retirement Income Security Act (ERISA) intended to preclude back-loading the accrual of benefits to the end of a participant's career, (b) the Plan violates the age discrimination prohibitions of ERISA and the Age Discrimination in Employment Act and (c) AEP failed to provide required notice regarding the changes to the Plan. Among other relief, the Complaint seeks reformation of the Plan to provide additional benefits and the recovery of plan benefits for former employees under such reformed plan. The plaintiffs previously had submitted claims for additional plan benefits to AEP, which were denied. On February 15, 2022, AEPSC and the Plan filed a motion to dismiss the complaint for failure to state a claim. On August 16, 2022, the district court granted the motion to dismiss the complaint without prejudice. The plaintiffs filed a motion for leave to file an amended complaint, which the Court denied on December 1, 2022. The plaintiffs did not file an appeal by the deadline of January 3, 2023.

**7. BENEFIT PLANS**

For a discussion of investment strategy, investment limitations, target asset allocations and the classification of investments within the fair value hierarchy, see “Fair Value Measurements of Assets and Liabilities” and “Investments Held in Trust for Future Liabilities” sections of Note 1.

KPCo participates in an AEP sponsored qualified pension plan and two unfunded non-qualified pension plans. Substantially all of KPCo’s employees are covered by the qualified plan or both the qualified and non-qualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

KPCo recognizes its funded status associated with defined benefit pension and OPEB plans on its balance sheets. Disclosures about the plans are required by the “Compensation - Retirement Benefits” accounting guidance. KPCo recognizes an asset for a plan’s overfunded status or a liability for a plan’s underfunded status and recognizes, as a component of other comprehensive income, the changes in the funded status of the plan that arise during the year that are not recognized as a component of net periodic benefit cost. KPCo records a regulatory asset instead of other comprehensive income for qualifying benefit costs of regulated operations that for rate-making purposes are deferred for future recovery. The cumulative funded status adjustment is equal to the remaining unrecognized deferrals for unamortized actuarial losses or gains, prior service costs and transition obligations, such that remaining deferred costs result in an AOCI equity reduction or regulatory asset and deferred gains result in an AOCI equity addition or regulatory liability.

***Actuarial Assumptions for Benefit Obligations***

The weighted-average assumptions used in the measurement of benefit obligations are shown in the following table:

Assumptions	Pension Plans		OPEB	
	December 31,			
	2022	2021	2022	2021
Discount Rate	5.50 %	2.90 %	5.50 %	2.90 %
Interest Crediting Rate	4.25 %	4.00 %	NA	NA
Rate of Compensation Increase	5.10 % (a)	4.90 % (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

A duration-based method is used to determine the discount rate for the plans. A hypothetical portfolio of high quality corporate bonds is constructed with cash flows matching the benefit plan liability. The composite yield on the hypothetical bond portfolio is used as the discount rate for the plan.

For 2022, the rate of compensation increase assumed varies with the age of the employee, ranging from 3% per year to 11.5% per year, with an average increase of 5.1%.

**Actuarial Assumptions for Net Periodic Benefit Costs**

The weighted-average assumptions used in the measurement of benefit costs are shown in the following table:

Assumptions	Pension Plans		OPEB	
	Year Ended December 31,			
	2022	2021	2022	2021
Discount Rate	2.90 %	2.50 %	2.90 %	2.55 %
Interest Crediting Rate	4.00 %	4.00 %	NA	NA
Expected Return on Plan Assets	5.25 %	4.75 %	5.50 %	4.75 %
Rate of Compensation Increase	4.90 % (a)	4.90 % (a)	NA	NA

- (a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.  
NA Not applicable.

The expected return on plan assets was determined by evaluating historical returns, the current investment climate (yield on fixed income securities and other recent investment market indicators), rate of inflation, third-party forecasts and current prospects for economic growth.

The health care trend rate assumptions used for OPEB plans measurement purposes are shown below:

Health Care Trend Rates	December 31,	
	2022	2021
Initial	7.50 %	6.25 %
Ultimate	4.50 %	4.50 %
Year Ultimate Reached	2029	2029

**Significant Concentrations of Risk within Plan Assets**

In addition to establishing the target asset allocation of plan assets, the investment policy also places restrictions on securities to limit significant concentrations within plan assets. The investment policy establishes guidelines that govern maximum market exposure, security restrictions, prohibited asset classes, prohibited types of transactions, minimum credit quality, average portfolio credit quality, portfolio duration and concentration limits. The guidelines were established to mitigate the risk of loss due to significant concentrations in any investment. The plans are monitored to control security diversification and ensure compliance with the investment policy. As of December 31, 2022, the assets were invested in compliance with all investment limits. See “Investments Held in Trust for Future Liabilities” section of Note 1 for limit details.



**Benefit Plan Obligations, Plan Assets and Funded Status**

For the year ended December 31, 2022, the pension plans had an actuarial gain primarily due to an increase in the discount rate and was partially offset by increases in the assumed lump sum conversion rate and cash balance account interest crediting rate. For the year ended December 31, 2022, the OPEB plans had an actuarial gain primarily due to an increase in the discount rate and updated per capita cost assumptions. The OPEB plans gains were partially offset by a projected reduction in the Employer Group Waiver Program catastrophic reinsurance offset provided to AEP, resulting from the Inflation Reduction Act as well as an increase in the health care cost trend assumption. For the year ended December 31, 2021, the pension plans had an actuarial gain primarily due to an increase in the discount rate, partially offset by less favorable demographic experience than expected, resulting from the updated census information as of January 1, 2021. For the year ended December 31, 2021, the OPEB plans had an actuarial gain primarily due to an increase in the discount rate and an update of the projected reimbursements from the Employer Group Waiver Program under Medicare Part D. The following tables provide a reconciliation of the changes in the plans' benefit obligations, fair value of plan assets, funded status and the presentation on the balance sheets. The benefit obligation for the defined benefit pension and OPEB plans are the projected benefit obligation and the accumulated benefit obligation, respectively.

	Pension Plans		OPEB	
	2022	2021	2022	2021
<b>Change in Benefit Obligation</b>				
Benefit Obligation as of January 1,	\$ 184,199	\$ 198,433	\$ 36,932	\$ 45,058
Service Cost	2,739	3,477	172	283
Interest Cost	4,480	4,840	953	1,096
Actuarial Gain	(36,034)	(9,831)	(3,106)	(5,851)
Plan Amendments	—	—	—	(216)
Transfers	(57,450)	—	(7,548)	—
Benefit Payments	(11,079)	(12,720)	(5,520)	(5,156)
Participant Contributions	—	—	1,713	1,708
Medicare Subsidy	—	—	9	10
<b>Benefit Obligation as of December 31,</b>	<b>\$ 86,855</b>	<b>\$ 184,199</b>	<b>\$ 23,605</b>	<b>\$ 36,932</b>
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as of January 1,	\$ 203,932	\$ 208,552	\$ 77,433	\$ 75,920
Actual Gain (Loss) on Plan Assets	(31,289)	8,095	(13,714)	4,960
Transfers	(78,502)	—	—	—
Company Contributions	—	5	(15,776)	1
Participant Contributions	—	—	1,713	1,708
Benefit Payments	(11,079)	(12,720)	(5,520)	(5,156)
<b>Fair Value of Plan Assets as of December 31,</b>	<b>\$ 83,062</b>	<b>\$ 203,932</b>	<b>\$ 44,136</b>	<b>\$ 77,433</b>
<b>Funded (Underfunded) Status as of December 31,</b>	<b>\$ (3,793)</b>	<b>\$ 19,733</b>	<b>\$ 20,531</b>	<b>\$ 40,501</b>

**Amounts Recognized on the Balance Sheets**

	Pension Plans		OPEB	
	2022	2021	2022	2021
<b>December 31,</b>				
<b>(in thousands)</b>				
Employee Benefits and Pension Assets – Prepaid Benefit Costs	\$ —	\$ 19,832	\$ 20,531	\$ 40,501
Other Current Liabilities – Accrued Short-term Benefit Liability	(4)	(3)	—	—
Employee Benefits and Pension Obligations – Accrued Long-term Benefit Liability	(3,789)	(96)	—	—
<b>Funded (Underfunded) Status</b>	<b>\$ (3,793)</b>	<b>\$ 19,733</b>	<b>\$ 20,531</b>	<b>\$ 40,501</b>

**Amounts Included in Regulatory Assets, Deferred Income Taxes and AOCI**

The following tables show the components of the plans included in Regulatory Assets and the items attributable to the change in these components:

Components	Pension Plans		OPEB	
	December 31,			
	2022	2021	2022	2021
	(in thousands)			
Net Actuarial (Gain) Loss	\$ 16,985	\$ 22,630	\$ 9,355	\$ (6,622)
Prior Service Credit	—	—	(2,637)	(5,987)
<b>Recorded as</b>				
Regulatory Assets	\$ 16,986	\$ 21,923	\$ 6,718	\$ (9,687)
Deferred Income Taxes	(1)	148	—	(614)
Net of Tax AOCI	—	559	—	(2,308)

Components	Pension Plans		OPEB	
	2022	2021	2022	2021
		(in thousands)		
Actuarial (Gain) Loss During the Year	\$ 3,370	\$ (9,345)	\$ 14,492	\$ (7,332)
Amortization of Actuarial Loss	(1,867)	(3,523)	—	—
Prior Service Credit	—	—	—	(216)
Amortization of Prior Service Credit	—	—	2,375	2,499
Transfers - Prior Service Cost	—	—	975	—
Transfers - (Gain)/loss	(7,148)	—	1,485	—
<b>Change for the Year Ended December 31,</b>	<b>\$ (5,645)</b>	<b>\$ (12,868)</b>	<b>\$ 19,327</b>	<b>\$ (5,049)</b>

**Determination of Pension Expense**

The determination of pension expense or income is based on a market-related valuation of assets which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return.

**Pension and OPEB Assets**

The fair value tables within Pension and OPEB Assets present the classification of assets for AEP within the fair value hierarchy. All Level 1, 2, 3 and Other amounts can be allocated to KPSCo using the percentages below:

Pension Plan		OPEB	
December 31,			
2022	2021	2022	2021
2.0 %	3.8 %	2.8 %	3.8 %

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2022:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities (a):						
Domestic	\$ 347.6	\$ —	\$ —	\$ —	\$ 347.6	8.4 %
International	398.4	—	—	—	398.4	9.7 %
Common Collective Trusts (b)	—	—	—	379.9	379.9	9.2 %
Subtotal – Equities	<u>746.0</u>	<u>—</u>	<u>—</u>	<u>379.9</u>	<u>1,125.9</u>	<u>27.3 %</u>
Fixed Income (a):						
United States Government and Agency Securities	(0.6)	1,071.4	—	—	1,070.8	26.0 %
Corporate Debt	—	891.7	—	—	891.7	21.6 %
Foreign Debt	—	140.2	—	—	140.2	3.4 %
State and Local Government	—	37.0	—	—	37.0	0.9 %
Other – Asset Backed	—	0.8	—	—	0.8	— %
Subtotal – Fixed Income	<u>(0.6)</u>	<u>2,141.1</u>	<u>—</u>	<u>—</u>	<u>2,140.5</u>	<u>51.9 %</u>
Infrastructure (b)	—	—	—	109.2	109.2	2.6 %
Real Estate (b)	—	—	—	276.9	276.9	6.7 %
Alternative Investments (b)	—	—	—	319.7	319.7	7.8 %
Cash and Cash Equivalents (b)	—	64.9	—	58.3	123.2	3.0 %
Other – Pending Transactions and Accrued Income (c)	—	—	—	29.3	29.3	0.7 %
<b>Total</b>	<u>\$ 745.4</u>	<u>\$ 2,206.0</u>	<u>\$ —</u>	<u>\$ 1,173.3</u>	<u>\$ 4,124.7</u>	<u>100.0 %</u>

- (a) Includes investment securities loaned to borrowers under the securities lending program. See the “Investments Held in Trust for Future Liabilities” section of Note 1 for additional information.
- (b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.
- (c) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2022:

Asset Class	Level 1	Level 2	Level 3 (in millions)	Other	Total	Year End Allocation
Equities:						
Domestic	\$ 414.1	\$ —	\$ —	\$ —	\$ 414.1	26.7 %
International	265.0	—	—	—	265.0	17.1 %
Common Collective Trusts (a)	—	—	—	169.1	169.1	10.9 %
Subtotal – Equities	679.1	—	—	169.1	848.2	54.7 %
Fixed Income:						
Common Collective Trust Debt (a)	—	—	—	120.3	120.3	7.8 %
United States Government and Agency Securities	0.1	155.8	—	—	155.9	10.1 %
Corporate Debt	—	141.5	—	—	141.5	9.1 %
Foreign Debt	—	21.0	—	—	21.0	1.4 %
State and Local Government	62.9	7.8	—	—	70.7	4.6 %
Subtotal – Fixed Income	63.0	326.1	—	120.3	509.4	33.0 %
Trust Owned Life Insurance:						
International Equities	—	46.7	—	—	46.7	3.0 %
United States Bonds	—	110.3	—	—	110.3	7.1 %
Subtotal – Trust Owned Life Insurance	—	157.0	—	—	157.0	10.1 %
Cash and Cash Equivalents (a)	23.2	—	—	6.7	29.9	1.9 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	4.8	4.8	0.3 %
<b>Total</b>	<b>\$ 765.3</b>	<b>\$ 483.1</b>	<b>\$ —</b>	<b>\$ 300.9</b>	<b>\$ 1,549.3</b>	<b>100.0 %</b>

- (a) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.  
(b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2021:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities (a):						
Domestic	\$ 388.9	\$ —	\$ —	\$ —	\$ 388.9	7.2 %
International	465.7	—	—	—	465.7	8.7 %
Common Collective Trusts (b)	—	—	—	463.9	463.9	8.7 %
Subtotal – Equities	<u>854.6</u>	<u>—</u>	<u>—</u>	<u>463.9</u>	<u>1,318.5</u>	<u>24.6 %</u>
Fixed Income (a):						
United States Government and Agency Securities	0.1	1,557.6	—	—	1,557.7	29.1 %
Corporate Debt	—	1,295.9	—	—	1,295.9	24.2 %
Foreign Debt	—	259.4	—	—	259.4	4.8 %
State and Local Government	—	57.1	—	—	57.1	1.1 %
Other – Asset Backed	—	1.3	—	—	1.3	— %
Subtotal – Fixed Income	<u>0.1</u>	<u>3,171.3</u>	<u>—</u>	<u>—</u>	<u>3,171.4</u>	<u>59.2 %</u>
Infrastructure (b)	—	—	—	92.1	92.1	1.7 %
Real Estate (b)	—	—	—	232.6	232.6	4.4 %
Alternative Investments (b)	—	—	—	448.8	448.8	8.4 %
Cash and Cash Equivalents (b)	—	64.3	—	53.4	117.7	2.2 %
Other – Pending Transactions and Accrued Income (c)	—	—	—	(28.2)	(28.2)	(0.5)%
<b>Total</b>	<u>\$ 854.7</u>	<u>\$ 3,235.6</u>	<u>\$ —</u>	<u>\$ 1,262.6</u>	<u>\$ 5,352.9</u>	<u>100.0 %</u>

- (a) Includes investment securities loaned to borrowers under the securities lending program. See the “Investments Held in Trust for Future Liabilities” section of Note 1 for additional information.
- (b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.
- (c) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2021:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 474.0	\$ —	\$ —	\$ —	\$ 474.0	23.2 %
International	296.3	—	—	—	296.3	14.5 %
Common Collective Trusts (a)	—	—	—	265.0	265.0	13.0 %
Subtotal – Equities	770.3	—	—	265.0	1,035.3	50.7 %
Fixed Income:						
Common Collective Trust – Debt (a)	—	—	—	167.7	167.7	8.2 %
United States Government and Agency Securities	—	222.4	—	—	222.4	10.9 %
Corporate Debt	—	233.2	—	—	233.2	11.4 %
Foreign Debt	—	39.8	—	—	39.8	2.0 %
State and Local Government	91.9	13.6	—	—	105.5	5.1 %
Subtotal – Fixed Income	91.9	509.0	—	167.7	768.6	37.6 %
Trust Owned Life Insurance:						
International Equities	—	23.4	—	—	23.4	1.1 %
United States Bonds	—	171.3	—	—	171.3	8.4 %
Subtotal – Trust Owned Life Insurance	—	194.7	—	—	194.7	9.5 %
Cash and Cash Equivalents (a)	33.0	—	—	6.7	39.7	1.9 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	6.0	6.0	0.3 %
<b>Total</b>	<b>\$ 895.2</b>	<b>\$ 703.7</b>	<b>\$ —</b>	<b>\$ 445.4</b>	<b>\$ 2,044.3</b>	<b>100.0 %</b>

- (a) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.  
(b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

***Accumulated Benefit Obligation***

The accumulated benefit obligation for the pension plans is as follows:

	December 31,	
	2022	2021
	(in thousands)	
Qualified Pension Plan	\$ 84,724	\$ 177,132
Nonqualified Pension Plan	49	34
<b>Total Accumulated Benefit Obligation</b>	<b>\$ 84,773</b>	<b>\$ 177,166</b>

***Obligations in Excess of Fair Values***

The tables below show the underfunded pension plans that had obligations in excess of plan assets.

*Projected Benefit Obligation*

	<b>Underfunded Pension Plans</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Projected Benefit Obligation	\$ 86,855	\$ 98
Fair Value of Plan Assets	83,062	—
<b>Underfunded Projected Benefit Obligation</b>	<b>\$ (3,793)</b>	<b>\$ (98)</b>

*Accumulated Benefit Obligation*

	<b>Underfunded Pension Plans</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Accumulated Benefit Obligation	\$ 84,773	\$ 34
Fair Value of Plan Assets	83,062	—
<b>Underfunded Accumulated Benefit Obligation</b>	<b>\$ (1,711)</b>	<b>\$ (34)</b>

***Estimated Future Benefit Payments and Contributions***

KPCo expects contributions and payments for the Pension and OPEB plans of \$4 thousand and \$53 thousand, respectively, during 2023. The estimated contributions to the pension trust are at least the minimum amount required by the Employee Retirement Income Security Act and additional discretionary contributions may also be made to maintain the funded status of the plan.

The table below reflects the total benefits expected to be paid from the plan or from KPCo’s assets. The payments include the participants’ contributions to the plan for their share of the cost. Future benefit payments are dependent on the number of employees retiring, whether the retiring employees elect to receive pension benefits as annuities or as lump sum distributions, future integration of the benefit plans with changes to Medicare and other legislation, future levels of interest rates and variances in actuarial results. The estimated payments for pension benefits and OPEB are as follows:

	<b>Estimated Payments</b>	
	<b>Pension Plans</b>	<b>OPEB</b>
	<b>(in thousands)</b>	
2023	\$ 7,342	\$ 3,690
2024	7,781	3,534
2025	7,766	3,708
2026	7,554	3,692
2027	7,874	3,586
Years 2028 to 2032, in Total	36,110	16,525

***Components of Net Periodic Benefit Cost***

The following table provides the components of net periodic benefit cost (credit):

	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>Years Ended December 31,</b>			
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>			
Service Cost	\$ 2,739	\$ 3,477	\$ 172	\$ 283
Interest Cost	4,480	4,840	953	1,096
Expected Return on Plan Assets	(8,116)	(8,583)	(3,885)	(3,479)
Amortization of Prior Service Credit	—	—	(2,375)	(2,499)
Amortization of Net Actuarial Loss	1,867	3,523	—	—
<b>Net Periodic Benefit Cost (Credit)</b>	<u>970</u>	<u>3,257</u>	<u>(5,135)</u>	<u>(4,599)</u>
Capitalized Portion	(1,287)	(1,582)	(81)	(129)
<b>Net Periodic Benefit Cost (Credit) Recognized in Expense</b>	<u>\$ (317)</u>	<u>\$ 1,675</u>	<u>\$ (5,216)</u>	<u>\$ (4,728)</u>

***American Electric Power System Retirement Savings Plan***

KPCo participates in an AEP sponsored defined contribution retirement savings plan, the American Electric Power System Retirement Savings Plan, for substantially all employees. This qualified plan offers participants an opportunity to contribute a portion of their pay, includes features under Section 401(k) of the Internal Revenue Code and provides for matching contributions. The matching contributions to the plan are 100% of the first 1% of eligible employee contributions and 70% of the next 5% of contributions. The cost for matching contributions totaled \$2.0 million in 2022 and \$2.3 million in 2021.



**8. DERIVATIVES AND HEDGING**

**OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS**

AEpsc is agent for and transacts on behalf of KPCo.

KPCo is exposed to certain market risks as a major power producer and participant in the electricity, natural gas, coal and emission allowance markets. These risks include commodity price risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact KPCo due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

**STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES**

*Risk Management Strategies*

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, KPCo primarily employs risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for “Derivatives and Hedging.” Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

KPCo utilizes power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. KPCo utilizes interest rate derivative contracts in order to manage the interest rate exposure associated with its commodity portfolio. For disclosure purposes, such risks are grouped as “Commodity,” as these risks are related to energy risk management activities. KPCo may also utilize derivative contracts to manage interest rate risk associated with debt financing. For disclosure purposes, these risks are grouped as “Interest Rate.” The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with the established risk management policies as approved by the Finance Committee of the Board of Directors.

The following table represents the gross notional volume of KPCo’s outstanding derivative contracts:

Primary Risk Exposure	December 31,		Unit of Measure
	2022	2021	
	(in thousands)		
Commodity:			
Power	3,450	6,927	MWhs
Heating Oil and Gasoline	—	305	Gallons

### ***Cash Flow Hedging Strategies***

KPCo utilizes cash flow hedges on certain derivative transactions for the purchase and sale of power (“Commodity”) in order to manage the variable price risk related to forecasted purchases and sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. KPCo does not hedge all commodity price risk.

KPCo may utilize a variety of interest rate derivative transactions in order to manage interest rate risk exposure. KPCo may also utilize interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. KPCo does not hedge all interest rate exposure.

### **ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON KPCo’s FINANCIAL STATEMENTS**

The accounting guidance for “Derivatives and Hedging” requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes and assumptions. In order to determine the relevant fair values of the derivative instruments, KPCo applies valuation adjustments for discounting, liquidity and credit quality.

Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract’s term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management’s estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for “Derivatives and Hedging,” KPCo reflects the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, KPCo is required to post or receive cash collateral based on third-party contractual agreements and risk profiles. The amount of cash collateral from third-parties netted against short-term and long-term risk management assets and the amount of cash collateral paid to third-parties netted against short-term and long-term risk management liabilities were immaterial for KPCo as of December 31, 2022 and 2021.

The following tables represent the gross fair value of KPCo’s derivative activity on the balance sheets. Unless shown as a separate line on the balance sheets due to materiality, Current Risk Management Assets are included in Prepayments and Other Current Assets, Long-term Risk Management Assets are included in Deferred Charges and Other Noncurrent Assets, Current Risk Management Liabilities are included in Other Current Liabilities and Long-term Risk Management Liabilities are included in Deferred Credits and Other Noncurrent Liabilities on the balance sheets.

Balance Sheet Location	December 31, 2022		
	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
		(in thousands)	
Current Risk Management Assets	\$ 8,607	\$ (144)	\$ 8,463
Long-term Risk Management Assets	137	(137)	—
<b>Total Assets</b>	<b>8,744</b>	<b>(281)</b>	<b>8,463</b>
Current Risk Management Liabilities	144	(144)	—
Long-term Risk Management Liabilities	137	(137)	—
<b>Total Liabilities</b>	<b>281</b>	<b>(281)</b>	<b>—</b>
<b>Total MTM Derivative Contract Net Assets</b>	<b>\$ 8,463</b>	<b>\$ —</b>	<b>\$ 8,463</b>

Balance Sheet Location	December 31, 2021		
	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
		(in thousands)	
Current Risk Management Assets	\$ 7,488	\$ (1,502)	\$ 5,986
Long-term Risk Management Assets	46	(46)	—
<b>Total Assets</b>	<b>7,534</b>	<b>(1,548)</b>	<b>5,986</b>
Current Risk Management Liabilities	1,458	(1,407)	51
Long-term Risk Management Liabilities	46	(46)	—
<b>Total Liabilities</b>	<b>1,504</b>	<b>(1,453)</b>	<b>51</b>
<b>Total MTM Derivative Contract Net Assets (Liabilities)</b>	<b>\$ 6,030</b>	<b>\$ (95)</b>	<b>\$ 5,935</b>

- (a) Derivative instruments within this category are disclosed as gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for “Derivatives and Hedging.”
- (b) Amounts include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for “Derivatives and Hedging.”
- (c) All derivative contracts subject to a master netting arrangement or similar agreement are offset in the statement of financial position.

The table below presents KPCo’s activity of derivative risk management contracts:

Location of Gain (Loss)	Years Ended December 31,	
	2022	2021
	(in thousands)	
Electric Generation, Transmission and Distribution Revenues	\$ 8	\$ (12)
Purchased Electricity for Resale	228	118
Other Operation	148	90
Maintenance	263	116
Regulatory Assets (a)	(25)	(1,077)
Regulatory Liabilities (a)	16,998	11,192
<b>Total Gain on Risk Management Contracts</b>	<b>\$ 17,620</b>	<b>\$ 10,427</b>

- (a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment recorded as either current or noncurrent on the balance sheets.

Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for “Derivatives and Hedging.” Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on KPCo’s statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on KPCo’s statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same line item on the statements of income as that of the associated risk being hedged. However, unrealized and some realized gains and losses for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains), in accordance with the accounting guidance for “Regulated Operations.”

#### ***Accounting for Cash Flow Hedging Strategies***

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), KPCo initially reports the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income (Loss) on the balance sheets until the period the hedged item affects Net Income.

Realized gains and losses on derivative contracts for the purchase and sale of power designated as cash flow hedges are included in Total Revenues or Purchased Electricity for Resale on KPCo’s statements of income, or in Regulatory Assets or Regulatory Liabilities on KPCo’s balance sheets, depending on the specific nature of the risk being hedged. During the years ended 2022 and 2021, KPCo did not apply cash flow hedging to outstanding power derivatives.

KPCo reclassifies gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income (Loss) on its balance sheets into Interest Expense on its statements of income in those periods in which hedged interest payments occur. During the years ended 2022 and 2021, KPCo did not apply cash flow hedging to outstanding interest rate derivatives.

There was no impact of cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on KPCo’s balance sheets as of December 31, 2022 and 2021.

The actual amounts that KPCo reclassifies from Accumulated Other Comprehensive Income (Loss) to Net Income can differ due to market price changes. As of December 31, 2022, KPCo is not hedging (with contracts subject to the accounting guidance for “Derivatives and Hedging”) its exposure to variability in future cash flows related to forecasted transactions.

#### ***Credit Risk***

Management mitigates credit risk in KPCo’s wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses credit agency ratings and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

Master agreements are typically used to facilitate the netting of cash flows associated with a single counterparty and may include collateral requirements. Collateral requirements in the form of cash, letters of credit, surety bonds and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. Some master agreements include margining, which requires a counterparty to post cash or letters of credit in the event exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP's credit policy. In addition, master agreements allow for termination and liquidation of all positions in the event of a default including failure or inability to post collateral when required.

### ***Collateral Triggering Events***

#### *Credit Downgrade Triggers*

A limited number of derivative contracts include collateral triggering events, which include a requirement to maintain certain credit ratings. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these collateral triggering events in contracts. KPCCo has not experienced a downgrade below a specified credit rating threshold that would require the posting of additional collateral. As of December 31, 2022 and 2021, KPCCo did not have derivative contracts with collateral triggering events in a net liability position.

#### *Cross-Acceleration Triggers*

Certain interest rate derivative contracts contain cross-acceleration provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-acceleration provisions could be triggered if there was a non-performance event by KPCCo under any of their outstanding debt of at least \$50 million and the lender on that debt has accelerated the entire repayment obligation. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-acceleration provisions in contracts. KPCCo had no derivative contracts with cross-acceleration provisions in a net liability position as of December 31, 2022 and 2021, respectively. There was no cash collateral posted as of December 31, 2022 and 2021. If a cross-acceleration provision would have been triggered, settlement at fair value would have been required. KPCCo had no derivative contracts with cross-acceleration provisions outstanding as of December 31, 2022 and 2021.

#### *Cross-Default Triggers*

In addition, a majority of KPCCo's non-exchange-traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third-party obligation that is \$50 million or greater. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-default provisions in the contracts. KPCCo's derivative contracts with cross-default provisions outstanding as of December 31, 2022 and 2021 were not material. There was no cash collateral posted as of December 31, 2022 and 2021, respectively. If a cross-default provision would have been triggered, settlement at fair value would have been required.

**9. FAIR VALUE MEASUREMENTS**

*Fair Value Measurements of Long-term Debt*

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of KPCo’s Long-term Debt are summarized in the following table:

	December 31,			
	2022		2021	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
	(in thousands)			
Long-term Debt	\$ 1,178,448	\$ 1,148,769	\$ 1,103,105	\$ 1,224,664

***Fair Value Measurements of Financial Assets and Liabilities***

For a discussion of fair value accounting and the classification of assets and liabilities within the fair value hierarchy, see the “Fair Value Measurements of Assets and Liabilities” section of Note 1.

The following tables set forth, by level within the fair value hierarchy, KPCo’s financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for “Fair Value Measurements and Disclosures,” financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management’s valuation techniques.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis  
December 31, 2022**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Risk Management Assets</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 137	\$ 8,607	\$ (281)	\$ 8,463
<b>Liabilities:</b>					
<b>Risk Management Liabilities</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 137	\$ 144	\$ (281)	\$ —

**Assets and Liabilities Measured at Fair Value on a Recurring Basis  
December 31, 2021**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Risk Management Assets</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 1,096	\$ 6,439	\$ (1,549)	\$ 5,986
<b>Liabilities:</b>					
<b>Risk Management Liabilities</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 937	\$ 568	\$ (1,454)	\$ 51

- (a) Amounts in “Other” column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for “Derivatives and Hedging.”  
(b) Substantially comprised of power contracts.

The following tables set forth a reconciliation of changes in the fair value of net trading derivatives classified as Level 3 in the fair value hierarchy:

<b>Year Ended December 31, 2022</b>	<b>Net Risk Management Assets (Liabilities) (in thousands)</b>
<b>Balance as of December 31, 2021</b>	\$ 5,871
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	2,801
Settlements	(8,672)
Changes in Fair Value Allocated to Regulated Jurisdictions (d)	8,463
<b>Balance as of December 31, 2022</b>	<b>\$ 8,463</b>
<b>Year Ended December 31, 2021</b>	
	<b>Net Risk Management Assets (Liabilities) (in thousands)</b>
<b>Balance as of December 31, 2020</b>	\$ 3,025
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	1,858
Settlements	(4,950)
Transfers out of Level 3 (c)	8
Changes in Fair Value Allocated to Regulated Jurisdictions (d)	5,930
<b>Balance as of December 31, 2021</b>	<b>\$ 5,871</b>

- (a) Included in revenues on KPCo's statements of income.
- (b) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.
- (c) Transfers are recognized based on their value at the beginning of the period that the transfer occurred.
- (d) Relates to the net gains (losses) of those contracts that are not reflected on KPCo's statements of income. These changes in fair value are recorded as regulatory liabilities for net gains and as regulatory assets for net losses.



The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions as of December 31, 2022 and 2021:

**Significant Unobservable Inputs  
December 31, 2022**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		
	Assets	Liabilities			Low	High	Weighted Average (b)
	(in thousands)						
FTRs	\$ 8,607	\$ 144	Discounted Cash Flow	Forward Market Price	\$ (3.10)	\$ 18.79	\$ 2.48

**Significant Unobservable Inputs  
December 31, 2021**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		
	Assets	Liabilities			Low	High	Weighted Average (b)
	(in thousands)						
Energy Contracts	\$ —	\$ 51	Discounted Cash Flow	Forward Market Price	\$ 32.20	\$ 56.54	\$ 44.77
FTRs	6,439	517	Discounted Cash Flow	Forward Market Price	(1.44)	22.19	1.74
<b>Total</b>	<b>\$ 6,439</b>	<b>\$ 568</b>					

(a) Represents market prices in dollars per MWh.

(b) The weighted-average is the product of the forward market price of the underlying commodity and volume weighted by term.

The following table provides the measurement uncertainty of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs as of December 31, 2022 and 2021:

**Uncertainty of Fair Value Measurements**

Significant Unobservable Input	Position	Change in Input	Impact on Fair Value Measurement
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

**10. INCOME TAXES**

***Income Tax Benefit***

The details of KPCo's Income Tax Benefit are as follows:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
<b>Federal:</b>		
Current	\$ 74	\$ (2,970)
Deferred	(30,347)	(20,143)
<b>Total Federal</b>	<u>(30,273)</u>	<u>(23,113)</u>
<b>State and Local:</b>		
Current	691	—
Deferred	(1,446)	(4,366)
<b>Total State and Local</b>	<u>(755)</u>	<u>(4,366)</u>
<b>Income Tax Benefit</b>	<u>\$ (31,028)</u>	<u>\$ (27,479)</u>

The following is a reconciliation between the federal income taxes computed by multiplying pretax income by the federal statutory tax rate and the income taxes reported:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Net Income	\$ 47,552	\$ 50,150
Income Tax Benefit	(31,028)	(27,479)
<b>Pretax Income</b>	<u>\$ 16,524</u>	<u>\$ 22,671</u>
Income Taxes on Pretax Income at Statutory Rate (21%)	\$ 3,470	\$ 4,761
Increase (Decrease) in Income Taxes Resulting from the Following Items:		
Reversal of Origination Flow-Through	1,475	1,891
State and Local Income Taxes, Net	(594)	(3,449)
Removal Costs	(2,660)	(2,154)
Tax Adjustments (a)	—	3,098
Tax Reform Excess ADIT Reversal (b)	(32,452)	(31,174)
Other	(267)	(452)
<b>Income Tax Benefit</b>	<u>\$ (31,028)</u>	<u>\$ (27,479)</u>
<b>Effective Income Tax Rate</b>	(187.8)%	(121.2)%

- (a) Represents the correction of an adjustment related to Deferred Income Taxes and Income Tax Benefit. Management concluded the misstatement and subsequent correction was not material to prior or current period financial statements.
- (b) In January 2021, as part of the 2020 Kentucky Base Rate Case, the KPSC issued an order that shortened the previously authorized refund period for Excess ADIT that is not subject to normalization requirements from 18 years to 3 years.

***Net Deferred Tax Liability***

The following table shows elements of KPCo’s net deferred tax liability and significant temporary differences:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Deferred Tax Assets	\$ 86,163	\$ 94,062
Deferred Tax Liabilities	(542,380)	(531,214)
<b>Net Deferred Tax Liabilities</b>	<b><u>\$ (456,217)</u></b>	<b><u>\$ (437,152)</u></b>
Property Related Temporary Differences	\$ (304,463)	\$ (310,721)
Amounts Due to Customers for Future Income Taxes	39,613	51,754
Deferred State Income Taxes	(96,837)	(92,617)
Regulatory Assets	(109,919)	(101,155)
Net Operating Loss Carryforward	11,671	17,475
All Other, Net	3,718	(1,888)
<b>Net Deferred Tax Liabilities</b>	<b><u>\$ (456,217)</u></b>	<b><u>\$ (437,152)</u></b>

***Federal Income Tax Audit Status***

The statute of limitations for the IRS to examine KPCo and other AEP subsidiaries originally filed federal return has expired for tax years 2016 and earlier. AEP has agreed to extend the statute of limitations on the 2017 and 2018 tax returns to December 31, 2023, to allow time for the current IRS audit to be completed including a refund claim approval by the Congressional Joint Committee on Taxation. The statute of limitations for the 2019 return is set to naturally expire in 2023 as well.

The current IRS audit and associated refund claim evolved from a net operating loss carryback to 2015 that originated in the 2017 return. AEP has received and agreed to two IRS proposed adjustments on the 2017 tax return, which were immaterial. The exam is nearly complete and AEP is currently working with the IRS to submit the refund claim to the Congressional Joint Committee on Taxation for resolution and final approval.

***Net Income Tax Operating Loss Carryforward***

KPCo has state net income tax operating loss carryforwards of \$222 million in 2022. As a result, KPCo recognized deferred state income tax benefits in 2022 of \$11 million. This is consistent with the net operating loss carryforwards and deferred state income tax benefits recognized in 2021. Management anticipates future taxable income will be sufficient to realize the state net income tax operating loss tax benefits before the state carryforward begins expiring in 2035.

**11. LEASES**

KPCo leases property, plant and equipment including, but not limited to, fleet, information technology and real estate leases. These leases require payments of non-lease components, including related property taxes, operating and maintenance costs. KPCo does not separate non-lease components from associated lease components. Many of these leases have purchase or renewal options. Leases not renewed are often replaced by other leases. Options to renew or purchase a lease are included in the measurement of lease assets and liabilities if it is reasonably certain that KPCo will exercise the option.

Lease obligations are measured using the discount rate implicit in the lease when that rate is readily determinable. KPCo has visibility into the rate implicit in the lease when assets are leased from selected financial institutions under master leasing agreements. When the implicit rate is not readily determinable, KPCo measures its lease obligation using its estimated secured incremental borrowing rate. Incremental borrowing rates are comprised of an underlying risk-free rate and a secured credit spread relative to the lessee on a matched maturity basis.

Operating lease rentals and finance lease amortization costs are generally charged to Other Operation and Maintenance expense in accordance with rate-making treatment for regulated operations. Interest on finance lease liabilities is generally charged to Interest Expense. Lease costs associated with capital projects are included in Property, Plant and Equipment on the balance sheets. For regulated operations with finance leases, a finance lease asset and offsetting liability are recorded at the present value of the remaining lease payments for each reporting period. Finance leases for nonregulated property are accounted for as if the assets were owned and financed. The components of rental costs were as follows:

Lease Rental Costs	Years Ended December 31,	
	2022	2021
	(in thousands)	
Operating Lease Cost	\$ 14,058	\$ 3,100
Finance Lease Cost:		
Amortization of Finance Leases	2,735	920
Interest on Finance Leases	63	125
<b>Total Lease Rental Costs (a)</b>	<b>\$ 16,856</b>	<b>\$ 4,145</b>

(a) Excludes variable and short-term lease costs, which were immaterial.

Supplemental information related to leases are shown in the tables below.

Lease Type	Weighted-Average Remaining Lease Term (years):		Weighted-Average Discount Rate	
	December 31,			
	2022	2021	2022	2021
Operating Leases	5.92	6.05	2.95 %	3.33 %
Finance Leases	4.73	4.68	4.41 %	4.00 %

	Years Ended December 31,	
	2022	2021
	(in thousands)	
<b>Cash Paid for Amounts Included in the Measurement of Lease Liabilities</b>		
Operating Cash Flows Used for Operating Leases	\$ 14,050	\$ 3,089
Operating Cash Flows Used for Finance Leases	63	125
Financing Cash Flows Used for Finance Leases	2,735	920
Non-cash Acquisitions Under Operating Leases	\$ 422	\$ 1,261

The following tables show the property, plant and equipment under finance leases and noncurrent assets under operating leases and related obligations recorded on KPCo's balance sheets. Unless shown as a separate line on the balance sheets due to materiality, net operating lease assets are included in Deferred Charges and Other Noncurrent Assets, current finance lease obligations are included in Other Current Liabilities and long-term finance lease obligations are included in Deferred Credits and Other Noncurrent Liabilities on the balance sheets. Lease obligations are not recognized on the balance sheets for lease agreements with a lease term of less than twelve months.

	December 31,	
	2022	2021
	(in thousands)	
<b>Property, Plant and Equipment Under Finance Leases</b>		
Generation	\$ 465	\$ 1,106
Other Property, Plant and Equipment	209	4,348
Total Property, Plant and Equipment Under Finance Leases	674	5,454
Accumulated Amortization	305	2,599
<b>Net Property, Plant and Equipment Under Finance Leases</b>	<b>\$ 369</b>	<b>\$ 2,855</b>
<b>Obligations Under Finance Leases</b>		
Noncurrent Liability	\$ 288	\$ 2,064
Liability Due Within One Year	81	791
<b>Total Obligations Under Finance Leases</b>	<b>\$ 369</b>	<b>\$ 2,855</b>

	December 31,	
	2022	2021
	(in thousands)	
<b>Operating Lease Assets</b>	<b>\$ 528</b>	<b>\$ 10,748</b>
<b>Obligations Under Operating Leases</b>		
Noncurrent Liability	\$ 450	\$ 8,614
Liability Due Within One Year	128	2,173
<b>Total Obligations Under Operating Leases</b>	<b>\$ 578</b>	<b>\$ 10,787</b>

Future minimum lease payments consisted of the following as of December 31, 2022:

Future Minimum Lease Payments	Finance Leases	Operating Leases
	(in thousands)	
2023	\$ 95	\$ 154
2024	88	136
2025	85	81
2026	71	64
2027	54	46
After 2027	18	198
<b>Total Future Minimum Lease Payments</b>	411	679
Less: Imputed Interest	42	101
<b>Estimated Present Value of Future Minimum Lease Payments</b>	\$ 369	\$ 578

***Lessor Activity***

KPCo's lessor activity was immaterial as of and for the twelve months ended December 31, 2022 and December 31, 2021, respectively.

**12. FINANCING ACTIVITIES**

***Long-term Debt***

The following table details long-term debt outstanding:

Type of Debt	Maturity	Weighted-Average Interest Rate as of December 31, 2022	Interest Rate Ranges as of December 31,		Outstanding as of December 31,	
			2022	2021	2022	2021
(in thousands)						
Senior Unsecured Notes	2024-2047	4.54%	3.13%-8.13%	3.13%-8.13%	\$ 688,626	\$ 688,400
Pollution Control Bonds	2023 (a)	2.35%	2.35%	2.35%	64,896	64,823
Other Long-term Debt	2022-2023	5.26%	5.03%-5.55%	0.76%-1.61%	424,926	349,882
<b>Total Long-term Debt Outstanding</b>					<u>\$ 1,178,448</u>	<u>\$ 1,103,105</u>

(a) KPCo's Pollution Control Bond is subject to redemption earlier than the maturity date.

As of December 31, 2022, outstanding long-term debt was payable as follows:

	2023	2024	2025	2026	2027	After 2027	Total
(in thousands)							
Principal Amount	\$ 490,000	\$ 65,000	\$ —	\$ 200,000	\$ 40,000	\$ 385,000	\$1,180,000
Debt Issuance Costs							(1,552)
<b>Total Long-term Debt Outstanding</b>							<u>\$1,178,448</u>

***Dividend Restrictions***

KPCo pays dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of KPCo to transfer funds to Parent in the form of dividends.

All of the dividends declared by KPCo are subject to a Federal Power Act requirement that prohibits the payment of dividends out of capital accounts in certain circumstances; payment of dividends is generally allowed out of retained earnings.

KPCo has credit agreements that contain a covenant that limit its debt to capitalization ratio to 67.5%. As of December 31, 2022, KPCo did not exceed its debt to capitalization limit. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.

The most restrictive dividend limitation for KPCo is through the Federal Power Act. As of December 31, 2022, the maximum amount of restricted net assets of KPCo that may not be distributed to Parent in the form of a loan, advance or dividend was \$613.2 million.

The Federal Power Act restriction does not limit the ability of KPCo to pay dividends out of retained earnings. The credit agreement covenant restrictions can limit the ability of KPCo to pay dividends out of retained earnings. As of December 31, 2022, the amount of any such restrictions was \$36.5 million.

**Corporate Borrowing Program – AEP System**

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP’s subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP’s utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of the AEP System Utility Money Pool agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of December 31, 2022 and 2021 are included in Advances from Affiliates on KPCCo’s balance sheets. KPCCo’s Utility Money Pool activity and corresponding authorized borrowing limits are described in the following table:

<b>Years Ended December 31,</b>	<b>Maximum Borrowings from the Utility Money Pool</b>	<b>Maximum Loans to the Utility Money Pool</b>	<b>Average Borrowings from the Utility Money Pool</b>	<b>Average Loans to the Utility Money Pool</b>	<b>Borrowings from the Utility Money Pool as of December 31,</b>	<b>Authorized Short-Term Borrowing Limit</b>
(in thousands)						
2022	\$ 161,643	\$ 28,393	\$ 82,006	\$ 23,343	\$ 94,428	\$ 180,000
2021	121,608	43,730	46,522	22,427	47,895	180,000

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:

<b>Years Ended December 31,</b>	<b>Maximum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Maximum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Average Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Average Interest Rate for Funds Loaned to the Utility Money Pool</b>
2022	5.28 %	0.10 %	2.15 %	2.15 %	2.23 %	2.15 %
2021	0.48 %	0.02 %	0.34 %	0.03 %	0.31 %	0.33 %

Interest expense and interest income related to the Utility Money Pool are included in Interest Expense and Interest Income, respectively, on KPCCo’s statements of income. For amounts borrowed from and advances to the Utility Money Pool, KPCCo incurred the following amounts of interest expense and earned the following amounts of interest income:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	(in thousands)	
Interest Expense	\$ 1,985	\$ 166
Interest Income	102	6

**Securitized Accounts Receivables – AEP Credit**

Under an affiliated receivables sales arrangement, KPCCo sold, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit. KPCCo was charged a fee for each sale that is based on AEP Credit’s financing costs, administrative costs and uncollectible accounts experience from previous purchases of KPCCo’s customer accounts receivable. The costs of customer accounts receivable sold are reported in Other Operation expense on KPCCo’s statements of income. In January 2022, due to the pending sale to Liberty, KPCCo ceased selling accounts receivable to AEP Credit. As a result, in the first quarter of 2022, KPCCo began recording an allowance for uncollectible accounts on its balance sheet for those receivables no longer sold to AEP Credit.

KPCCo’s amounts of accounts receivable and accrued unbilled revenues under the sale of receivables agreement were \$0 and \$53.3 million as of December 31, 2022 and 2021, respectively.

The fees paid by KPCCo to AEP Credit for customer accounts receivable sold were \$63 thousand and \$1.9 million for the years ended December 31, 2022 and 2021, respectively. In 2021, due to the successful collection of accounts



receivable balances during the COVID-19 pandemic, the allowance for doubtful accounts was reduced, resulting in the issuance of credits to offset the higher fees previously paid and to lower subsequent fees paid. In 2022, as a result of KPCo's discontinued sale of receivables with AEP Credit, KPCo was issued a net credit upon final settlement of the allowance for doubtful accounts balance as collections of accounts receivable were higher than originally estimated.

KPCo's proceeds on the sale of receivables to AEP Credit were \$66 million and \$595 million for the years ended December 31, 2022 and 2021, respectively.

### 13. RELATED PARTY TRANSACTIONS

For other related party transactions, also see “AEP System Tax Allocation” section of Note 1 in addition to “Corporate Borrowing Program – AEP System” and “Securitized Accounts Receivables – AEP Credit” sections of Note 12.

#### *Power Coordination Agreement*

Effective January 1, 2014, the FERC approved the PCA. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. The PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo, PSO, SWEPCo and WPCo. Certain power and natural gas risk management activities for APCo, I&M, KPCo and WPCo are allocated based on the four member companies’ respective equity positions, while power and natural gas risk management activities for PSO and SWEPCo are allocated based on the Operating Agreement.

#### *System Integration Agreement*

Under the SIA, AEPSC allocates physical and financial revenues and expenses from transactions with neighboring utilities, power marketers and other power and natural gas risk management activities based upon the location of such activity. Margins resulting from trading and marketing activities originating in PJM generally accrue to the benefit of APCo, I&M, KPCo and WPCo, while trading and marketing activities originating in SPP generally accrue to the benefit of PSO and SWEPCo. Margins resulting from other transactions are allocated among APCo, I&M, KPCo, PSO, SWEPCo and WPCo based upon the equity positions of these companies.

#### *Affiliated Revenues and Purchases*

The table below shows the revenues derived from auction sales to affiliates, net transmission agreement sales and other revenues as follows:

<b>Related Party Revenues</b>	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Transmission Agreement Sales	\$ 17,701	\$ 8,991
Other Revenues	1,550	1,551
<b>Total Affiliated Revenues</b>	<b>\$ 19,251</b>	<b>\$ 10,542</b>

The table below shows the purchased power expenses incurred for purchases from affiliates as follows:

<b>Related Party Purchases</b>	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Direct Purchases from AEGCo (a)	\$ 93,137	\$ 93,365
<b>Total Affiliated Purchases</b>	<b>\$ 93,137</b>	<b>\$ 93,365</b>

(a) Refer to the “Unit Power Agreements” section below for further information regarding this amount.

The above summarized related party revenues and expenses are reported in Sales to AEP Affiliates and Purchased Electricity from AEP Affiliates on KPCo’s statements of income.

### ***PJM Transmission Service Charges***

The AEP East Companies are parties to the TA, which defines how transmission costs through PJM OATT are allocated among the AEP East Companies on a 12-month average coincident peak basis. Additional costs for transmission services provided by AEPTCo and other transmission affiliates are billed to KPCo through the PJM OATT.

KPCo's net charges recorded as a result of the TA for the years ended December 31, 2022 and 2021 were \$64.9 million and \$57.1 million, respectively, and were recorded in Other Operation expenses on KPCo's statements of income.

### ***Unit Power Agreements***

#### ***UPA between AEGCo and I&M***

A UPA between AEGCo and I&M (the I&M Power Agreement) provides for the sale by AEGCo to I&M of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. I&M is obligated, whether or not power is available from AEGCo, to pay as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M) net of amounts received by AEGCo from any other sources, sufficient to enable AEGCo to pay all of its operating and other expenses, including a rate of return on the common equity of AEGCo as approved by the FERC. The I&M Power Agreement will continue in effect until the debt obligations of AEGCo secured by the Rockport Plant have been satisfied and discharged (currently expected to be December 2028).

In April 2021, AEGCo and I&M executed an agreement to purchase 100% of the interests in Rockport Plant, Unit 2 effective at the end of the lease term on December 7, 2022. Beginning December 8, 2022, AEGCo and I&M applied the joint plant accounting model to their respective 50% undivided interests in the jointly owned Rockport Plant, Unit 2 as well as any future investments made prior to the current estimated retirement date of December 2028.

Prior to the termination of the lease, I&M assigned 30% of the power to KPCo. See the "UPA between AEGCo and KPCo" section below for additional information. Beginning December 8, 2022, AEGCo billed 100% of its share of the Rockport Plant to I&M and ceased billing to KPCo. KPCo reached an agreement with I&M, from the end of the lease through May 2024, to buy capacity from Rockport Plant, Unit 2 through the PCA at a rate equal to PJM's RPM clearing price.

#### ***UPA between AEGCo and KPCo***

On December 7, 2022, the UPA between AEGCo and KPCo ended upon the termination of the Rockport Plant, Unit 2 lease. Previously, pursuant to an assignment between I&M and KPCo and a UPA between AEGCo and KPCo, AEGCo sold KPCo 30% of the power (and the energy associated therewith) available to AEGCo from both units of the Rockport Plant. KPCo paid AEGCo in consideration for the right to receive such power, the same amounts which I&M would have paid AEGCo under the terms of the I&M Power Agreement for such entitlement. As a result of the end of the UPA between AEGCo and KPCo, a prorated bill was recorded from AEGCo to KPCo to reflect costs incurred for the first seven days of December 2022.

### ***I&M Barging, Urea Transloading and Other Services***

I&M provides barging, urea transloading and other transportation services to affiliates. Urea is a chemical used to control NO<sub>x</sub> emissions at certain generation plants in the AEP System. KPCo recorded expenses of \$2 million and \$3.1 million in 2022 and 2021, respectively, for urea transloading provided by I&M. These expenses were recorded as fuel expenses or other operation expenses. This agreement with KPCo terminated with the transfer of the Mitchell Plant in August 2022.

***Central Machine Shop***

APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. APCo defers the cost of performing these services on the balance sheet and then transfers the cost to the affiliate for reimbursement. KPCo recorded its assigned portion of these billings as capital or maintenance expenses depending on the nature of the services received. These billings are recoverable from customers. KPCo's billed amounts were \$1 million and \$973 thousand for the years ended December 31, 2022 and 2021, respectively.

***Sales and Purchases of Property***

KPCo had affiliated sales and purchases of electric property individually amounting to \$100 thousand or more, sales and purchases of meters and transformers and sales and purchases of transmission property. There were no gains or losses recorded on the transactions. The table below shows the sales and purchases, recorded at net book value, as follows:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Sales	\$ 1,187	\$ 431
Purchases	631	3,995

The amounts above are recorded in Property, Plant and Equipment on the balance sheets.

***Charitable Contributions to AEP Foundation***

The American Electric Power Foundation is funded by American Electric Power and its utility operating units. The Foundation provides a permanent, ongoing resource for charitable initiatives and multi-year commitments in the communities served by AEP and initiatives outside of AEP's 11-state service area. In 2022, KPCo made a \$2.8 million charitable contribution to the AEP Foundation recorded in Other Operation on the statements of income. In 2021, there were no charitable contributions made to the AEP Foundation.

***Intercompany Billings***

KPCo performs certain utility services for other AEP subsidiaries when necessary or practical. The costs of these services are billed on a direct-charge basis, whenever possible, or on reasonable basis of proration for services that benefit multiple companies. The billings for services are made at cost and include no compensation for the use of equity capital.

#### **14. VARIABLE INTEREST ENTITIES**

The accounting guidance for “Variable Interest Entities” is a consolidation model that considers if a company has a variable interest in a VIE. A VIE is a legal entity that possesses any of the following conditions: the entity’s equity at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support, equity owners are unable to direct the activities that most significantly impact the legal entity’s economic performance (or they possess disproportionate voting rights in relation to the economic interest in the legal entity), or the equity owners lack the obligation to absorb the legal entity’s expected losses or the right to receive the legal entity’s expected residual returns. Entities are required to consolidate a VIE when it is determined that they have a controlling financial interest in a VIE and therefore, are the primary beneficiary of that VIE, as defined by the accounting guidance for “Variable Interest Entities.” In determining whether KPCo is the primary beneficiary of a VIE, management considers whether KPCo has the power to direct the most significant activities of the VIE and is obligated to absorb losses or receive the expected residual returns that are significant to the VIE. Management believes that significant assumptions and judgments were applied consistently. KPCo is not the primary beneficiary of any VIE and has not provided financial or other support to any VIE that was not previously contractually required.

AEPSC provides certain managerial and professional services to AEP’s subsidiaries. Parent is the sole equity owner of AEPSC. AEP management controls the activities of AEPSC. The costs of the services are based on a direct-charge or on a prorated basis and billed to the AEP subsidiary companies at AEPSC’s cost. AEP subsidiaries have not provided financial or other support outside the reimbursement of costs for services rendered. AEPSC finances its operations through cost reimbursement from other AEP subsidiaries. There are no other terms or arrangements between AEPSC and any of the AEP subsidiaries that could require additional financial support from an AEP subsidiary or expose them to losses outside of the normal course of business. AEPSC and its billings are subject to regulation by the FERC. AEP subsidiaries are exposed to losses to the extent they cannot recover the costs of AEPSC through their normal business operations. AEP subsidiaries are considered to have a significant interest in AEPSC due to their activity in AEPSC’s cost reimbursement structure. However, AEP subsidiaries do not have control over AEPSC. AEPSC is consolidated by AEP. In the event AEPSC would require financing or other support outside the cost reimbursement billings, this financing would be provided by AEP. KPCo’s total billings from AEPSC for the years ended December 31, 2022 and 2021 were \$69.7 million and \$75.2 million, respectively. The carrying amount of liabilities associated with AEPSC as of December 31, 2022 and 2021 were \$6.1 million and \$7.9 million, respectively. Management estimates the maximum exposure of loss to be equal to the amount of such liability.

AEGCo, a wholly-owned subsidiary of Parent, is consolidated by AEP. AEGCo owns a 50% ownership interest in Rockport Plant. In December 2022, the UPA between AEGCo and KPCo ended upon the termination of the Rockport Plant, Unit 2 lease. As a result, AEGCo began selling all of the output from the Rockport Plant to I&M, eliminating KPCo’s significant variable interest in AEGCo as of December 31, 2022. KPCo was previously exposed to losses to the extent it could not recover the costs of AEGCo through its normal business operations. Total billings from AEGCo for the years ended December 31, 2022 and 2021 were \$92.9 million and \$93.4 million, respectively. The carrying amount of liabilities associated with AEGCo as of December 31, 2022 and 2021 were \$2 million and \$7.9 million, respectively.

**15. PROPERTY, PLANT AND EQUIPMENT**

Property, Plant and Equipment is shown functionally on the face of KPCo’s balance sheets. The following table includes KPCo’s total plant balances as of December 31, 2022 and 2021:

	December 31,	
	2022	2021
	(in thousands)	
Regulated Property, Plant and Equipment		
Generation	\$ 1,236,474	\$ 1,231,494
Transmission	801,838	760,359
Distribution	1,061,601	1,017,406
Other	166,754	129,250
CWIP	137,964	95,093
Less: Accumulated Depreciation	1,155,997	1,104,293
Total Regulated Property, Plant and Equipment - Net	<u>2,248,634</u>	<u>2,129,309</u>
Nonregulated Property, Plant and Equipment - Net	1,003	8,105
<b>Total Property, Plant and Equipment - Net</b>	<u><u>\$ 2,249,637</u></u>	<u><u>\$ 2,137,414</u></u>

***Depreciation***

KPCo provides for depreciation of Property, Plant and Equipment on a straight-line basis over the estimated useful lives of property, generally using composite rates by functional class. The following table provides total regulated annual composite depreciation rates and depreciable lives for KPCo. Nonregulated depreciation rate ranges and depreciable life ranges are not applicable or not meaningful for 2022 and 2021.

Functional Class of Property	2022		2021	
	Annual Composite Depreciation Rate	Depreciable Life Ranges (in years)	Annual Composite Depreciation Rate	Depreciable Life Ranges (in years)
Generation	3.0%	69 - 73	3.0%	69 - 73
Transmission	2.7%	37 - 75	2.6%	37 - 75
Distribution	3.4%	11 - 75	3.4%	11 - 75
Other	8.2%	5 - 75	9.5%	5 - 75

The composite depreciation rate generally includes a component for non-asset retirement obligation (non-ARO) removal costs, which is credited to Accumulated Depreciation and Amortization on the balance sheets. Actual removal costs incurred are charged to Accumulated Depreciation and Amortization. Any excess of accrued non-ARO removal costs over actual removal costs incurred is reclassified from Accumulated Depreciation and Amortization and reflected as a regulatory liability.

**Asset Retirement Obligations (ARO)**

The following is a reconciliation of the 2022 and 2021 aggregate carrying amounts of ARO for KPCo:

<u>Year</u>	<u>ARO as of January 1,</u>	<u>Accretion Expense</u>	<u>Liabilities Incurred</u>	<u>Liabilities Settled (a)</u>	<u>Revisions in Cash Flow Estimates (a)</u>	<u>ARO as of December 31,</u>
	(in thousands)					
2022	\$ 17,697	\$ 803	\$ —	\$ (1,162)	\$ 1,139	\$ 18,477
2021	24,565	968	—	(3,227)	(4,609)	17,697

(a) Primarily related to ash pond closure and asbestos abatement.

**Allowance for Funds Used During Construction**

KPCo's amounts of allowance for equity and borrowed funds used during construction are summarized in the following table:

	<u>Years Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
	(in thousands)	
Allowance for Equity Funds Used During Construction	\$ 1,192	\$ 1,822
Allowance for Borrowed Funds Used During Construction	1,635	936

**Jointly-owned Electric Facilities**

KPCo, jointly with WPCo, owns Unit 1 and Unit 2 of the Mitchell Generating Station. KPCo and WPCo each have a 50% ownership of Unit 1 and Unit 2 of the Mitchell Generating Station. Using its own financing, each participating company is obligated to pay its share of the costs in the same proportion as its ownership interest. KPCo's proportionate share of the operating costs associated with this facility is included in its statements of income and the investment and accumulated depreciation are reflected in its balance sheets under Property, Plant and Equipment as follows:

	<u>Fuel Type</u>	<u>Percent of Ownership</u>	<u>Utility Plant in Service</u>	<u>Construction Work in Progress</u>	<u>Accumulated Depreciation</u>
	(in thousands)				
<b>KPCo's Share as of December 31, 2022</b>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,052,996	\$ 23,231	\$ 518,178
<b>KPCo's Share as of December 31, 2021</b>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,049,434	\$ 12,040	\$ 493,124

(a) In September 2022, pursuant to resolutions under the existing Mitchell Plant agreement, WPCo replaced KPCo as the operator of Mitchell Plant. See Note 1 - Organization and Summary of Significant Accounting Policies for additional information.

**16. REVENUE FROM CONTRACTS WITH CUSTOMERS**

***Disaggregated Revenues from Contracts with Customers***

The table below represents KPCo’s revenues from contracts with customers, net of respective provisions for refund, by type of revenue:

	Years Ended December 31,	
	2022	2021
	(in thousands)	
<b>Retail Revenues:</b>		
Residential Revenues	\$ 317,814	\$ 282,900
Commercial Revenues	197,505	160,183
Industrial Revenues	185,174	142,217
Other Retail Revenues	2,193	2,029
<b>Total Retail Revenues</b>	<u>702,686</u>	<u>587,329</u>
<b>Wholesale Revenues:</b>		
Generation Revenues	29,680	29,523
Transmission Revenues (a)	35,522	22,052
<b>Total Wholesale Revenues</b>	<u>65,202</u>	<u>51,575</u>
Other Revenues from Contracts with Customers (b)	<u>11,541</u>	<u>8,659</u>
<b>Total Revenues from Contracts with Customers</b>	<u>779,429</u>	<u>647,563</u>
<b>Other Revenues:</b>		
Alternative Revenue Programs (c)	(6,216)	(1,180)
Other Revenues	8	—
<b>Total Other Revenues</b>	<u>(6,208)</u>	<u>(1,180)</u>
<b>Total Revenues</b>	<u>\$ 773,221</u>	<u>\$ 646,383</u>

- (a) Amounts included affiliated and nonaffiliated revenues. The affiliated revenues were \$19 million and \$9 million for years ended December 31, 2022 and 2021, respectively.
- (b) Amounts included affiliated and nonaffiliated revenues.
- (c) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.

***Performance Obligations***

KPCo has performance obligations as part of its normal course of business. A performance obligation is a promise to transfer a distinct good or service, or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to a customer. The invoice practical expedient within the accounting guidance for “Revenue from Contracts with Customers” allows for the recognition of revenue from performance obligations in the amount of consideration to which there is a right to invoice the customer and when the amount for which there is a right to invoice corresponds directly to the value transferred to the customer.

The purpose of the invoice practical expedient is to depict an entity’s measure of progress toward completion of the performance obligation within a contract and can only be applied to performance obligations that are satisfied over time and when the invoice is representative of services provided to date. KPCo elected to apply the invoice practical expedient to recognize revenue for performance obligations satisfied over time as the invoices from the respective revenue streams are representative of services or goods provided to date to the customer. Performance obligations for KPCo are summarized as follows:



### *Retail Revenues*

KPCo has performance obligations to generate, transmit and distribute electricity for sale to rate-regulated retail customers. The performance obligation to deliver electricity is satisfied over time as the customer simultaneously receives and consumes the benefits provided. Revenues are variable as they are subject to the customer's usage requirements.

Rate-regulated retail customers typically have the right to discontinue receiving service at will, therefore these contracts between KPCo and their customers for rate-regulated services are generally limited to the services requested and received to date for such arrangements. Retail customers are generally billed on a monthly basis, and payment is typically due within 15 to 20 days after the issuance of the invoice.

### *Wholesale Revenues - Generation*

KPCo has performance obligations to sell electricity to wholesale customers from generation assets in PJM. The performance obligation to deliver electricity from generation assets is satisfied over time as the customer simultaneously receives and consumes the benefits provided. Wholesale generation revenues are variable as they are subject to the customer's usage requirements.

KPCo also has performance obligations to stand ready in order to promote grid reliability. Stand ready services are sold into PJM's RPM capacity market. RPM entails a base auction and at least three incremental auctions for a specific PJM delivery year, with the incremental auctions spanning three years. The performance obligation to stand ready is satisfied over time and the consideration for which is variable until the occurrence of the final incremental auction, at which point the performance obligation becomes fixed.

Payments from the RTO for stand ready services are typically received within one week from the issuance of the invoice, which is typically issued weekly. Gross margin resulting from generation sales are primarily subject to margin sharing agreements with customers, where the revenues are reflected gross in the disaggregated revenues table above.

### *Wholesale Revenues - Transmission*

KPCo has performance obligations to transmit electricity to wholesale customers through assets owned and operated by KPCo and other AEP subsidiaries. The performance obligation to provide transmission services in PJM is partially fixed for a period of one year or less. Payments from the RTO for transmission services are typically received within one week from the issuance of the invoice, which is issued weekly for PJM.

KPCo collects revenues through transmission formula rates. The FERC-approved rates establish the annual transmission revenue requirement (ATRR) and transmission service rates for transmission owners. The formula rates establish rates for a one year period and also include a true-up calculation for the prior year's billings, allowing for over/under-recovery of the transmission owner's ATRR. The annual true-ups meet the definition of alternative revenues in accordance with the accounting guidance for "Regulated Operations," and are therefore presented as such in the disaggregated revenues table above.

The AEP East Companies are parties to the TA, which defines how transmission costs are allocated among the AEP East Companies on a 12-month average coincident peak basis. AEPTCo is a load serving entity within PJM providing transmission services to affiliates in accordance with the OATT and TA. Affiliate revenues as a result of the TA are reflected as Transmission Revenues in the disaggregated revenues table above.

***Fixed Performance Obligations***

The following table represents KPCo’s remaining fixed performance obligations satisfied over time as of December 31, 2022. Fixed performance obligations primarily include electricity sales for fixed amounts of energy and stand ready services into PJM’s RPM market. KPCo elected to apply the exemption to not disclose the value of unsatisfied performance obligations for contracts with an original expected term of one year or less. Due to the annual establishment of revenue requirements, transmission revenues are excluded from the table below. The amounts shown in the table below include affiliated and nonaffiliated revenues.

<u>2023</u>	<u>2024-2025</u>	<u>2026-2027</u>	<u>After 2027</u>	<u>Total</u>
(in thousands)				
\$ 1,256	\$ 2,512	\$ 2,512	\$ 1,256	\$ 7,536

***Contract Assets and Liabilities***

Contract assets are recognized when KPCo has a right to consideration that is conditional upon the occurrence of an event other than the passage of time, such as future performance under a contract. KPCo did not have material contract assets as of December 31, 2022 and 2021, respectively.

When KPCo receives consideration, or such consideration is unconditionally due from a customer prior to transferring goods or services to the customer under the terms of a sales contract, they recognize a contract liability on the balance sheet in the amount of that consideration. Revenue for such consideration is subsequently recognized in the period or periods in which the remaining performance obligations in the contract are satisfied. KPCo’s contract liabilities typically arise from advanced payments of services provided primarily with respect to joint use agreements for utility poles. KPCo did not have material contract liabilities as of December 31, 2022 and 2021, respectively.

***Accounts Receivable from Contracts with Customers***

Accounts receivable from contracts with customers are presented on KPCo’s balance sheets within the Accounts Receivable - Customers line item. KPCo’s balances for receivables from contracts that are not recognized in accordance with the accounting guidance for “Revenue from Contracts with Customers” included in Accounts Receivable - Customers were not material as of December 31, 2022 and 2021, respectively. See “Securitized Accounts Receivable - AEP Credit” section of Note 12 for additional information.

The amount of affiliated accounts receivable from contracts with customers included in Accounts Receivable - Affiliated Companies on KPCo’s balance sheets were \$9.1 million and \$9.1 million, respectively, as of December 31, 2022 and December 31, 2021.

***Contract Costs***

Contract costs to obtain or fulfill a contract are accounted for under the guidance for “Other Assets and Deferred Costs” and presented as a single asset and neither bifurcated nor reclassified between current and noncurrent assets on KPCo’s balance sheets. Contract costs to acquire a contract are amortized in a manner consistent with the transfer of goods or services to the customer in Other Operation on KPCo’s statements of income. KPCo did not have material contract costs as of December 31, 2022 and 2021, respectively.

**ANNEX 2**

# Kentucky Power Company

## 2023 First Quarter Report

Financial Statements



An **AEP** Company

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BOUNDLESS ENERGY<sup>SM</sup>

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**GLOSSARY OF TERMS**

**When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.**

<b>Term</b>	<b>Meaning</b>
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority owned consolidated subsidiaries and consolidated affiliates.
AEP Credit	AEP Credit, Inc., a consolidated variable interest entity of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AEPSC	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AEPtCo	AEP Transmission Company, LLC, a wholly-owned subsidiary of AEP Transmission Holdco, is an intermediate holding company that owns the State Transcos.
AFUDC	Allowance for Equity Funds Used During Construction.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
Excess ADIT	Excess accumulated deferred income taxes.
FASB	Financial Accounting Standards Board.
FERC	Federal Energy Regulatory Commission.
FTR	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.
IRA	On August 16, 2022 President Biden signed into law legislation commonly referred to as the “Inflation Reduction Act” (IRA).
IRS	Internal Revenue Service.
ITC	Investment Tax Credit.
KPCo	Kentucky Power Company, an AEP electric utility subsidiary.
KPSC	Kentucky Public Service Commission.
KTCo	AEP Kentucky Transmission Company, Inc., an affiliate of KPCo and a wholly-owned subsidiary of AEP.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatt-hour.
OPEB	Other Postretirement Benefits.
OTC	Over-the-counter.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PTC	Production Tax Credit.

<b>Term</b>	<b>Meaning</b>
Risk Management Contracts	Trading and non-trading derivatives, including those derivatives designated as cash flow and fair value hedges.
RPM	Reliability Pricing Model.
ROE	Return on Equity.
Rockport Plant	A generation plant, jointly owned by AEGCo and I&M, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana.
Tax Reform	On December 22, 2017, President Trump signed into law legislation referred to as the “Tax Cuts and Jobs Act” (the TCJA). The TCJA includes significant changes to the Internal Revenue Code of 1986, including a reduction in the corporate federal income tax rate from 35% to 21% effective January 1, 2018.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.

**KENTUCKY POWER COMPANY**  
**CONDENSED STATEMENTS OF INCOME**  
**For the Three Months Ended March 31, 2023 and 2022**  
**(in thousands)**  
**(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Electric Generation, Transmission and Distribution	\$ 168,122	\$ 176,497
Sales to AEP Affiliates	3,215	5,118
Other Revenues	195	822
<b>TOTAL REVENUES</b>	<b>171,532</b>	<b>182,437</b>
<b>EXPENSES</b>		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	73,366	51,776
Purchased Electricity from AEP Affiliates	977	24,450
Other Operation	29,227	32,155
Maintenance	17,849	14,430
Depreciation and Amortization	33,593	30,528
Taxes Other Than Income Taxes	7,561	6,759
<b>TOTAL EXPENSES</b>	<b>162,573</b>	<b>160,098</b>
<b>OPERATING INCOME</b>	<b>8,959</b>	<b>22,339</b>
<b>Other Income (Expense):</b>		
Interest Income	23	4
Allowance for Equity Funds Used During Construction	256	377
Non-Service Cost Components of Net Periodic Benefit Cost	1,894	1,622
Interest Expense	(15,174)	(9,165)
<b>INCOME (LOSS) BEFORE INCOME TAX BENEFIT</b>	<b>(4,042)</b>	<b>15,177</b>
Income Tax Benefit	(8,694)	(10,744)
<b>NET INCOME</b>	<b>\$ 4,652</b>	<b>\$ 25,921</b>

*The common stock of KPSC is wholly-owned by Parent.*

*See Condensed Notes to Condensed Financial Statements beginning on page 9.*



**KENTUCKY POWER COMPANY**  
**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**For the Three Months Ended March 31, 2023 and 2022**  
**(in thousands)**  
**(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Net Income	\$ 4,652	\$ 25,921
<b>OTHER COMPREHENSIVE LOSS, NET OF TAXES</b>		
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$(10) in 2023 and 2022, Respectively	—	(39)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 4,652</b>	<b>\$ 25,882</b>

See Condensed Notes to Condensed Financial Statements beginning on page 9.

**KENTUCKY POWER COMPANY**  
**CONDENSED STATEMENTS OF CHANGES IN**  
**COMMON SHAREHOLDER'S EQUITY**  
**For the Three Months Ended March 31, 2023 and 2022**  
(in thousands)  
(Unaudited)

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total</u>
<b>TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2021</b>	\$ 50,450	\$ 526,135	\$ 296,021	\$ 1,749	\$ 874,355
Net Income			25,921		25,921
Other Comprehensive Loss				(39)	(39)
<b>TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2022</b>	<u>\$ 50,450</u>	<u>\$ 526,135</u>	<u>\$ 321,942</u>	<u>\$ 1,710</u>	<u>\$ 900,237</u>
<b>TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2022</b>	\$ 50,450	\$ 526,287	\$ 343,573	\$ —	\$ 920,310
Net Income			4,652		4,652
<b>TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2023</b>	<u>\$ 50,450</u>	<u>\$ 526,287</u>	<u>\$ 348,225</u>	<u>\$ —</u>	<u>\$ 924,962</u>

*See Condensed Notes to Condensed Financial Statements beginning on page 9.*

**KENTUCKY POWER COMPANY**  
**CONDENSED BALANCE SHEETS**  
**ASSETS**  
**March 31, 2023 and December 31, 2022**  
**(in thousands)**  
**(Unaudited)**

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,828	\$ 2,684
Accounts Receivable:		
Customers	43,662	63,432
Affiliated Companies	12,845	10,818
Accrued Unbilled Revenues	19,060	35,002
Miscellaneous	45	72
Allowance for Uncollectible Accounts	(704)	(1,013)
Total Accounts Receivable	<u>74,908</u>	<u>108,311</u>
Fuel	40,016	21,994
Materials and Supplies	22,933	26,182
Risk Management Assets	1,811	8,463
Regulatory Asset for Under-Recovered Fuel Costs	5,466	23,241
Margin Deposits	3,000	960
Prepayments and Other Current Assets	1,459	2,512
<b>TOTAL CURRENT ASSETS</b>	<u>151,421</u>	<u>194,347</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Electric:		
Generation	1,240,847	1,236,474
Transmission	806,327	801,838
Distribution	1,077,994	1,061,601
Other Property, Plant and Equipment	168,807	167,981
Construction Work in Progress	143,280	137,964
<b>Total Property, Plant and Equipment</b>	<u>3,437,255</u>	<u>3,405,858</u>
Accumulated Depreciation and Amortization	1,164,198	1,156,221
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT – NET</b>	<u>2,273,057</u>	<u>2,249,637</u>
<b>OTHER NONCURRENT ASSETS</b>		
Regulatory Assets	502,242	504,185
Employee Benefits and Pension Assets	21,000	20,531
Operating Lease Assets	510	528
Deferred Charges and Other Noncurrent Assets	30,720	37,877
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<u>554,472</u>	<u>563,121</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,978,950</u>	<u>\$ 3,007,105</u>

*See Condensed Notes to Condensed Financial Statements beginning on page 9.*

**KENTUCKY POWER COMPANY**  
**CONDENSED BALANCE SHEETS**  
**LIABILITIES AND COMMON SHAREHOLDER'S EQUITY**  
**March 31, 2023 and December 31, 2022**  
**(Unaudited)**

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>(in thousands)</b>		
<b>CURRENT LIABILITIES</b>		
Advances from Affiliates	\$ 113,625	\$ 94,428
Accounts Payable:		
General	38,094	56,969
Affiliated Companies	43,456	51,076
Long-term Debt Due Within One Year – Nonaffiliated	490,000	490,000
Customer Deposits	39,625	38,784
Accrued Taxes	29,040	40,272
Accrued Interest	9,204	8,543
Obligations Under Operating Leases	122	128
Other Current Liabilities	14,786	17,284
<b>TOTAL CURRENT LIABILITIES</b>	<b>777,952</b>	<b>797,484</b>
<b>NONCURRENT LIABILITIES</b>		
Long-term Debt – Nonaffiliated	688,545	688,448
Deferred Income Taxes	451,457	456,217
Regulatory Liabilities and Deferred Investment Tax Credits	101,194	108,853
Asset Retirement Obligations	18,564	18,447
Employee Benefits and Pension Obligations	8,522	9,736
Obligations Under Operating Leases	438	450
Deferred Credits and Other Noncurrent Liabilities	7,316	7,160
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,276,036</b>	<b>1,289,311</b>
<b>TOTAL LIABILITIES</b>	<b>2,053,988</b>	<b>2,086,795</b>
Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)		
<b>COMMON SHAREHOLDER'S EQUITY</b>		
Common Stock – Par Value – \$50 Per Share:		
Authorized – 2,000,000 Shares		
Outstanding – 1,009,000 Shares	50,450	50,450
Paid-in Capital	526,287	526,287
Retained Earnings	348,225	343,573
<b>TOTAL COMMON SHAREHOLDER'S EQUITY</b>	<b>924,962</b>	<b>920,310</b>
<b>TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY</b>	<b>\$ 2,978,950</b>	<b>\$ 3,007,105</b>

See Condensed Notes to Condensed Financial Statements beginning on page 9.

**KENTUCKY POWER COMPANY**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
**For the Three Months Ended March 31, 2023 and 2022**  
**(in thousands)**  
**(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
<b>Net Income</b>	\$ 4,652	\$ 25,921
<b>Adjustments to Reconcile Net Income to Net Cash Flows from (Used for) Operating Activities:</b>		
Depreciation and Amortization	33,593	30,528
Deferred Income Taxes	(10,725)	(10,224)
Allowance for Equity Funds Used During Construction	(256)	(377)
Mark-to-Market of Risk Management Contracts	7,462	4,509
Property Taxes	6,516	5,391
Deferred Fuel Over/Under-Recovery, Net	17,775	(7,336)
Change in Other Noncurrent Assets	(6,553)	(6,874)
Change in Other Noncurrent Liabilities	(7,067)	(2,404)
<b>Changes in Certain Components of Working Capital:</b>		
Accounts Receivable, Net	33,563	(39,499)
Fuel, Materials and Supplies	(14,780)	(6,776)
Margin Deposits	(2,040)	12,782
Accounts Payable	(27,525)	(4,251)
Accrued Taxes, Net	(10,517)	(12,238)
Other Current Assets	353	685
Other Current Liabilities	(1,324)	7,528
<b>Net Cash Flows from (Used for) Operating Activities</b>	<u>23,127</u>	<u>(2,635)</u>
<b>INVESTING ACTIVITIES</b>		
Construction Expenditures	(43,547)	(41,950)
Other Investing Activities	389	1,015
<b>Net Cash Flows Used for Investing Activities</b>	<u>(43,158)</u>	<u>(40,935)</u>
<b>FINANCING ACTIVITIES</b>		
Change in Advances from Affiliates, Net	19,197	46,044
Principal Payments for Finance Lease Obligations	(22)	(230)
Other Financing Activities	—	(34)
<b>Net Cash Flows from Financing Activities</b>	<u>19,175</u>	<u>45,780</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(856)	2,210
<b>Cash and Cash Equivalents at Beginning of Period</b>	2,684	763
<b>Cash and Cash Equivalents at End of Period</b>	<u>\$ 1,828</u>	<u>\$ 2,973</u>
<b>SUPPLEMENTARY INFORMATION</b>		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 14,173	\$ 8,594
Noncash Acquisitions Under Finance Leases	—	77
Construction Expenditures Included in Current Liabilities as of March 31,	19,511	25,246

*See Condensed Notes to Condensed Financial Statements beginning on page 9.*

**INDEX OF CONDENSED NOTES TO CONDENSED FINANCIAL STATEMENTS**

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## **1. SIGNIFICANT ACCOUNTING MATTERS**

### ***General***

The unaudited condensed financial statements and footnotes were prepared in accordance with GAAP for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete annual financial statements.

In the opinion of management, the unaudited condensed interim financial statements reflect all normal and recurring accruals and adjustments necessary for a fair statement of the net income, financial position and cash flows for the interim periods. Net income for the three months ended March 31, 2023 is not necessarily indicative of results that may be expected for the year ending December 31, 2023. The condensed financial statements are unaudited and should be read in conjunction with the audited 2022 financial statements and notes thereto, which are included in KPCo's 2022 Annual Report.

### ***Termination of Planned Disposition of KPCo and KTCo***

In October 2021, AEP entered into a Stock Purchase Agreement (SPA) to sell KPCo and KTCo to Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corp. (Liberty), for approximately a \$2.85 billion enterprise value. The SPA was subsequently amended in September 2022 to reduce the purchase price to approximately \$2.646 billion. The sale required approval from the KPSC and from the FERC under Section 203 of the Federal Power Act. The SPA contained certain termination rights if the closing of the sale did not occur by April 26, 2023.

In May 2022, the KPSC approved the sale of KPCo to Liberty subject to certain conditions contingent upon the closing of the sale. In December 2022, the FERC issued an order denying, without prejudice, authorization of the proposed sale stating the applicants failed to demonstrate the proposed transaction will not have an adverse effect on rates. In February 2023, a new filing for approval under Section 203 of the Federal Power Act was submitted. In March 2023, the KPSC and other intervenors made filings recommending the FERC reject AEP and Liberty's new Section 203 application seeking approval of the sale.

In April 2023, AEP, AEPTCo and Liberty entered into a Mutual Termination Agreement (Termination Agreement) terminating the SPA. The parties entered into the Termination Agreement as all of the conditions precedent to closing the sale could not be satisfied prior to April 26, 2023.

### ***Subsequent Events***

Management reviewed subsequent events through May 4, 2023, the date that the first quarter 2023 report was available to be issued.

**2. NEW ACCOUNTING STANDARDS**

During the FASB's standard-setting process and upon issuance of final standards, management reviews the new accounting literature to determine its relevance, if any, to KPCo's business. There are no new standards expected to have a material impact on KPCo's financial statements.



### 3. COMPREHENSIVE INCOME

#### *Presentation of Comprehensive Income*

The following tables provide the components of changes in AOCI and details of reclassifications from AOCI. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 6 - Benefit Plans for additional information.

<b>Three Months Ended March 31, 2023</b>	<b>Pension and OPEB (in thousands)</b>
<b>Balance in AOCI as of December 31, 2022</b>	\$ —
Change in Fair Value Recognized in AOCI	—
Amount of (Gain) Loss Reclassified from AOCI	
Amortization of Prior Service Cost (Credit)	—
Amortization of Actuarial (Gains) Losses	—
Reclassifications from AOCI, before Income Tax (Expense) Benefit	—
Income Tax (Expense) Benefit	—
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	—
Net Current Period Other Comprehensive Income (Loss)	—
<b>Balance in AOCI as of March 31, 2023</b>	<b>\$ —</b>

<b>Three Months Ended March 31, 2022</b>	<b>Pension and OPEB (in thousands)</b>
<b>Balance in AOCI as of December 31, 2021</b>	\$ 1,749
Change in Fair Value Recognized in AOCI	—
Amount of (Gain) Loss Reclassified from AOCI	
Amortization of Prior Service Cost (Credit)	(59)
Amortization of Actuarial (Gains) Losses	10
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(49)
Income Tax (Expense) Benefit	(10)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(39)
Net Current Period Other Comprehensive Income (Loss)	(39)
<b>Balance in AOCI as of March 31, 2022</b>	<b>\$ 1,710</b>

#### 4. RATE MATTERS

As discussed in KPCo’s 2022 Annual Report, KPCo is involved in rate and regulatory proceedings at the FERC and the KPSC. The Rate Matters note within KPCo’s 2022 Annual Report should be read in conjunction with this report to gain a complete understanding of material rate matters still pending that could impact net income, cash flows and possibly financial condition. The following discusses ratemaking developments in 2023 and updates KPCo’s 2022 Annual Report.

##### *Regulatory Assets Pending Final Regulatory Approval*

<u>Noncurrent Regulatory Assets</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	(in thousands)	
<u>Regulatory Assets Currently Not Earning a Return</u>		
Storm-Related Costs (a)	\$ 73,936	\$ 74,430
Other Regulatory Assets Pending Final Regulatory Approval	1,914	1,699
<b>Total Regulatory Assets Pending Final Regulatory Approval</b>	<u>\$ 75,850</u>	<u>\$ 76,129</u>

- (a) KPCo will seek recovery of these costs in a future regulatory proceeding. In March 2023, Kentucky (Senate Bill 192) passed legislation that would allow the securitization of certain retired generation costs with a minimum value of \$200 million, as well as certain other regulatory assets including deferred extraordinary storm costs, as long as the cumulative total requested for securitization is at least \$275 million.

If these costs are ultimately determined not to be recoverable, it could reduce future net income and cash flows and impact financial condition.

##### *Storm-Related Costs*

In March and April 2023, major storms impacted KPCo’s service territory resulting in system damages and power outages. As of March 31, 2023, KPCo incurred approximately \$3 million of incremental other operating and maintenance expenses related to the March 2023 storms. Management estimates KPCo will incur an additional \$6 million of other operating and maintenance expenses related to additional April 2023 storms. Consistent with prior guidance from the KPSC, KPCo filed an application with the KPSC seeking recovery of these prudently incurred costs in May 2023. Until KPCo receives deferral authority for these incremental storm costs from the KPSC, it will reduce net income and cash flows and impact financial condition.

##### *Deferred Purchased Power Expenses*

In September 2022, the KPSC initiated a proceeding to investigate the appropriate amortization period and recovery mechanism for the deferral of Kentucky Deferred Purchased Power Expenses related to the Rockport Plant Unit Power Agreement (UPA), as well as KPCo’s ability to use the level of non-fuel, non-environmental Rockport UPA expense included in base rates to earn its authorized ROE in 2023 since the KPCo UPA ended in December 2022. KPCo requested the KPSC approve the terms related to each of the foregoing items as reflected in the settlement agreement in the 2017 Kentucky Base Rate Case, including recovery of the Kentucky Deferred Purchased Power Expenses over five years through a rider beginning in December 2022. In December 2022, the KPSC approved KPCo’s request and recovery began through a rider, including recovery of an estimated allowed cost (Rockport Offset) of \$22.8 million in accordance with the terms of the settlement agreement in the 2017 Kentucky Base Rate Case permitting KPCo to use the level of non-fuel, non-environmental Rockport UPA expense included in base rates to earn its authorized ROE in 2023. This estimated Rockport Offset is subject to true-up based on KPCo’s actual 2023 financial results and KPSC review in the first quarter of 2024. The actual Rockport Offset cannot exceed \$40.8 million. If the actual Rockport Offset is not recoverable, it could reduce future net income and cash flows and impact financial condition.

***Fuel Adjustment Clause (FAC) Purchased Power Limitation***

In May 2023, KPCo filed an application seeking authority to defer, for future recovery, approximately \$11.5 million of December 2022 purchased power costs not recoverable through its FAC. This requested deferral accounting authority would enable KPCo to pursue securitization of these costs, which otherwise would be requested for recovery in KPCo's next base rate case, in a future proceeding pursuant to Kentucky Senate Bill 192. Until KPCo receives deferral authority for these purchased power costs from the KPSC, it will reduce net income and cash flows and impact financial condition.

## **5. COMMITMENTS, GUARANTEES AND CONTINGENCIES**

KPCo is subject to certain claims and legal actions arising in its ordinary course of business. In addition, KPCo's business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation against KPCo cannot be predicted. Management accrues contingent liabilities only when management concludes that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum possible loss exposure. Circumstances change over time and actual results may vary significantly from estimates.

For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements. The Commitments, Guarantees and Contingencies note within KPCo's 2022 Annual Report should be read in conjunction with this report.

### **GUARANTEES**

Liabilities for guarantees are recorded in accordance with the accounting guidance for "Guarantees." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third-parties unless specified below.

#### ***Indemnifications and Other Guarantees***

##### *Contracts*

KPCo enters into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of March 31, 2023, there were no material liabilities recorded for any indemnifications.

AEPSC conducts power purchase and sale activity on behalf of APCo, I&M, KPCo and WPCo, who are jointly and severally liable for activity conducted on their behalf.

**6. BENEFIT PLANS**

KPCo participates in an AEP sponsored qualified pension plan and two unfunded nonqualified pension plans. Substantially all of KPCo’s employees are covered by the qualified plan or both the qualified and nonqualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

***Components of Net Periodic Benefit Cost***

The following table provides the components of KPCo’s net periodic benefit cost (credit) for the plans:

	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>Three Months Ended March 31, 2023</b>	<b>2022</b>	<b>Three Months Ended March 31, 2023</b>	<b>2022</b>
	<b>(in thousands)</b>			
Service Cost	\$ 368	\$ 791	\$ 16	\$ 52
Interest Cost	1,204	1,288	317	261
Expected Return on Plan Assets	(1,783)	(2,400)	(800)	(1,060)
Amortization of Prior Service Credit	—	—	(464)	(630)
Amortization of Net Actuarial Loss	—	536	111	—
<b>Net Periodic Benefit Cost (Credit)</b>	<b>\$ (211)</b>	<b>\$ 215</b>	<b>\$ (820)</b>	<b>\$ (1,377)</b>

**7. DERIVATIVES AND HEDGING**

**OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS**

AEPSC is agent for and transacts on behalf of KPCo.

KPCo is exposed to certain market risks as a major power producer and participant in the electricity, natural gas, coal and emission allowance markets. These risks include commodity price risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact KPCo due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

**STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES**

***Risk Management Strategies***

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, KPCo primarily employs risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for “Derivatives and Hedging.” Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

KPCo utilizes power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. KPCo utilizes interest rate derivative contracts in order to manage the interest rate exposure associated with its commodity portfolio. For disclosure purposes, such risks are grouped as “Commodity,” as these risks are related to energy risk management activities. KPCo may also utilize derivative contracts to manage interest rate risk associated with debt financing. For disclosure purposes, these risks are grouped as “Interest Rate.” The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with the established risk management policies as approved by the Finance Committee of the Board of Directors.

The following table represents the gross notional volume of KPCo’s outstanding derivative contracts:

<b>Primary Risk Exposure</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>Unit of Measure</b>
	<b>(in thousands)</b>		
Commodity: Power	1,400	3,450	MWhs

### ***Cash Flow Hedging Strategies***

KPCo utilizes cash flow hedges on certain derivative transactions for the purchase and sale of power (“Commodity”) in order to manage the variable price risk related to forecasted purchases and sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. KPCo does not hedge all commodity price risk.

KPCo may utilize a variety of interest rate derivative transactions in order to manage interest rate risk exposure. KPCo may also utilize interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. KPCo does not hedge all interest rate exposure.

### **ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON KPCo’s FINANCIAL STATEMENTS**

The accounting guidance for “Derivatives and Hedging” requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes and assumptions. In order to determine the relevant fair values of the derivative instruments, KPCo applies valuation adjustments for discounting, liquidity and credit quality.

Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract’s term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management’s estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for “Derivatives and Hedging,” KPCo reflects the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, KPCo is required to post or receive cash collateral based on third-party contractual agreements and risk profiles. The amount of cash collateral received from third-parties netted against short-term and long-term risk management assets and the amount of cash collateral paid to third-parties netted against short-term and long-term risk management liabilities were immaterial for KPCo as of March 31, 2023 and December 31, 2022.

The following tables represent the gross fair value of KPCo's derivative activity on the balance sheets. Unless shown as a separate line on the balance sheets due to materiality, Current Risk Management Assets are included in Prepayments and Other Current Assets, Long-term Risk Management Assets are included in Deferred Charges and Other Noncurrent Assets, Current Risk Management Liabilities are included in Other Current Liabilities and Long-term Risk Management Liabilities are included in Deferred Credits and Other Noncurrent Liabilities on the balance sheets.

March 31, 2023			
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b) (in thousands)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
Current Risk Management Assets	\$ 1,894	\$ (83)	\$ 1,811
Long-term Risk Management Assets	92	(92)	—
<b>Total Assets</b>	<b>1,986</b>	<b>(175)</b>	<b>1,811</b>
Current Risk Management Liabilities	879	(83)	796
Long-term Risk Management Liabilities	92	(92)	—
<b>Total Liabilities</b>	<b>971</b>	<b>(175)</b>	<b>796</b>
<b>Total MTM Derivative Contract Net Assets (d)</b>	<b>\$ 1,015</b>	<b>\$ —</b>	<b>\$ 1,015</b>

December 31, 2022			
Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b) (in thousands)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
Current Risk Management Assets	\$ 8,607	\$ (144)	\$ 8,463
Long-term Risk Management Assets	137	(137)	—
<b>Total Assets</b>	<b>8,744</b>	<b>(281)</b>	<b>8,463</b>
Current Risk Management Liabilities	144	(144)	—
Long-term Risk Management Liabilities	137	(137)	—
<b>Total Liabilities</b>	<b>281</b>	<b>(281)</b>	<b>—</b>
<b>Total MTM Derivative Contract Net Assets</b>	<b>\$ 8,463</b>	<b>\$ —</b>	<b>\$ 8,463</b>

- (a) Derivative instruments within this category are disclosed as gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging."
- (b) Amounts include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for "Derivatives and Hedging."
- (c) All derivative contracts subject to a master netting arrangement or similar agreement are offset in the statement of financial position.
- (d) Decrease in amounts as of March 31, 2023 are primarily due to decreases in commodity prices for power and natural gas and a decrease in value of FTRs.

The table below presents KPCo's activity of derivative risk management contracts:

#### Amount of Gain (Loss) Recognized on Risk Management Contracts

Location of Gain (Loss)	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Electric Generation, Transmission and Distribution Revenues	\$ —	\$ 2
Purchased Electricity for Resale	19	59
Other Operation	—	16
Maintenance	—	21
Regulatory Assets (a)	(796)	(46)
Regulatory Liabilities (a)	(2,687)	1,566
<b>Total Gain (Loss) on Risk Management Contracts</b>	<b>\$ (3,464)</b>	<b>\$ 1,618</b>

- (a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment recorded as either current or noncurrent on the balance sheets.



Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for “Derivatives and Hedging.” Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on KPCo’s statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on KPCo’s statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same line item on the statements of income as that of the associated risk being hedged. However, unrealized and some realized gains and losses for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains), in accordance with the accounting guidance for “Regulated Operations.”

#### ***Accounting for Cash Flow Hedging Strategies***

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), KPCo initially reports the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income (Loss) on the balance sheets until the period the hedged item affects Net Income.

Realized gains and losses on derivative contracts for the purchase and sale of power designated as cash flow hedges are included in Total Revenues or Purchased Electricity for Resale on KPCo’s statements of income, or in Regulatory Assets or Regulatory Liabilities on KPCo’s balance sheets, depending on the specific nature of the risk being hedged. During the three months ended March 31, 2023 and 2022, KPCo did not apply cash flow hedging to outstanding power derivatives.

KPCo reclassifies gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income (Loss) on its balance sheets into Interest Expense on its statements of income in those periods in which hedged interest payments occur. During the three months ended March 31, 2023 and 2022, KPCo did not apply cash flow hedging to outstanding interest rate derivatives.

There was no impact of cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on KPCo’s balance sheets as of March 31, 2023 and December 31, 2022.

The actual amounts that KPCo reclassifies from Accumulated Other Comprehensive Income (Loss) to Net Income can differ due to market price changes. As of March 31, 2023, KPCo is not hedging (with contracts subject to the accounting guidance for “Derivatives and Hedging”) its exposure to variability in future cash flows related to forecasted transactions.

#### ***Credit Risk***

Management mitigates credit risk in KPCo’s wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses credit agency ratings and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

Master agreements are typically used to facilitate the netting of cash flows associated with a single counterparty and may include collateral requirements. Collateral requirements in the form of cash, letters of credit, surety bonds and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. Some master agreements include margining, which requires a counterparty to post cash or letters of credit in the event exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP's credit policy. In addition, master agreements allow for termination and liquidation of all positions in the event of a default including failure or inability to post collateral when required.

### ***Collateral Triggering Events***

#### *Credit Downgrade Triggers*

A limited number of derivative contracts include collateral triggering events, which include a requirement to maintain certain credit ratings. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these collateral triggering events in contracts. KPCo has not experienced a downgrade below a specified credit rating threshold that would require the posting of additional collateral. As of March 31, 2023 and December 31, 2022, KPCo did not have derivative contracts with collateral triggering events in a net liability position.

#### *Cross-Acceleration Triggers*

Certain interest rate derivative contracts contain cross-acceleration provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-acceleration provisions could be triggered if there was a non-performance event by KPCo under any of their outstanding debt of at least \$50 million and the lender on that debt has accelerated the entire repayment obligation. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-acceleration provisions in contracts. KPCo had no derivative contracts with cross-acceleration provisions in a net liability position as of March 31, 2023 and December 31, 2022, respectively. There was no cash collateral posted as of March 31, 2023 and December 31, 2022. If a cross-acceleration provision would have been triggered, settlement at fair value would have been required. KPCo had no derivative contracts with cross-acceleration provisions outstanding as of March 31, 2023 and December 31, 2022.

#### *Cross-Default Triggers*

In addition, a majority of KPCo's non-exchange-traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third-party obligation that is \$50 million or greater. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-default provisions in the contracts. KPCo had no derivative contracts with cross-default provisions outstanding as of March 31, 2023 and December 31, 2022. There was no cash collateral posted as of March 31, 2023 and December 31, 2022. If a cross-default provision would have been triggered, settlement at fair value would have been required.

## 8. FAIR VALUE MEASUREMENTS

### *Fair Value Hierarchy and Valuation Techniques*

The accounting guidance for “Fair Value Measurements and Disclosures” establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

For commercial activities, exchange-traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange-traded derivatives where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket-based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

### *Fair Value Measurements of Long-term Debt*

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of KPSC’s Long-term Debt are summarized in the following table:

	<b>March 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Book Value</b>	<b>Fair Value</b>	<b>Book Value</b>	<b>Fair Value</b>
	<b>(in thousands)</b>			
Long-term Debt	\$ 1,178,545	\$ 1,160,981	\$ 1,178,448	\$ 1,148,769

***Fair Value Measurements of Financial Assets and Liabilities***

The following tables set forth, by level within the fair value hierarchy, KPCo’s financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for “Fair Value Measurements and Disclosures,” financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management’s valuation techniques.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis  
March 31, 2023**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Risk Management Assets</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 81	\$ 1,824	\$ (94)	\$ 1,811
<b>Liabilities:</b>					
<b>Risk Management Liabilities</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 81	\$ 809	\$ (94)	\$ 796

**December 31, 2022**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Risk Management Assets</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 137	\$ 8,607	\$ (281)	\$ 8,463
<b>Liabilities:</b>					
<b>Risk Management Liabilities</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 137	\$ 144	\$ (281)	\$ —

- (a) Amounts in “Other” column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for “Derivatives and Hedging.”
- (b) Substantially comprised of power contracts.

The following tables set forth a reconciliation of changes in the fair value of net trading derivatives classified as Level 3 in the fair value hierarchy:

<b>Three Months Ended March 31, 2023</b>	<b>Net Risk Management Assets (Liabilities) (in thousands)</b>
<b>Balance as of December 31, 2022</b>	\$ 8,463
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	(2,742)
Settlements	(3,984)
Changes in Fair Value Allocated to Regulated Jurisdictions (c)	(722)
<b>Balance as of March 31, 2023</b>	<u>\$ 1,015</u>

<b>Three Months Ended March 31, 2022</b>	<b>Net Risk Management Assets (Liabilities) (in thousands)</b>
<b>Balance as of December 31, 2021</b>	\$ 5,871
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	1,021
Settlements	(5,960)
Changes in Fair Value Allocated to Regulated Jurisdictions (c)	449
<b>Balance as of March 31, 2022</b>	<u>\$ 1,381</u>

- (a) Included in revenues on KPCo's statements of income.
- (b) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.
- (c) Relates to the net gains (losses) of those contracts that are not reflected on KPCo's statements of income. These changes in fair value are recorded as regulatory liabilities for net gains and as regulatory assets for net losses.

The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions:

**Significant Unobservable Inputs  
March 31, 2023**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		
	Assets	Liabilities			Low	High	Weighted Average (b)
	(in thousands)						
FTRs	\$ 1,824	\$ 809	Discounted Cash Flow	Forward Market Price	\$ (1.78)	\$ 6.29	\$ 0.73

**December 31, 2022**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		
	Assets	Liabilities			Low	High	Weighted Average (b)
	(in thousands)						
FTRs	\$ 8,607	\$ 144	Discounted Cash Flow	Forward Market Price	\$ (3.10)	\$ 18.79	\$ 2.48

(a) Represents market prices in dollars per MWh.

(b) The weighted average is the product of the forward market price of the underlying commodity and volume weighted by term.

The following table provides the measurement uncertainty of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs as of March 31, 2023 and December 31, 2022:

**Uncertainty of Fair Value Measurements**

Significant Unobservable Input	Position	Change in Input	Impact on Fair Value Measurement
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

**9. INCOME TAXES**

***Effective Tax Rates (ETR)***

KPCo accounts for income taxes in interim periods in accordance with the accounting guidance for “Income Taxes.” In accordance with the guidance the use of an estimated annual effective tax rate should be utilized to determine income tax expense unless a reliable estimate of the annual effective tax rate cannot be made, in which case the actual effective tax rate for the year to date should be utilized. KPCo’s interim ETR reflects the actual year-to-date effective tax rate for 2023 and the estimated annual ETR for 2022, adjusted for tax expense associated with certain discrete items.

KPCo includes the amortization of Excess ADIT not subject to normalization requirements in the estimated annual ETR when regulatory proceedings instruct KPCo to provide the benefits of Tax Reform to customers over multiple interim periods. Certain regulatory proceedings instruct KPCo to provide the benefits of Tax Reform to customers in a single period (e.g. by applying the Excess ADIT not subject to normalization requirements against an existing regulatory asset balance) and in these circumstances, KPCo recognizes the tax benefit discretely in the period recorded. The annual amount of Excess ADIT approved by KPCo’s regulatory commissions may not impact the ETR ratably during each interim period due to the variability of pretax book income between interim periods and the application of an estimated annual ETR.

The ETR for KPCo is included in the following table:

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
U.S. Federal Statutory Rate	21.0 %	21.0 %
Increase (decrease) due to:		
State Income Tax, net of Federal Benefit	(4.9)%	(0.9)%
Tax Reform Excess ADIT Reversal	193.5 %	(89.7)%
Flow Through	6.4 %	0.1 %
AFUDC Equity	1.3 %	(1.4)%
Other	(2.2)%	0.1 %
Effective Income Tax Rate	215.1 %	(70.8)%

***Federal and State Income Tax Audit Status***

The statute of limitations for the IRS to examine KPCo and other AEP subsidiaries’ originally filed federal return has expired for tax years 2016 and earlier. KPCo and other AEP subsidiaries have agreed to extend the statute of limitations on the 2017 and 2018 tax returns to December 31, 2023, to allow time for the current IRS audit to be completed including a refund claim approval by the Congressional Joint Committee on Taxation. The statute of limitations for the 2019 return is set to naturally expire in 2023 as well.

The current IRS audit and associated refund claim evolved from a net operating loss carryback to 2015 that originated in the 2017 return. KPCo and other AEP subsidiaries have received and agreed to two IRS proposed adjustments on the 2017 tax return, which were immaterial. The exam is nearly complete, and KPCo and other AEP subsidiaries are currently working with the IRS to submit the refund claim to the Congressional Joint Committee on Taxation for resolution and final approval.

KPCo and other AEP subsidiaries file income tax returns in various state and local jurisdictions. These taxing authorities routinely examine the tax returns, and KPCo and other AEP subsidiaries are currently under examination in several state and local jurisdictions. Generally, the statutes of limitations have expired for tax years prior to 2017. In addition, management is monitoring and continues to evaluate the potential impact of federal legislation and corresponding state conformity.

***Federal Legislation***

In August 2022, President Biden signed H.R. 5376 into law, commonly known as the Inflation Reduction Act of 2022 or IRA. Most notably this budget reconciliation legislation creates a 15% minimum tax on adjusted financial statement income (Corporate Alternative Minimum Tax or CAMT), extends and increases the value of PTCs and ITCs, adds a nuclear and clean hydrogen PTC, an energy storage ITC and allows the sale or transfer of tax credits to third parties for cash. As further significant guidance from Treasury and the IRS is expected on the tax provisions in the IRA, KPCo and other AEP subsidiaries will continue to monitor any issued guidance and evaluate the impact on future net income, cash flows and financial condition.

In December 2022, the IRS released Notice 2023-7 addressing time sensitive issues related to the CAMT. The notice provided initial guidance that KPCo and other AEP subsidiaries can begin to rely on in 2023 and also stated that additional guidance is expected, of which KPCo and other AEP subsidiaries will continue to monitor and assess. Notably, the interim guidance in Notice 2023-7 confirmed the CAMT depreciation adjustment includes tax depreciation that is capitalized to inventory under §263A and recovered as part of cost of goods sold, providing significant relief to KPCo and other AEP subsidiaries's potential CAMT exposure.

KPCo and other AEP subsidiaries expect to be applicable corporations for purposes of the CAMT beginning in 2023. CAMT cash taxes are expected to be partially offset by regulatory recovery, the utilization of tax credits and additionally the cash inflow generated by the sale of tax credits. The sale of tax credits will be presented in the operating section of the statements of cash flows consistent with the presentation of cash taxes paid. KPCo and other AEP subsidiaries will present the gain or loss on sale of tax credits through income tax expense.



**10. FINANCING ACTIVITIES**

***Long-term Debt***

KPCo did not have any long-term debt issuances or retirements during the first three months of 2023.

***Dividend Restrictions***

KPCo pays dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of KPCo to transfer funds to Parent in the form of dividends.

All of the dividends declared by KPCo are subject to a Federal Power Act requirement that prohibits the payment of dividends out of capital accounts in certain circumstances; payment of dividends is generally allowed out of retained earnings.

KPCo has credit agreements that contain a covenant that limit its debt to capitalization ratio to 67.5%. As of March 31, 2023, KPCo did not exceed its debt to capitalization limit. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.

The Federal Power Act restriction does not limit the ability of KPCo to pay dividends out of retained earnings.

***Corporate Borrowing Program – AEP System***

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP’s subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP’s utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of its agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of March 31, 2023 and December 31, 2022 are included in Advances from Affiliates on KPCo’s balance sheets. KPCo’s Utility Money Pool activity and corresponding authorized borrowing limit for the three months ended March 31, 2023 are described in the following table:

<b>Maximum Borrowings from the Utility Money Pool</b>	<b>Average Borrowings from the Utility Money Pool</b>	<b>Borrowings from the Utility Money Pool as of March 31, 2023</b>	<b>Authorized Short-Term Borrowing Limit</b>
(in thousands)			
\$ 124,006	\$ 109,635	\$ 113,625	\$ 180,000

Maximum, minimum and average interest rates for funds borrowed from the Utility Money Pool are summarized in the following table:

<b>Three Months Ended March 31,</b>	<b>Maximum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Average Interest Rate for Funds Borrowed from the Utility Money Pool</b>
2023	5.42 %	4.66 %	5.12 %
2022	1.00 %	0.10 %	0.67 %

***Securitized Accounts Receivables – AEP Credit***

Under an affiliated receivables sales arrangement, KPCo sold, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit. KPCo was charged a fee for each sale that is based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience from previous purchases of KPCo's customer accounts receivable. The costs of customer accounts receivable sold are reported in Other Operation expense on KPCo's statements of income. In January 2022, due to the expected sale to Liberty, KPCo ceased selling accounts receivable to AEP Credit. As a result, in the first quarter of 2022, KPCo began recording an allowance for uncollectible accounts on its balance sheet for those receivables no longer sold to AEP Credit.

The fees paid by KPCo to AEP Credit for customer accounts receivable sold for the three months ended March 31, 2023 and 2022 were \$0 and \$295 thousand, respectively.

KPCo's proceeds on the sale of receivables to AEP Credit for the three months ended March 31, 2023 and 2022 were \$0 and \$65.6 million, respectively.

## 11. REVENUE FROM CONTRACTS WITH CUSTOMERS

### *Disaggregated Revenues from Contracts with Customers*

The table below represents KPCo's revenues from contracts with customers, net of respective provisions for refund, by type of revenue:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
<b>Retail Revenues:</b>		
Residential Revenues	\$ 71,885	\$ 81,690
Commercial Revenues	43,269	44,071
Industrial Revenues	41,567	39,650
Other Retail Revenues	544	538
<b>Total Retail Revenues</b>	<b>157,265</b>	<b>165,949</b>
<b>Wholesale Revenues:</b>		
Generation Revenues	3,336	4,618
Transmission Revenues (a)	7,300	7,851
<b>Total Wholesale Revenues</b>	<b>10,636</b>	<b>12,469</b>
Other Revenues from Contracts with Customers (b)	2,472	3,819
<b>Total Revenues from Contracts with Customers</b>	<b>170,373</b>	<b>182,237</b>
<b>Other Revenues:</b>		
Alternative Revenue Programs (c)	1,159	198
Other Revenues	—	2
<b>Total Other Revenues</b>	<b>1,159</b>	<b>200</b>
<b>Total Revenues</b>	<b>\$ 171,532</b>	<b>\$ 182,437</b>

- (a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenues were \$3.8 million and \$4.7 million for the three months ended March 31, 2023 and 2022, respectively.
- (b) Amounts include affiliated and nonaffiliated revenues.
- (c) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.

### *Fixed Performance Obligations*

The following table represents KPCo's remaining fixed performance obligations satisfied over time as of March 31, 2023. Fixed performance obligations primarily include electricity sales for fixed amounts of energy and stand ready services into PJM's RPM market. KPCo elected to apply the exemption to not disclose the value of unsatisfied performance obligations for contracts with an original expected term of one year or less. Due to the annual establishment of revenue requirements, transmission revenues are excluded from the table below. The amounts shown in the table below include affiliated and nonaffiliated revenues.

2023	2024-2025	2026-2027	After 2027	Total
(in thousands)				
\$ 942	\$ 2,512	\$ 2,512	\$ 1,256	\$ 7,222

***Contract Assets and Liabilities***

Contract assets are recognized when KPCo has a right to consideration that is conditional upon the occurrence of an event other than the passage of time, such as future performance under a contract. KPCo did not have material contract assets as of March 31, 2023 and December 31, 2022, respectively.

When KPCo receives consideration, or such consideration is unconditionally due from a customer prior to transferring goods or services to the customer under the terms of a sales contract, they recognize a contract liability on the balance sheet in the amount of that consideration. Revenue for such consideration is subsequently recognized in the period or periods in which the remaining performance obligations in the contract are satisfied. KPCo's contract liabilities typically arise from advanced payments of services provided primarily with respect to joint use agreements for utility poles. KPCo did not have material contract liabilities as of March 31, 2023 and December 31, 2022, respectively.

***Accounts Receivable from Contracts with Customers***

Accounts receivable from contracts with customers are presented on KPCo's balance sheets within the Accounts Receivable - Customers line item. KPCo's balances for receivables from contracts that are not recognized in accordance with the accounting guidance for "Revenue from Contracts with Customers" included in Accounts Receivable - Customers were not material as of March 31, 2023 and December 31, 2022. See "Securitized Accounts Receivable - AEP Credit" section of Note 10 for additional information related to AEP Credit's securitized accounts receivable.

The amount of affiliated accounts receivable from contracts with customers included in Accounts Receivable - Affiliated Companies on KPCo's balance sheets were \$10.6 million and \$9.1 million, respectively, as of March 31, 2023 and December 31, 2022.

**APPENDIX B-1**

**FORM OF ORIGINAL OPINION OF BOND COUNSEL**

June 26, 2014

West Virginia Economic Development Authority  
Charleston, West Virginia

West Virginia Economic Development Authority  
\$65,000,000  
Solid Waste Disposal Facilities Revenue Refunding Bonds  
(Kentucky Power Company - Mitchell Project), Series 2014A

We have examined the transcript of proceedings relating to the issuance by the West Virginia Economic Development Authority (the "Issuer") of \$65,000,000 principal amount of Solid Waste Disposal Facilities Revenue Refunding Bonds (Kentucky Power Company – Mitchell Project), Series 2014A (the "Bonds"). The Bonds are being issued pursuant to Chapter 31, Article 15, Section 1, et seq., of the Code of West Virginia, 1931 (the "Act"), for the purpose of making a loan to assist Kentucky Power Company (the "Company") in the refunding of \$65,000,000 Solid Waste Disposal Facilities Revenue Refunding Bonds (Ohio Power Company – Mitchell Project), Series 2008A, previously issued by the Issuer to assist a certain affiliate of the Company in refinancing of a portion of the costs of acquiring, constructing and installing certain solid waste disposal facilities qualified for financing under the Act, as more particularly described in the Indenture of Trust dated as of June 15, 2014 (the "Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and in the Loan Agreement dated as of June 15, 2014 (the "Agreement") between the Issuer and the Company. We have also examined executed counterparts of the Indenture and the Agreement and a conformed copy of an executed Bond.

Based on such examination and subject to the limitations stated below, we are of the opinion that, under existing law:

1. The Bonds, the Indenture and the Agreement are valid and binding obligations of the Issuer, enforceable in accordance with their respective terms.
2. The Bonds constitute special obligations of the Issuer, and the principal of and interest on the Bonds and the purchase price of the Bonds (collectively, "debt charges") are payable solely from the revenues and other moneys assigned by the Indenture to secure those payments. Those revenues and other moneys include the payments required to be made by the Company under its promissory note delivered to the Issuer, and irrevocably assigned by the Issuer to the

Trustee, all pursuant to the Agreement. The payment of debt service on the Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of West Virginia or any of its political subdivisions.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), except interest on any Bond for any period during which it is held by a "substantial user" or a "related person" as those terms are used in Section 147(a) of the Code, and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Bonds, and all interest and income thereon, are exempt from all taxation by the State of West Virginia and any county, municipality, political subdivision or agency thereof, except inheritance taxes. We express no opinion as to any other tax consequences regarding the Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Issuer and (iii) the correctness of the legal conclusions contained in the legal opinion letter of counsel to the Company and in the legal opinion letter of counsel to the Issuer delivered in connection with this matter.

In rendering those opinions with respect to the treatment of the interest on the Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Issuer and the Company. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Agreement are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Bonds, the Indenture or the Agreement.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Bonds has concluded on this date.

Respectfully submitted,

Very truly yours,

**APPENDIX B-2**

**PROPOSED FORM OF OPINION OF BOND COUNSEL UPON REMARKETING**

June 6, 2023

West Virginia Economic Development Authority  
Charleston, West Virginia

The Bank of New York Mellon Trust Company, N.A., as Trustee  
Columbus, Ohio

Kentucky Power Company  
c/o American Electric Power Service Corporation  
Columbus, Ohio

This opinion is rendered at the request of Kentucky Power Company (the “Company”) in connection with the delivery of a notice regarding the change in interest rate Determination Method on the Bonds (identified below) from the Long-Term Interest Rate to another Long-Term Interest Rate to be effective on June 20, 2023 (the “Action”). The Bonds are the \$65,000,000 West Virginia Economic Development Authority Solid Waste Disposal Facilities Revenue Refunding Bonds (Kentucky Power Company – Mitchell Project), Series 2014A (the “Bonds”). The Bonds were issued pursuant to the Indenture of Trust dated as of June 15, 2014 (the “Indenture”) between the West Virginia Economic Development Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee. Capitalized terms not otherwise defined in this opinion are used as defined in the Indenture.

In our capacity as bond counsel, we have examined such proceedings, documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

- (1) The Action is permitted under the Act and by the Indenture; and
- (2) The Action will not, by itself, adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions we assume, without independent verification, and rely upon the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined.

The opinion stated above regarding treatment of interest on the Bonds for federal income tax purposes is limited to the legal effect of the Action. We delivered our opinion letter as bond

counsel to the Issuer dated June 26, 2014 (the “Bond Opinion”) in connection with the original issuance of the Bonds. The Bond Opinion speaks only as of its date and this letter is not a confirmation or renewal of the Bond Opinion as of any more recent date. We have not for purposes of this letter examined any of the matters of law or fact upon which the legal opinions expressed in the Bond Opinion were based. We have not for purposes of this letter obtained, verified or reviewed any information concerning any event, other than the Action and the actions described in our opinions dated May 30, 2017, June 19, 2017, May 18, 2020, and June 19 2020, related to the Bonds, that might have occurred subsequent to the original issuance of the Bonds and that might have adversely affected the exclusion from gross income of interest on the Bonds for federal income tax purposes. Accordingly, except as expressly stated above, we express no opinion as to any matters concerning the status of the interest on the Bonds under the Internal Revenue Code of 1986, as amended, including specifically whether the interest on the Bonds is excluded from gross income for federal income tax purposes.

This letter is being furnished only to you for your use solely in connection with the Action and may not be relied upon by anyone else or for any other purpose without our prior written consent. No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter.

Respectfully submitted,



*Execution Version*

**SECOND AMENDMENT TO  
CREDIT AGREEMENT**

This SECOND AMENDMENT TO CREDIT AGREEMENT, dated as of September 6, 2022 (this “*Amendment*”) is made by and among KENTUCKY POWER COMPANY, a Kentucky corporation (the “*Borrower*”), each of the Lenders as reflected on the signature pages hereto, and KEYBANK NATIONAL ASSOCIATION (“*KeyBank*”), as administrative agent (together with its permitted successors in such capacity, the “*Administrative Agent*”). Capitalized terms used but not defined herein shall have the meanings assigned such terms in the Credit Agreement (as defined below).

**WHEREAS**, the Borrower, the Lenders and the Administrative Agent are parties to that certain Credit Agreement, dated as of March 6, 2020 (as amended, supplemented or modified prior to the date hereof, the “*Credit Agreement*”), pursuant to which, among other things, the Borrower requested the Lenders provide the extensions of credit in the amounts and on the terms and conditions set forth in the Credit Agreement.

**WHEREAS**, the Borrower has requested that the Lenders (i) amend the Credit Agreement as provided below and (ii) confirm the continued effectiveness of the Credit Agreement as amended hereby.

**WHEREAS**, the Administrative Agent and the Lenders signatory hereto, on the terms and conditions hereinafter set forth, are willing to grant the aforesaid requests of the Borrower.

**NOW, THEREFORE**, in consideration of the premises and in order to induce the Administrative Agent and the Lenders to amend the Credit Agreement, the parties hereto agree as follows:

**SECTION 1. Amendment to Credit Agreement.**

- (a) Subject to the satisfaction of the conditions precedent specified in Section 3 below, the Credit Agreement is hereby amended to (a) delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~), and (b) to add the bold double-underlined text (indicated textually in the same manner as the following example: **bold double-underlined text**) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto. Except as expressly stated above and in Section 2(b) below, each other provision of the Credit Agreement (including all schedules and exhibits thereto) shall remain as it was in effect immediately prior to the date hereof.

**SECTION 2. Conditions to Effectiveness.** This Amendment shall become effective on the date (the “**Second Amendment Effective Date**”) that each of the following conditions precedent is satisfied:

- (a) The Administrative Agent shall have received on or before the Second Amendment Effective Date the following, each dated the Second Amendment Effective Date, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:
- (i) certified copies of the Borrower's certificate of incorporation and bylaws, and resolutions of the board of directors of the Borrower approving this Amendment, a certificate of good standing for the Borrower from its jurisdiction of incorporation and all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Amendment;
  - (ii) a certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Amendment and the other documents to be delivered by the Borrower hereunder; and
  - (iii) [Reserved].
- (b) On the Second Amendment Effective Date, the following statements shall be true and the Administrative Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Second Amendment Effective Date, stating that:
- (i) The representations and warranties of the Borrower contained in Section 3 hereto and Section 4.01 of the Credit Agreement are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the Second Amendment Effective Date, as though made on and as of such date; provided, however, (A) any reference to the Disclosure Documents in Section 4.01 of the Credit Agreement shall be deemed to be a reference to the Second Amendment Disclosure Documents, and (B) any reference to December 31, 2018 in Section 4.01 of the Credit Agreement shall be deemed to be a reference to December 31, 2021; and
  - (ii) Both immediately prior to and immediately after giving effect to the Amendment, no event has occurred and is continuing that constitutes a Default.
- (c) The Administrative Agent shall have received counterparts of this Amendment, executed and delivered by the Borrower and the Lenders.
- (d) The Administrative Agent shall have received all promissory notes (if any) requested by the Lenders pursuant to Section 2.06(d), duly completed and executed by the Borrower and payable to such Lenders.
- (e) The Administrative Agent shall have received all documentation and information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act and, if the Borrower qualified as a "legal entity customer" under 31 C.F.R § 1010.230 (the "***Beneficial Ownership Regulation***"), a certification

regarding beneficial ownership as required by the Beneficial Ownership Regulation (“*Beneficial Ownership Certificate*”) in relation to the Borrower.

- (f) The Administrative Agent shall have received copies of the Borrower’s Report on Form 10-K, as filed with the SEC, for the fiscal year ended December 31, 2021, the Borrower’s Second Quarter Report for the period ended June 30, 2022 and the Borrower’s Current Report on Form 8-K, as filed with the SEC after the date of filing the Borrower’s Second Quarter Report for the period ended June 30, 2022 but prior to the Second Amendment Effective Date (collectively, the “*Second Amendment Disclosure Documents*”).
- (g) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.
- (h) The Borrower shall have paid all fees and expenses of the Administrative Agent and the Lenders then due and payable in accordance with the terms of the Section 4 hereto.

**SECTION 3. Representations and Warranties of Borrower.** The Borrower represents and warrants as follows:

(a) The execution, delivery and performance by each Borrower of this Amendment and the consummation by the Borrower of the transactions contemplated by this Amendment, are within the Borrower’s corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower’s certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(b) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Borrower of this Amendment.

(c) This Amendment has been duly executed and delivered by the Borrower. Each of this Amendment and the Credit Agreement, as amended by this Amendment, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors’ rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

(d) As of the Second Amendment Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

**SECTION 4. Fees, Expenses, Etc.**

(a) Administrative Agent shall have received all reasonable out-of-pocket fees, costs and expenses incurred by the Administrative Agent in connection with the negotiation, preparation and execution of this Amendment.

(b) (i) In addition to (but without duplication of) any fees or other amounts payable to the Administrative Agent and the Lenders under the terms of the Credit Agreement, the Borrower jointly and severally agree to pay (or cause to be paid) to the Administrative Agent, or to such persons as the Agent directs, for the ratable benefit of each Lender, an upfront fee in an amount equal to .05% of the final allocated amount as of the Second Amendment Effective Date (the “*Amendment Upfront Fee*”), which Amendment Upfront Fee will be earned and due and payable on the Second Amendment Effective Date.

(ii) The Borrower agrees that, once paid, the fees described herein or any part thereof payable hereunder and under the Credit Agreement will not be refundable under any circumstances, except otherwise as agreed in writing by the party to whom such fee is owed. All such fees will be paid in immediately available funds and shall not be subject to reduction by way of setoff or counterclaim. All or any portion of the fees received by the Administrative Agent hereunder or under the Credit Agreement may be allocated to any affiliate of KeyBank or any other Lender or be shared among the KeyBank, the Lenders and their respective affiliates.

**SECTION 5. Reference to and Effect on the Credit Agreement.** (a) Upon the effectiveness of Section 1 hereof: (i) each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby, and (ii) each reference in the Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically amended above, the Credit Agreement shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

(c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, under the Credit Agreement or any of the other Loan Documents.

(d) Nothing contained in this Amendment shall prejudice any right or remedy that the Administrative Agent or any Lender may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document, or any other instrument or agreement referred to therein.

**SECTION 6. Reaffirmation.** The Borrower hereby reaffirms its obligations under the Credit Agreement (as amended by this Amendment) and each Loan Document to which it is a party.

**SECTION 7. Entire Agreement.** This Agreement and the Loan Documents (including the Credit Agreement as amended by this Amendment) constitute the entire agreement among

the parties hereto with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal among the parties hereto or any of them with respect to the subject matter hereof.

**SECTION 8. Amendments; Modifications.** Neither this Amendment nor any provision hereof may be waived, amended or modified, except in accordance with Section 8.01 of the Credit Agreement.

**SECTION 9. Incorporated Provisions.** The provisions of Section 8.12 (“**Jurisdiction, Etc.**”) and Section 8.13 (“**Waiver of Jury Trial**”) of the Credit Agreement are hereby incorporated by reference into this Agreement, mutatis mutandis.

**SECTION 10. Execution in Counterparts.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment.

**SECTION 11. Headings.** Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

**SECTION 12. Successors and Assigns.** This Amendment shall be binding upon the Borrower, the Administrative Agent, the Lenders and their respective permitted successors and assigns, and shall inure to the benefit of the Borrower, the Administrative Agent and the Lenders and their respective permitted successors and assigns.

**SECTION 13. GOVERNING LAW.** THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signature page follows.]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.


KENTUCKY POWER COMPANY

By: 

Name: Renee V. Hawkins

Title: Assistant Treasurer

KEYBANK NATIONAL ASSOCIATION,  
as Administrative Agent and a Lender

By:   
Name: Rehee M. Bonnell  
Title: Senior Vice President

COBANK, ACB,  
as a Lender

By   
Name: Matthew Leatherman  
Title: Executive Director



**Exhibit A**

**Amended Credit Agreement**

[See attached]

Conformed through ~~First~~Second Amendment, dated ~~March 2~~September 6, 2022

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U.S. \$125,000,000

**CREDIT AGREEMENT**

Dated as of March 6, 2020

Among

**KENTUCKY POWER COMPANY**  
as the Borrower

**THE LENDERS NAMED HEREIN**  
as Initial Lenders

and

**KEYBANK NATIONAL ASSOCIATION**  
as Administrative Agent

---

**KEYBANC CAPITAL MARKETS INC.,**  
as Lead Arranger



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**EXHIBITS AND SCHEDULES**

EXHIBIT A -----	Form of Notice of Borrowing
EXHIBIT B -----	Form of Assignment and Assumption
EXHIBIT B-1 -----	Form of U.S. Tax Compliance Certificate
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EXHIBIT C -----	Form of Opinion of Counsel to the Borrower
EXHIBIT D -----	Form of Request for Facility Increase
EXHIBIT E -----	Form of Confirmation of Facility Increase
EXHIBIT F -----	Form of Lender Commitment Increase Agreement
EXHIBIT G -----	Form of Lender Joinder Agreement
SCHEDULE I -----	Schedule of Initial Lenders
SCHEDULE 4.01(m) -----	Schedule of Significant Subsidiaries

## CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of March 6, 2020 (this “*Agreement*”), among KENTUCKY POWER COMPANY, a Kentucky corporation (the “*Borrower*”), the banks, financial institutions and other institutional lenders listed on the signatures pages hereof (the “*Initial Lenders*”), and KEYBANK NATIONAL ASSOCIATION (“*KeyBank*”), as administrative agent (in such capacity, and together with its successors appointed pursuant to the terms of this Agreement, the “*Administrative Agent*”) for the Lenders (as hereinafter defined).

### PRELIMINARY STATEMENT:

The Borrower is party to that certain the Credit Agreement, dated as of March 6, 2020 (as in effect immediately prior to the ~~First~~Second Amendment Effective Date, the “Existing Credit Agreement”), among the Borrower, KeyBank, as administrative agent, and the banks, financial institutions and other institutional lenders party thereto.

WHEREAS, the parties hereto have agreed to amend the Existing Credit Agreement to read as set forth in this Agreement, and it has been agreed by such parties that any Advances outstanding as of the ~~First~~Second Amendment Effective Date shall be governed by and deemed to be outstanding under this Agreement with the intent that the provisions of this Agreement that differ from those contained in the Existing Credit Agreement shall supersede such provisions of the Existing Credit Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

## ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

### SECTION 1.01 *Certain Defined Terms.*

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“*Act*” has the meaning specified in Section 4.01(l).

“*Adjustment Margins*” has the meaning specified in Section 2.08(f).

“*Adjusted Term SOFR*” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“*Administrative Agent*” has the meaning specified in the recital of parties to this Agreement.

“*Administrative Questionnaire*” means an administrative questionnaire in a form supplied by the Administrative Agent.

“**Advance**” means an advance by a Lender to a Borrower as part of a Borrowing and refers to a Base Rate Advance or a SOFR Advance.

“**AEP**” means American Electric Power Company, Inc., a New York corporation.

“**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term “control” (including the terms “controlling”, “controlled by” and “under common control with”) of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

“**Agent Parties**” has the meaning specified in Section 8.02(c).

“**Agent’s Account**” means the account of the Administrative Agent designated from time to time by the Administrative Agent in a written notice to the Lenders and the Borrower.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption.

“**Applicable Law**” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of Governmental Authorities, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

“**Applicable Lending Office**” means, with respect to each Lender, such Lender’s Domestic Lending Office in the case of a Base Rate Advance and such Lender’s SOFR Lending Office in the case of a SOFR Advance.

“**Applicable Margin**” means (i) with respect to a SOFR Advance, ~~0.700~~0.95% per annum, and (ii) with respect to a Base Rate Advance, 0% per annum; *provided* that the Applicable Margins set forth above shall be increased upon the occurrence and during the continuance of any Event of Default by 2.00% per annum.

“**Approved Fund**” means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 2.18(iv).

“**Arranger**” means KeyBanc Capital Markets Inc. in its capacity as lead arranger and bookrunner of the Facility.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 8.07(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit B hereto or any other form approved by the Administrative Agent.

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“**Bail-In Legislation**” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“**Bankruptcy Event**” means, with respect to any Person, such Person becomes the subject of a proceeding under any Debtor Relief Law, or has had a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets (including the Federal Deposit Insurance Corporation or any other Governmental Authority acting in a similar capacity) appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; *provided* that, a Bankruptcy Event shall not result solely by virtue of any ownership interest, or acquisition of any equity interest, in such Person by a Governmental Authority so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm obligations under any agreement in which it commits to extend credit.

“**Base Rate**” means, at any time, the highest of (a) the rate of interest established by the Administrative Agent from time to time as the Administrative Agent’s prime rate (the “Prime Rate”), (b) the Federal Funds Rate plus 0.50% and (c) Adjusted Term SOFR for a three-month tenor in effect on such day plus 1.00%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate or Adjusted Term SOFR, as applicable (provided that clause (c) shall not be applicable during any period in which Adjusted Term SOFR is unavailable or unascertainable).

“**Base Rate Advance**” means an Advance that bears interest as provided in Section 2.07(a).

“**Benchmark**” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.18(i).



“**Benchmark Replacement**” means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“**Benchmark Replacement Adjustment**” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

“**Benchmark Replacement Date**” means the earlier to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Start Date**” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.18(i) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.18(i).

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**Benefit Plan**” means any of (i) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (ii) a “plan” as defined in Section 4975 of the Internal Revenue Code to which Section 4975 of the Internal Revenue Code applies, and (iii) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Internal Revenue Code) the assets of any such “employee benefit plan” or “plan”.

“**Borrower**” has the meaning specified in the recital of parties to this Agreement.

“**Borrowing**” means a borrowing by the Borrower consisting of simultaneous Advances of the same Type, having the same Interest Period and ratably made or Converted on the same day by each of the Lenders pursuant to Section 2.02 or 2.09, as the case may be. All Advances to the Borrower of the same Type, having the same Interest Period and made or Converted on the same day shall be deemed a single Borrowing hereunder until repaid or next Converted.

“**Borrowing Date**” means the date of any Borrowing.

“**Business Day**” means a day of that is not a Saturday or Sunday or other day on which the Federal Reserve Bank of New York is Closed.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“**Charges**” has the meaning specified in Section 8.16.

“**Commitment**” means, for each Lender at any time on any day, the obligation of such Lender to make Advances to the Borrower in an aggregate amount no greater than the amount set forth on Schedule I hereto or, if such Lender has entered into any Assignment and Assumption, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), in each such case as such amount may be increased pursuant to Section 2.17. The initial amount of each Lender’s Commitment as of the Closing Date is set forth on Schedule I hereto, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable.

“**Closing Date**” means March 6, 2020.

“**Commitment Percentage**” means, as to any Lender as of any date of determination, the percentage describing such Lender’s pro rata share of the Commitments set forth in the Register

from time to time; *provided* that in the case of Section 8.17 when a Defaulting Lender shall exist, “**Commitment Percentage**” means the percentage of the total Commitments (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Commitment Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“**Commitments**” means, at any time on any day, the aggregate amount for all Lenders of each Lender’s Commitment then in effect hereunder. The initial amount of the Commitments hereunder on the Closing Date is \$125,000,000.

“**Communications**” has the meaning specified in Section 8.02(b).

“**Confidential Information**” means all information relating the Borrower or any of its Subsidiaries or their businesses that the Borrower furnishes to the Administrative Agent, the Arranger or any Lender in a writing clearly identified at the time of delivery as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent, the Arranger or such Lender from a source other than the Borrower.

“**Confirmation of Facility Increase**” has the meaning specified in Section 2.17.

“**Conforming Changes**” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 7.06 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“**Connection Income Taxes**” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“**Consolidated Capital**” means the sum of (i) Consolidated Debt of the Borrower and (ii) the consolidated equity of all classes of stock (whether common, preferred, mandatorily convertible preferred or preference) of the Borrower, in each case determined in accordance with GAAP, but including Equity-Preferred Securities issued by the Borrower and its Consolidated

Subsidiaries and excluding the funded pension and other postretirement benefit plans, net of tax, components of accumulated other comprehensive income (loss).

**“Consolidated Debt”** of the Borrower means the total principal amount of all Debt described in clauses (i) through (v) of the definition of Debt and Guaranties of such Debt of the Borrower and its Consolidated Subsidiaries, excluding, however, (i) Debt of AEP Credit, Inc. that is non-recourse to the Borrower and its Consolidated Subsidiaries in respect of the sale of accounts receivable by the Borrower or its Consolidated Subsidiaries, (ii) Stranded Cost Recovery Bonds, and (iii) Equity-Preferred Securities not to exceed 10% of Consolidated Capital (calculated for purposes of this clause without reference to any Equity-Preferred Securities); *provided* that Guaranties of Debt included in the total principal amount of Consolidated Debt shall not be added to such total principal amount.

**“Consolidated Subsidiary”** means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with Generally Accepted Accounting Principles.

**“Consolidated Tangible Net Assets”** means, on any date of determination and with respect to any Person at any time, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of such Person and its Consolidated Subsidiaries most recently delivered to the Lenders pursuant to Section 5.01(i) as of such date of determination, net of applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the consolidated current liabilities of such Person and its Consolidated Subsidiaries appearing on such balance sheet.

**“Convert”**, **“Conversion”** and **“Converted”** each refers to a conversion of Advances of one Type into Advances of the other Type, or the selection of new, or the renewal of the same, Interest Period for SOFR Advances, pursuant to Section 2.08, 2.09 or 2.12.

**“Credit Party”** means the Administrative Agent or any Lender.

**“Debt”** of any Person means, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person’s business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, including, without limitation, the leases described in clause (iv) of Section 5.02(c), (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, (vi) all Guaranties and (vii) all reasonably quantifiable obligations under indemnities or under support or capital contribution agreements, and other reasonably quantifiable obligations (contingent or otherwise) to purchase or otherwise to assure a creditor against loss in respect of, or to assure an obligee against loss in respect of, all Debt of others referred to in clauses (i) through (vi) above guaranteed directly or



indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss.

**“Debtor Relief Laws”** means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

**“Default”** means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

**“Defaulting Lender”** means, subject to Section 8.17(b), any Lender that (i) has failed to (A) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, or (B) pay to any Credit Party any other amount required to be paid by it hereunder within two Business Days of the date when due, (ii) has notified the Borrower or any Credit Party in writing that it does not intend to comply with its funding obligations hereunder or generally under other agreements in which it commits to extend credit, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund an Advance hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (iii) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (iii) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (iv) has become the subject of a Bankruptcy Event. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (i) through (iv) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 8.17(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

**“Disclosure Documents”** means (i) prior to the ~~First~~Second Amendment Effective Date, (A) the Borrower’s Annual Report for the fiscal year ended December 31, 2018, (B) the Borrower’s Third Quarter Report for the period ended September 30, 2019, and (C) the Borrower’s Fourth Quarter Report for the period ended December 31, 2019, and (ii) on and after the ~~First~~Second Amendment Effective Date, (A) Borrower’s Report on Form 10-K, as filed with

the SEC, for the fiscal year ended December 31, 2021~~and~~, the (B) Borrower's [Second Quarter Report for the period ended June 30, 2022](#) and (C) Borrower's Current Report on Form 8-K, as filed with the SEC after the date of filing the Borrower's [Second Quarter Report on Form 10-K](#) for the period ended ~~December 31, 2021~~[June 30, 2022](#) but prior to the ~~First~~[Second](#) Amendment Effective Date.

“**Dollars**” and the symbol “\$” mean lawful currency of the United States of America.

“**Domestic Lending Office**” means, with respect to any Lender, the office of such Lender specified as its “Domestic Lending Office” on such Lender’s Administrative Questionnaire or in the Assignment and Assumption pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.

“**EEA Financial Institution**” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“**EEA Member Country**” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“**EEA Resolution Authority**” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“**Eligible Assignee**” means any Person that meets the requirements to be an assignee under Section 8.07(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 8.07(b)(iii)).

“**Environmental Action**” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (i) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (ii) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“**Environmental Law**” means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

“**Environmental Permit**” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

**“Equity-Preferred Securities”** means (i) debt or preferred securities that are mandatorily convertible or mandatorily exchangeable into common shares of the Borrower and (ii) any other securities, however denominated, including but not limited to hybrid capital and trust originated preferred securities, (A) issued by the Borrower or any Consolidated Subsidiary of the Borrower, (B) that are not subject to mandatory redemption or the underlying securities, if any, of which are not subject to mandatory redemption, (C) that are perpetual or mature no less than 30 years from the date of issuance, (D) the indebtedness issued in connection with which, including any guaranty, is subordinate in right of payment to the unsecured and unsubordinated indebtedness of the issuer of such indebtedness or guaranty, and (E) the terms of which permit the deferral of the payment of interest or distributions thereon to a date occurring after the Termination Date.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

**“ERISA Affiliate”** means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) of the Internal Revenue Code.

**“ERISA Event”** means (i) the termination of or withdrawal from any Plan by the Borrower or any of its ERISA Affiliates, (ii) the failure by the Borrower or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Plan or (iii) the failure by the Borrower or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

**“Erroneous Payment”** has the meaning assigned thereto in Section 7.14 (a).

**“Erroneous Payment Deficiency Assignment”** has the meaning assigned thereto in Section 7.14(d).

**“Erroneous Payment Impacted Class”** has the meaning assigned thereto in Section 7.14(d).

**“Erroneous Payment Return Deficiency”** has the meaning assigned thereto in Section 7.14(d).

**“EU Bail-In Legislation Schedule”** means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

**“Events of Default”** has the meaning specified in Section 6.01.

**“Exchange Act”** has the meaning specified in Section 6.01(f).

**“Excluded Taxes”** means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (i) Taxes imposed on or measured by the net income (however denominated) of such Recipient, franchise Taxes or branch profits Taxes, in each case, (A) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its



Applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) that are Other Connection Taxes, (ii) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date on which (A) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15(b) or (B) such Lender changes its Applicable Lending Office, except in each case to the extent that, pursuant to Section 2.14, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Applicable Lending Office, (iii) Taxes attributable to such Recipient's failure to comply with Section 2.14(g) and (iv) any U.S. federal withholding Taxes imposed under FATCA.

“**Facility**” means the aggregate commitment of the Lenders to make Advances to the Borrower hereunder up to a maximum of One Hundred Twenty-Five Million Dollars (\$125,000,000), as such aggregate commitment may be increased pursuant to Section 2.17.

“**FATCA**” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

“**Federal Funds Rate**” means, for any period, a fluctuating interest rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“**First Amendment**” means that certain First Amendment to Credit Agreement, dated as of the First Amendment Effective Date, among the Borrower, the Lenders party thereto and the Administrative Agent.

“**First Amendment Effective Date**” means March 2, 2022.

“**Foreign Lender**” means a Lender that is not a U.S. Person.

“**Foreign Plan**” has the meaning specified in Section 4.01(i).

“**Fund**” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“**Floor**” means a rate of interest equal to 0.00%.

“**GAAP**” has the meaning specified in Section 1.03.

**“Generally Accepted Accounting Principles”** means United States generally accepted accounting principles in effect from time to time.

**“Governmental Approval”** means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

**“Governmental Authority”** means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

**“Guaranty”** of any Person means any obligation, contingent or otherwise, of such Person (i) to pay any Debt of any other Person or (ii) incurred in connection with the issuance by a third person of a Guaranty of Debt of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise).

**“Hazardous Materials”** means (i) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (ii) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

**“Hedge Agreement”** means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.

**“Indemnified Party”** has the meaning specified in Section 8.04(b).

**“Indemnified Taxes”** means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (ii) to the extent not otherwise described in clause (i), Other Taxes.

**“Initial Lenders”** has the meaning specified in the recital of parties to this Agreement.

**“Interest Period”** means, as to any SOFR Advance, the period commencing on the date such SOFR Advance is disbursed or converted to or continued as a SOFR Advance and ending on the date one (1) month or three (3) months thereafter, subject to availability; provided that:

(a) the Interest Period shall commence on the date of advance of or conversion to any SOFR Advance and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

(b) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

(c) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period;

(d) no Interest Period shall extend beyond the Termination Date and Interest Periods shall be selected by the Borrower so as to permit the Borrower to make the principal installment payments pursuant to Section 2.13 without payment of any amounts pursuant to Section 7.06;

(e) there shall be no more than one (1) Interest Period in effect at any time; and

(f) no tenor that has been removed from this definition pursuant to Section 2.18(iv) shall be available for specification in any Notice of Borrowing or notice of Conversion/continuation.

“**Internal Revenue Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“**IRS**” means the United States Internal Revenue Service.

“**Kentucky Power Sale Event**” means the sale by AEP of either (i) substantially all of the assets of Borrower or (ii) 100% of the equity interest in Borrower.

“**KeyBank**” has the meaning specified in the recital of parties to this Agreement.

“**Lender Commitment Increase Agreement**” has the meaning specified in Section 2.17.

“**Lender Joinder Agreement**” has the meaning specified in Section 2.17.

“**Lenders**” means the Initial Lenders and each other Person that shall become a party hereto pursuant to Section 8.07 or Section 2.17, in each case other than any such Person that shall have ceased to be a party hereto pursuant to Section 8.07 or Section 2.17.

“**Lending Office**” means, with respect to any Lender, the office of such Lender maintaining such Lender’s Advances, which office may, to the extent the applicable Lender notifies the Administrative Agent in writing, include an office of any Affiliate of such Lender or any domestic or foreign branch of such Lender or Affiliate.

“**Lien**” means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“**Loan Documents**” means, collectively, (i) this Agreement, (ii) any promissory note issued pursuant to Section 2.06(d), and (iii) any Lender Joinder Agreement, in each case, as amended, supplemented or modified from time to time.

“**Margin Regulations**” means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“**Margin Stock**” has the meaning specified in the Margin Regulations.

“**Material Adverse Change**” means any material adverse change (i) in the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement or any other Loan Document against the Borrower or the ability of the Borrower to perform its obligations under this Agreement or any other Loan Document.

“**Material Adverse Effect**” means a material adverse effect (i) on the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement or any other Loan Document against the Borrower or the ability of the Borrower to perform its obligations under this Agreement or any other Loan Document.

“**Maximum Rate**” has the meaning specified in Section 8.18.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Multiemployer Plan**” has the meaning specified in Section 4.01(i).

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders in accordance with the terms of Section 8.01 and (ii) has been approved by the Required Lenders.

“**Non-Defaulting Lender**” means, at any time, each Lender that is not a Defaulting Lender at such time.

“**Notice of Borrowing**” has the meaning specified in Section 2.02(a).

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Advance, Commitment or Loan Document).

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15(b)).

“**Participant**” has the meaning specified in Section 8.07(d).

“**Participant Register**” has the meaning specified in Section 8.07(d).

“**Patriot Act**” has the meaning specified in Section 8.14.

“**Payment Recipient**” has the meaning assigned thereto in Section 7.14(a).

“**Permitted Liens**” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(g) hereof; (ii) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens, and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings; (iii) Liens incurred or deposits made to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; (iv) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (v) any judgment Lien, unless an Event of Default under Section 6.01(g) shall have occurred and be continuing; (vi) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower or any Significant Subsidiary and not created in contemplation of such event; (vii) deposits made in the ordinary course of business to secure the performance of bids, trade contracts (other than for Debt), operating leases and surety bonds; (viii) Liens upon or in any real property or equipment acquired, constructed, improved or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property); (ix) extensions, renewals or replacements of any Lien described in clause (iii), (vi), (vii) or (viii) for the same or a lesser amount, *provided, however*, that no such Lien shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced; and (x) any other Lien not covered by the foregoing exceptions as long as immediately after the creation of such Lien the aggregate principal amount of Debt secured by all Liens created or assumed under this clause (x) does not exceed 10% of Consolidated Tangible Net Assets of the Borrower.

“**Person**” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

“**Plan**” has the meaning specified in Section 4.01(i).

“**Platform**” has the meaning specified in Section 8.02(b).

“**PTE**” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“**Recipient**” means (a) the Administrative Agent and (b) any Lender, as applicable.

“**Register**” has the meaning specified in Section 8.07(c).

“**Regulation AB**” means rules promulgated by the SEC found at C.F.R. 229.1100 et seq.

“**Related Parties**” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“**Relevant Governmental Body**” means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

“**Replacement Rate**” has the meaning specified in Section 2.08(f).

“**Request for Facility Increase**” has the meaning specified in Section 2.17.

“**Required Lenders**” means at any time Lenders having Advances and Commitments representing more than 50% of the sum of the then aggregate unpaid principal amount of the Advances owing to Lenders and Commitments in effect at such time. Subject to Section 8.01, the unpaid principal amount of the Advances owing to any Defaulting Lender and the Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“**Resolution Authority**” shall mean any Person which has authority to exercise any Write-down and Conversion Powers.

“**Restructuring Law**” means Texas Senate Bill 7, as enacted by the Legislature of the State of Texas and signed into law on June 18, 1999, Ohio Senate Bill No. 3, as enacted by the General Assembly of the State of Ohio and signed into law on July 6, 1999, or any similar law applicable to the Borrower or any Subsidiary of the Borrower governing the deregulation or restructuring of the electric power industry.

“**RTO Transaction**” means the transfer of transmission facilities to a regional transmission organization or equivalent organization as approved or ordered by the Federal Energy Regulatory Commission or the Kentucky Public Service Commission.

“**S&P**” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc.



“**Sanctioned Country**” means, at any time of determination, a country or territory which is the subject or target of any Sanctions.

“**Sanctioned Person**” means, at any time of determination, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any EU member state or Her Majesty’s Treasury of the United Kingdom, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by or acting on behalf of any such Person described in the preceding clause (a) or (b). For purposes of the foregoing, ownership or control of a Person shall be deemed to include where a Sanctioned Person (i) owns or has power to vote 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of the Person or other individuals performing similar functions for the Person, or (ii) has the power to direct or cause the direction of the management and policies of the Person, whether by ownership of equity interests, contracts or otherwise.

“**Sanctions**” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any EU member state, or Her Majesty’s Treasury of the United Kingdom.

“**SEC**” means the United States Securities and Exchange Commission.

“**Significant Subsidiary**” means, at any time, any Subsidiary of the Borrower that constitutes at such time a “significant subsidiary” of the Borrower (as such term is defined in Regulation S-X of the SEC as in effect on the Closing Date (17 C.F.R. Part 210)); *provided, however,* that “total assets” as used in Regulation S-X shall not include securitization transition assets, phase-in cost assets or similar assets on the balance sheet of any Subsidiary resulting from the issuance of transition bonds or other asset-backed securities of a similar nature.

“**SOFR**” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**SOFR Advance**” means any Advance bearing interest at a rate based on Term SOFR as provided in Section 2.07(b).

“**Stranded Cost Recovery Bonds**” means securities, however denominated, that are issued by the Borrower or any Consolidated Subsidiary of the Borrower that are (i) non-recourse to the Borrower and its Consolidated Subsidiaries (other than for failure to collect and pay over the charges referred to in clause (ii) below) and (ii) payable solely from transition or similar charges authorized by the Kentucky Public Service Commission and to be invoiced to customers of any Subsidiary of the Borrower or to retail electric providers.

“**Subsidiary**” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership or joint venture or (iii) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person’s other Subsidiaries.

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Termination Date**” means the earlier to occur of (i) ~~September 6~~December 31, 20222023, (ii) the date of termination in whole of the Commitments available to the Borrower pursuant to Section 2.04; *provided* that, concurrently with such termination, the Borrower has repaid or prepaid all Advances outstanding under the Facility, including any accrued and unpaid interest thereon, and paid all other amounts owed under the Loan Documents, (iii) the declaration of outstanding Advances, all interest thereon and all other amounts payable under this Agreement to be due and payable, in each case pursuant to Section 6.01, and (iv) the Kentucky Power Sale Event.

“**Term SOFR**” means,

(a) for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “Base Rate Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published



by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

**“Term SOFR Adjustment”** means a percentage equal to 0.10% per annum.

**“Term SOFR Administrator”** means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

**“Term SOFR Reference Rate”** means the forward-looking term rate based on SOFR.

**“Type”** refers to the distinction between Advances bearing interest at the Base Rate and Advances bearing interest at SOFR.

**“Unadjusted Benchmark Replacement”** means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

**“U.S. Government Securities Business Day”** means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in Sections 2.02(a), 2.02(b), 4.02(a), 2.09 and 2.10, in each case, such day is also a Business Day.

**“U.S. Person”** means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

**“U.S. Tax Compliance Certificate”** has the meaning assigned to such term in Section 2.14(g)(ii)(B)(3).

**“Voting Stock”** means capital stock issued by a corporation, the membership interests in a limited liability company, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors or managers (or Persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

**“Withholding Agent”** means the Borrower and the Administrative Agent.

**“Write-Down and Conversion Powers”** means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

## **SECTION 1.02      *Computation of Time Periods.***

In this Agreement in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

**SECTION 1.03**      *Accounting Terms.*

All accounting terms not specifically defined herein shall be construed in accordance with Generally Accepted Accounting Principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(f) (“*GAAP*”); *provided* that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change to GAAP occurring after the Closing Date as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)*, issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case to the extent that such change would require treating any operating lease entered into on or prior to December 31, 2018 that would not otherwise constitute Debt as a capital lease where such operating lease would not constitute Debt and was not required to be so treated under GAAP as in effect on the Closing Date.

**SECTION 1.04**      *Other Interpretive Provisions.*

As used herein, except as otherwise specified herein, (i) references to any Person include its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities; (ii) references to any Applicable Law include amendments, supplements and successors thereto; (iii) references to specific sections, articles, annexes, schedules and exhibits are to this Agreement; (iv) words importing any gender include the other gender; (v) the singular includes the plural and the plural includes the singular; (vi) the words “including”, “include” and “includes” shall be deemed to be followed by the words “without limitation”; (vii) captions and headings are for ease of reference only and shall not affect the construction hereof; and (viii) references to any time of day shall be to Cleveland, Ohio time unless otherwise specified.

**SECTION 1.05**      *Rates.*

The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition

thereof, or with respect to any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 2.18, will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

## **ARTICLE II**

### **AMOUNTS AND TERMS OF THE ADVANCES**

#### **SECTION 2.01**      *The Advances.*

(a) Subject to the terms and conditions hereof, each Lender severally agrees, to make Advances to the Borrower on the Closing Date in an aggregate outstanding amount not to exceed such Lender's Commitment. Subject to Section 2.01(b), the Borrower may make only one Borrowing under the Facility. Any amounts borrowed under this Section 2.01(a) and subsequently repaid or prepaid in respect of Advances may not be reborrowed.

(b) In the event any increase in the Facility and the Commitments thereunder is undertaken pursuant to Section 2.17, the Borrower shall be required to make a Borrowing in an amount equal to such increased Commitments on the date which is not more than five (5) Business Days following the effectiveness of such increase pursuant to the terms of Section 2.02.

#### **SECTION 2.02**      *Making the Advances.*

(a) Each Borrowing shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitment Percentages. The Borrower shall give notice to the Administrative Agent, (i) not later than 11:00 A.M. one (1) Business Day prior to the Closing Date, of a Borrowing consisting of SOFR Advances to be made on the Closing Date, or (ii) not later than 9:30 A.M. on the Closing Date, in the case of a Borrowing consisting of Base Rate Advances to be made on the Closing Date, and the Administrative Agent shall give to each Lender prompt written notice of such Borrowing. Each such notice of a Borrowing under this Section 2.02 (a "*Notice of Borrowing*") shall be by telephone, confirmed immediately in writing, or fax in substantially the form of Exhibit A

hereto, specifying therein the requested (i) Borrowing Date for such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of SOFR Advances, the initial Interest Period for each such Advance. Each Lender shall, before 12:00 Noon on the applicable Borrowing Date, make available for the account of its Applicable Lending Office to the Administrative Agent at the Agent's Account, in same day funds, such Lender's ratable portion of the Borrowing to be made on such Borrowing Date. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Section 3.02, the Administrative Agent will promptly make such funds available to the Borrower in such manner as the Borrower shall have specified in the applicable Notice of Borrowing and as shall be reasonably acceptable to the Administrative Agent.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select SOFR Advances if the obligation of the Lenders to make SOFR shall then be suspended pursuant to Section 2.08(b), 2.08(e), 2.08(f), or 2.12.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to comprise SOFR Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Section 3.02, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) Unless the Administrative Agent shall have received notice in writing from a Lender prior to any Borrowing Date or, in the case of a Base Rate Advance, prior to the time of Borrowing, that such Lender will not make available to the Administrative Agent such Lender's Advance as part of the Borrowing to be made on such Borrowing Date, the Administrative Agent may, but shall not be required to, assume that such Lender has made such portion available to the Administrative Agent on such Borrowing Date in accordance with subsection (a) of this Section 2.02, and the Administrative Agent may (but it shall not be required to), in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such Advance available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount, together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any

other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

**SECTION 2.03        *Fees.***

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender, without duplication with the other fee or fees specified herein, an up-front fee equal to 0.025% of the final allocated amount of such Lender, payable on the Closing Date.

(b) The Borrower shall pay to the Administrative Agent such fees as may from time to time be agreed between the Borrower and the Administrative Agent.

**SECTION 2.04        *Termination of the Commitments.***

(a) The Commitment of each Lender shall terminate immediately and without further action on the Closing Date after giving effect to the funding of such Lender's Commitment on such date.

(b) Once terminated, neither a Commitment nor any portion thereof may be reinstated.

**SECTION 2.05        *Repayment of Advances.***

The Borrower shall repay to the Administrative Agent for the account of each Lender on the Termination Date the aggregate principal amount of all Advances made by such Lender to the Borrower then outstanding.

**SECTION 2.06        *Evidence of Indebtedness.***

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Advance made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(b) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Advance made hereunder, the Type of each Advance made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to subsections (a) and (b) of this Section 2.06 shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations therein recorded; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Advances and interest thereon in accordance with the terms of this Agreement.

(d) Any Lender may request that any Advances made by it be evidenced by one or more promissory notes. In such event, the Borrower shall prepare, execute and deliver to such Lender one or more promissory notes payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Advances evidenced by such promissory notes and interest thereon shall at all times (including after assignment pursuant to Section 8.07) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

**SECTION 2.07      *Interest on Advances.***

The Borrower shall pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) ***Base Rate Advances.*** During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate plus (y) the Applicable Margin for Base Rate Advances in effect from time to time, payable in arrears (i) quarterly on the last Business Day of each March, June, September and December during such periods, (ii) on the date such Base Rate Advance shall be Converted or paid in full and (iii) on the Termination Date.

(b) ***SOFR Advances.*** During such periods as such Advance is a SOFR Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) Adjusted Term SOFR for such Interest Period for such Advance plus (y) the Applicable Margin for SOFR Advances in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such SOFR Advance shall be Converted or paid in full.

(c) ***Term SOFR Conforming Changes.*** In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

**SECTION 2.08      *Interest Rate Determination.***

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.07(a) or (b).

(b) If, with respect to any SOFR Advances, (i) the Required Lenders notify the Administrative Agent that Adjusted Term SOFR for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining



their respective SOFR Advances for such Interest Period, or (ii) Adjusted Term SOFR cannot be determined or is otherwise unavailable, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon (A) each SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (B) the obligation of the Lenders to make, or to Convert Advances into, SOFR Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Borrower shall fail to select the duration of any Interest Period for any SOFR Advances in accordance with the provisions contained in the definition of “Interest Period” in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of SOFR Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, SOFR Advances shall be suspended.

(f) If the Administrative Agent determines (which determination shall be final and conclusive, absent manifest error) that a rate other than the SOFR has become the then-prevailing market benchmark rate for newly originated loans in Dollars in the U.S. market, then the Administrative Agent may (in consultation with the Borrower) choose a replacement index rate (“**Replacement Rate**”) and, as appropriate, adjustment margins (“**Adjustment Margins**”) corresponding to each available Term SOFR, to effect, to the extent practicable, an aggregate all-in interest rate substantially equivalent to the SOFR-based rate in effect prior to its replacement. The Replacement Rate and Adjustment Margins will be determined with due consideration to the then-prevailing market practice for determining a rate of interest for newly originated syndicated loans in the United States, and may reflect appropriate mathematical or other adjustments to account for the transition from the SOFR to the Replacement Rate. The Administrative Agent shall promptly notify the Lenders of the Replacement Rate and Adjustment Margins, and the Administrative Agent (on behalf of the Lenders) and the Borrower shall enter into an amendment to this Agreement to reflect such Replacement Rate and Adjustment Margins. Notwithstanding anything to the contrary in this Agreement or the other Loan Documents (including, without limitation, Section 8.01), such amendment shall become effective without any further action or consent of any other party to this Agreement at 5:00 p.m. New York City time on the tenth (10<sup>th</sup>) Business Day after the date a draft of the amendment reflecting such Replacement Rate and Adjustment Margin is provided to the Lenders, unless a written notice from the Required Lenders stating that such Lenders object to such amendment during such ten (10) Business Day period. For the avoidance of doubt, on or after the effective date of the Replacement Rate, the aggregate all-in interest payable by Borrower in respect of the Loans shall be the sum of the Replacement Rate, the Adjustment Margin(s), if any, and the Applicable Margin. Notwithstanding anything to the contrary contained herein, if the

Replacement Rate is less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

**SECTION 2.09**      *Optional Conversion of Advances.*

The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 11:00 A.M. (Cleveland, Ohio time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all or any part of Advances of one Type comprising the same Borrowing into Advances of the other Type or of the same Type but having a new Interest Period; *provided, however*, that any Conversion of SOFR Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such SOFR Advances, any Conversion of Base Rate Advances into SOFR Advances shall be in an amount not less than \$10,000,000, and no Conversion of any Advances shall result in more than five (5) different Interest Periods in effect. Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into SOFR Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

**SECTION 2.10**      *Optional Prepayments of Advances.*

The Borrower may, upon at least three Business Days' notice, in the case of SOFR Advances, and upon notice not later than 11:00 A.M. (Cleveland, Ohio time) on the date of prepayment, in the case of Base Rate Advances, to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and, if such notice is given, the Borrower shall prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; *provided, however*, that (x) each partial prepayment shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, and (y) in the event of any such prepayment of a SOFR Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

**SECTION 2.11**      *Increased Costs.*

(a)      *Increased Costs Generally.* If any Change in Law shall:

(i)      impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii)      subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii)      impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender or participation therein;



and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Advance or of maintaining its obligation to make any such Advance, or to increase the cost to such Lender or such other Recipient to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements.** If any Lender determines that any Change in Law affecting such Lender or any Applicable Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by such Lender, to a level below that which such Lender or such Lender's or holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement.** A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than one hundred eighty (180) days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof).

## **SECTION 2.12      *Illegality.***

If due to any Change in Law it shall become unlawful or impossible for any Credit Party (or its SOFR Lending Office) to make, maintain or fund its SOFR Advances, and such Credit Party shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Credit Parties and the Borrower, whereupon, until such Credit Party notifies the Borrower and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Credit Party to make SOFR Advances, or to Convert outstanding Advances into SOFR Advances, shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section 2.12, such Credit Party shall use

reasonable efforts (consistent with its internal policy and legal and regulatory restrictions applicable to such Credit Party) to designate a different SOFR Lending Office if such designation would avoid the need for giving such notice and would not, in the judgment of such Credit Party, be otherwise disadvantageous to such Credit Party. If such notice is given, each SOFR Advance of such Credit Party then outstanding shall be Converted to a Base Rate Advance either (i) on the last day of the then current Interest Period applicable to such SOFR Advance if such Credit Party may lawfully continue to maintain and fund such Advance to such day or (ii) immediately if such Credit Party shall determine that it may not lawfully continue to maintain and fund such Advance to such day.

**SECTION 2.13            *Payments and Computations.***

(a)     The Borrower shall make each payment to be made by it hereunder not later than 1:00 P.M. on the day when due in Dollars to the Administrative Agent at the Agent's Account in same day funds without condition or deduction for any counterclaim, defense, recoupment or setoff. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest ratably (other than amounts payable pursuant to Section 2.03(a), 2.11, 2.14, 2.15, 8.04(c) and 8.17) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Assumption, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b)     The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder, after any applicable grace period, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c)     All computations of interest based on the rate referred to in clause (a) of the definition of the "Base Rate" contained in Section 1.01 shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on Adjusted Term SOFR or the Federal Funds Rate shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d)     Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest; *provided, however*, that, if such extension would cause payment of interest on or principal of SOFR Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to a Lender hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date, and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

#### **SECTION 2.14**            *Taxes.*

(a)    ***Defined Terms.*** For purposes of this Section 2.14, the term “Applicable Law” includes FATCA.

(b)    ***Payments Free of Taxes.*** Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.14) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c)    ***Payment of Other Taxes by the Borrower.*** The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d)    ***Indemnification by the Borrower.*** The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for and hold it harmless against the full amount of any Indemnified Taxes (including, without limitation, Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.14), payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e)    ***Indemnification by the Lenders.*** Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes

attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 8.07(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f) **Evidence of Payments.** As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.14, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) **Status of Lenders.** (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit B-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “***U.S. Tax Compliance Certificate***”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-2 or Exhibit B-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative



Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(E) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) ***Treatment of Certain Refunds.*** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.14 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **Survival.** Each party's obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

**SECTION 2.15 Mitigation Obligations; Replacement of Lenders.**

(a) **Designation of a Different Applicable Lending Office.** If any Lender requests compensation under Section 2.11, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different Applicable Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.11 or 2.14, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender requests compensation under Section 2.11, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14 and, in each case, such Lender has declined or is unable to designate a different Applicable Lending Office in accordance with subsection (a) above, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 8.07), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.11 or Section 2.14) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 8.07(b)(iv);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal amounts of its Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.04(c)) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.11 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter;

- (iv) no Default shall have occurred and be continuing;
- (v) such assignment does not conflict with Applicable Law; and
- (vi) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

**SECTION 2.16      *Sharing of Payments, Etc.***

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it (other than pursuant to Section 2.03(a), 2.11, 2.14, 2.15, 8.04(c) or 8.17 or in respect of SOFR Advances converted into Base Rate Advances pursuant to Section 2.12) by the Borrower, in excess of its ratable share of payments on account of the Advances to the Borrower, obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in such Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.16 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(b) If any Lender shall fail to make any payment required to be made by it hereunder to or for the account of the Administrative Agent, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent to satisfy such Lender's obligations in respect of such payment until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

**SECTION 2.17      *Option to Increase Facility.***

Upon the written request of the Borrower delivered to the Administrative Agent on or before the first anniversary of the Closing Date, which request from the Borrower can only be made not more than twice during the period from the Closing Date through the first



anniversary of the Closing Date (each such request in the form of Exhibit D hereto, a “**Request for Facility Increase**”), the Administrative Agent shall request that Lenders increase their Commitment under the Facility; *provided*, that (v) in connection with such request, the Borrower may, at its sole expense and effort, seek to obtain new Commitments from any Person that is not a Lender at such time if such Person is an Eligible Assignee, (w) no Lender shall be obligated to increase its Commitment without its prior written consent, (x) any such requested increase must be in a minimum additional aggregate amount of \$5,000,000, and integral multiples of \$1,000,000 in excess thereof, (y) after giving effect to the increase in Commitments, the sum of (i) the aggregate principal amount of all Advances (disregarding any repayments or prepayments of Advances occurring on or prior to the date of such increase) *plus* (ii) the Commitments in effect at such time shall not exceed \$200,000,000 and (z) at the time of and after giving effect to the increase in Commitments and the concurrent funding of Advances, if any, the representations and warranties of the Borrower set forth herein are true and correct and no Default has occurred and is continuing. In the event that the Administrative Agent does not receive any commitments from the existing Lenders and/or new Lenders to cover such requested increase within 60 days of receipt of any Request for Facility Increase, such Request for Facility Increase shall be deemed to have been withdrawn by the Borrower on such 60<sup>th</sup> day. So long as no Default has occurred and is continuing and the Request for Facility Increase has not been withdrawn, any such increase shall be effective upon: (i) written notification from the Administrative Agent to the Borrower and the Lenders (each such notification in the form of Exhibit E hereto, a “**Confirmation of Facility Increase**”) confirming the total amount of the increased Facility, describing each Lender or new Lender that has agreed to participate in such increase and each Lender’s Commitment after giving effect to such increase; (ii) the execution and delivery by each such Lender of a Lender Commitment Increase Agreement, in the form of Exhibit F hereto (a “**Lender Commitment Increase Agreement**”), or a Lender Joinder Agreement, in the form of Exhibit G hereto (a “**Lender Joinder Agreement**”), as applicable (*provided* that any new Lender making a commitment pursuant to a Lender Joinder Agreement shall make a commitment of at least \$5,000,000), and (iii) delivery by Borrower to the appropriate Lender of replacement or new notes, as applicable, to reflect such increase. Upon the effectiveness of a Commitment of any new Lender, such new Lender (I) shall be deemed to be a “Lender” hereunder, and henceforth shall be entitled to all the rights of, and benefits accruing to, Lenders hereunder and (II) shall be bound by all agreements, acknowledgements and other obligations of Lenders hereunder and under the other Loan Documents.

**SECTION 2.18**      ***Benchmark Replacement Setting.***

(i)      Benchmark Replacement.

(A)      Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5<sup>th</sup>) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No

replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.18(i) will occur prior to the applicable Benchmark Transition Start Date.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.18(iv). Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.18, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.18.

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Advances to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans and (B) any outstanding affected SOFR Advances will be deemed to have been converted to Base Rate Loans at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

### ARTICLE III CONDITIONS PRECEDENT

#### SECTION 3.01 *Conditions Precedent to the Closing Date and the Advances on the Closing Date.*

The effectiveness of this Agreement and the obligation of each Lender to make the Advance to be made by it hereunder on the Closing Date shall be subject to the satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received on or before the date of such effectiveness the following, each dated such day, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:

(i) Certified copies of the resolutions of the board of directors of the Borrower approving this Agreement, and of all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Agreement;

(ii) A certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered by the Borrower hereunder;

(iii) A favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit C hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request; and

(b) On such date, the following statements shall be true and the Administrative Agent shall have received a certificate signed by a duly authorized officer of the Borrower, dated such date, certifying to the Administrative Agent and each Lender that:

(i) The representations and warranties of the Borrower contained in Section 4.01 are true and correct in all material respects on and as of such date, as though made on and as of such date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(c) The Borrower shall have paid all accrued fees and expenses of the Administrative Agent, the Arranger and the Lenders then due and payable in accordance with the terms of the Loan Documents (including all fees and expenses of counsel to the Administrative Agent to the extent then due and payable).

(d) The Administrative Agent, on behalf of each Lender, shall have received copies of all the Disclosure Documents.

(e) The Administrative Agent shall have received counterparts of this Agreement, executed and delivered by the Borrower and the Lenders.

(f) The Administrative Agent shall have received a promissory note for KeyBank, duly completed and executed by the Borrower and payable to KeyBank.

(g) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as any Lender or the Administrative Agent may reasonably request through the Administrative Agent, including, without limitation, all documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the Patriot Act and, if Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to Borrower, to the extent such documentation or information is requested by the Administrative Agent on behalf of the Lenders prior to the Closing Date.

(h) The Administrative Agent shall have received the Notice of Borrowing for the Advance to be made on the Closing Date.

**SECTION 3.02**      *Conditions Precedent to each Advance.*

The obligation of each Lender to make each Advance to be made by it hereunder (other than in connection with any Borrowing that would not increase the aggregate principal amount of Advances outstanding immediately prior to the making of such Borrowing) shall be subject to the satisfaction of the conditions precedent set forth in Section 3.01 and on the date of such Borrowing:

(a) The following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of any Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

(i) The representations and warranties of the Borrower contained in Section 4.01 (other than the representation and warranty in Section 4.01(e) and the representation and warranty set forth in the last sentence of Section 4.01(f)) are true and correct in all material respects on and as of the date of such Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(ii) No event has occurred and is continuing or would result from such Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

(b) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

##### **SECTION 4.01      *Representations and Warranties of the Borrower.***

The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, and each Significant Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized.

(b) The execution, delivery and performance by the Borrower of each Loan Document, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(c) Each Loan Document has been duly executed and delivered by the Borrower. Each Loan Document is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

(d) No Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other third party, is required for the due execution, delivery and performance by the Borrower of any Loan Document, except for the authorization of the Federal Energy Regulatory Commission and the Kentucky Public Service Commission, each of which authorizations has been duly obtained and is in full force and effect as of the date hereof.

(e) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any Governmental Authority or arbitrator that is reasonably likely to have a Material Adverse Effect, except as may be disclosed in the Disclosure Documents.

(f) The financial statements included in the Disclosure Documents, copies of each of which have been furnished to each Lender, fairly present (subject, in the case of any quarterly financial statements, to year-end adjustments) the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at the dates set forth therein and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such dates, all in accordance with Generally Accepted Accounting Principles consistently applied. Since December 31, 2018, there has been no Material Adverse Change. As of the ~~First~~Second Amendment Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

(g) No written statement, information, report, financial statement, exhibit or schedule furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the syndication or negotiation of this Agreement or included herein or delivered pursuant hereto contained, contains, or will contain any material misstatement of fact or intentionally omitted, omits, or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are, or will be made, not misleading.

(h) Except as may be disclosed in the Disclosure Documents, the Borrower and each Significant Subsidiary is in compliance with all laws (including ERISA and Environmental Laws) rules, regulations and orders of any governmental authority applicable to it, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(i) No failure to satisfy the minimum funding standard applicable to a Plan for a plan year (as described in Section 302 of ERISA and Section 412 of the Internal Revenue Code) that could reasonably be expected to have a Material Adverse Effect, whether or not waived, has occurred with respect to any Plan. The Borrower has not incurred, and does not presently expect to incur, any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its ERISA Affiliates have complied in all respects with ERISA and the Internal Revenue Code, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The Borrower and each of its Subsidiaries have complied in all material respects with foreign law applicable to its Foreign Plans, if any. As used herein, the term “**Plan**” shall mean an “employee pension benefit plan” (as defined in Section 3 of ERISA) which is and has been established or maintained, or to which contributions are or have been made or should be made according to the terms of the plan, by the Borrower or any of its ERISA Affiliates. The term “**Multiemployer Plan**” shall mean any Plan which is a “multiemployer plan” (as such term is defined in Section 4001(a)(3) of ERISA). The term “**Foreign Plan**” shall mean any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement maintained by any Subsidiary which, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

(j) The Borrower and its Subsidiaries have filed or caused to be filed all material Federal, state and local tax returns that are required to be filed by them, and have paid or caused to be paid all material taxes shown to be due and payable on such returns or on any assessments received by them (to the extent that such taxes and assessments have become due



and payable) other than those taxes contested in good faith and for which adequate reserves have been established in accordance with Generally Accepted Accounting Principles.

(k) The Borrower is not engaged in the business of extending credit for the purpose of buying or carrying Margin Stock, and no proceeds of any Advance will be used to buy or carry any Margin Stock or to extend credit to others for the purpose of buying or carrying any Margin Stock. Not more than 25% of the assets of the Borrower and the Significant Subsidiaries that are subject to the restrictions of Section 5.02(a), (c) or (d) constitute Margin Stock.

(l) Neither the Borrower nor any Significant Subsidiary is an “investment company,” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended (the “*Act*”). Neither the making of any Borrowing, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated hereby will violate any provision of the Act or any rule, regulation or order of the SEC thereunder.

(m) All Significant Subsidiaries as of the ~~First~~Second Amendment Effective Date are listed on Schedule 4.01(m) hereto.

(n) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective directors and officers and, to the knowledge of the Borrower, its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (i) the Borrower, any Subsidiary or any of their respective directors or officers, or (ii) to the knowledge of the Borrower, any employee or agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or use of proceeds thereof or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

## ARTICLE V COVENANTS OF THE BORROWER

### SECTION 5.01 *Affirmative Covenants.*

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(a) ***Preservation of Existence, Etc.*** Preserve and maintain, and cause each Significant Subsidiary to preserve and maintain, its corporate, partnership or limited liability company (as the case may be) existence and all material rights (charter and statutory) and franchises; *provided, however*, that the Borrower and any Significant Subsidiary may consummate any merger or consolidation permitted under Section 5.02(a); and *provided further* that neither the Borrower nor any Significant Subsidiary shall be required to preserve any right or franchise if (i) the board of directors of the Borrower or such Significant Subsidiary, as the case may be, shall determine that the preservation thereof is no longer desirable in the conduct of the

business of the Borrower or such Significant Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower or such Significant Subsidiary, as the case may be, or to the Lenders; (ii) required in connection with or pursuant to any Restructuring Law; or (iii) required in connection with the RTO Transaction; and *provided further*, that no Significant Subsidiary shall be required to preserve and maintain its corporate, partnership or limited liability company (as the case may be) existence if (x) the loss thereof is not disadvantageous in any material respect to the Borrower or to the Lenders or (y) required in connection with or pursuant to any Restructuring Law or (z) required in connection with the RTO Transaction.

(b) ***Compliance with Laws, Etc.*** Comply, and cause each Significant Subsidiary to comply, in all material respects, with Applicable Law, with such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(c) ***Performance and Compliance with Other Agreements.*** Perform and comply, and cause each Significant Subsidiary to perform and comply, with the provisions of each indenture, credit agreement, contract or other agreement by which it is bound, the non-performance or non-compliance with which would result in a Material Adverse Change.

(d) ***Inspection Rights.*** At any reasonable time and from time to time, permit the Administrative Agent or any Lender or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Significant Subsidiary and to discuss the affairs, finances and accounts of the Borrower and any Significant Subsidiary with any of their officers or directors and with their independent certified public accountants.

(e) ***Maintenance of Properties, Etc.*** Maintain and preserve, and cause each Significant Subsidiary to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted and except as required in connection with or pursuant to any Restructuring Law or in connection with an RTO Transaction.

(f) ***Maintenance of Insurance.*** Maintain, and cause each Significant Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties; *provided, however*, that the Borrower and each Significant Subsidiary may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties and to the extent consistent with prudent business practice.

(g) ***Payment of Taxes, Etc.*** Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; *provided, however*, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which adequate reserves are being maintained in accordance with



Generally Accepted Accounting Principles, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(h) **Keeping of Books.** Keep, and cause each Significant Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Significant Subsidiary in accordance with Generally Accepted Accounting Principles.

(i) **Reporting Requirements.** Furnish to the Administrative Agent, on behalf of each Lender:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a copy of the consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such quarter and consolidated statements of income, changes in shareholder's equity and comprehensive income (loss) and cash flows of the Borrower and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as having been prepared in accordance with Generally Accepted Accounting Principles and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower certifying (A) that such financial statements fairly present (subject to year-end adjustments) the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such date, all in accordance with Generally Accepted Accounting Principles consistently applied, (B) compliance with the terms of this Agreement, and (C) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the Closing Date;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Consolidated Subsidiaries containing a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and consolidated statements of income, changes in shareholder's equity and comprehensive income (loss) and cash flows of the Borrower and its Consolidated Subsidiaries for such fiscal year, in each case accompanied by an opinion by PriceWaterhouse Coopers LLP (or another independent registered public accounting firm acceptable to the Required Lenders) to the effect that such financial statements fairly present the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such date, all in accordance with Generally Accepted Accounting Principles consistently applied, and consolidating statements of

income and cash flows of the Borrower and its Consolidated Subsidiaries for such fiscal year, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower certifying (A) as to compliance with the terms of this Agreement, (B) that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (C) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the Closing Date;

(iii) as soon as possible and in any event within five days after the chief financial officer or treasurer of the Borrower obtains knowledge of the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the commencement thereof, notice of all actions and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Significant Subsidiary of the type described in Section 4.01(e);

(v) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification; and

(vi) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

Notwithstanding the foregoing, the information required to be delivered pursuant to clauses (i) and (ii) shall be deemed to have been delivered if such information shall be available on the website of AEP at <http://www.aep.com> or any successor website; *provided* that the compliance certificates required under clauses (i) and (ii) shall be delivered in the manner specified in Section 8.02(b).

## **SECTION 5.02**      *Negative Covenants.*

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower agrees that it will not:

(a) ***Mergers, Etc.*** Merge or consolidate with or into any Person, or permit any Significant Subsidiary to do so, except that (i) any Subsidiary may merge or consolidate with or into any other Subsidiary of the Borrower, (ii) any Subsidiary may merge into the Borrower, (iii) any Significant Subsidiary may merge with or into any other Person so long as such Significant Subsidiary continues to be a Significant Subsidiary of the Borrower and (iv) the Borrower may merge with any other Person so long as the successor entity (A) is the Borrower

and (B) has (x) a long-term senior unsecured debt rating issued (and confirmed after giving effect to such merger) by S&P of at least BBB- (*provided* that if no long-term senior unsecured debt rating is available from S&P at such time, the rating required by this clause (x) shall be the successor entity's corporate credit rating issued by S&P) or (y) a long-term senior unsecured debt rating issued (and confirmed after giving effect to such merger) by Moody's of at least Baa3 (or, in the case of (x) and (y), if no such ratings have been issued, commercial paper ratings issued (and confirmed after giving effect to such merger) by S&P and Moody's of at least A-3 and P-3, respectively), *provided*, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(b) ***Stock of Significant Subsidiaries.*** Sell, lease, transfer or otherwise dispose of, other than (i) in connection with an RTO Transaction, but only if no Default or Event of Default has occurred and is continuing or would result from such RTO Transaction, or (ii) pursuant to the requirements of any Restructuring Law, equity interests in any Significant Subsidiary of the Borrower if such Significant Subsidiary would cease to be a Subsidiary as a result of such sale, lease, transfer or disposition.

(c) ***Sales, Etc. of Assets.*** Sell, lease, transfer or otherwise dispose of, or permit any Significant Subsidiary to sell, lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any assets, except (i) sales in the ordinary course of its business, (ii) sales, leases, transfers or dispositions of assets to any Person that is not a wholly-owned Subsidiary of the Borrower that in the aggregate do not exceed 20% of the Consolidated Tangible Net Assets of the Borrower and its Subsidiaries, whether in one transaction or a series of transactions, (iii) other sales, leases, transfers and dispositions made in connection with an RTO Transaction or pursuant to the requirements of any Restructuring Law or to a wholly owned Subsidiary of the Borrower, or (iv) sales of pollution control assets to a state or local government or any political subdivision or agency thereof in connection with any transaction with such Person pursuant to which such Person sells or otherwise transfers such pollution control assets back to the Borrower or a Subsidiary under an installment sale, loan or similar agreement, in each case in connection with the issuance of pollution control or similar bonds.

(d) ***Liens, Etc.*** Create or suffer to exist, or permit any Significant Subsidiary to create or suffer to exist, any Lien on or with respect to any of its properties, including, without limitation, on or with respect to equity interests in any Subsidiary of the Borrower, whether now owned or hereafter acquired, or assign, or permit any Significant Subsidiary to assign, any right to receive income (other than in connection with Stranded Cost Recovery Bonds and the sale of accounts receivable by the Borrower), other than (i) Permitted Liens, (ii) the Liens existing on the Closing Date, (iii) Liens securing first mortgage bonds issued by the Borrower or any Subsidiary of the Borrower the rates or charges of which are regulated by the Federal Energy Regulatory Commission or any state governmental authority, *provided* that the aggregate principal amount of such first mortgage bonds of the Borrower or any such Subsidiary do not exceed 66 2/3% of the net value of plant, property and equipment of the Borrower or such Subsidiary, as applicable, and (iv) the replacement, extension or renewal of any Lien permitted by clauses (ii) and (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(e) **Restrictive Agreements.** Enter into, or permit any Significant Subsidiary to enter into (except in connection with or pursuant to any Restructuring Law), any agreement after the Closing Date, or amend, supplement or otherwise modify any agreement existing on the Closing Date, that imposes any restriction on the ability of any Significant Subsidiary to make payments, directly or indirectly, to its shareholders by way of dividends, advances, repayment of loans or intercompany charges, expenses and accruals or other returns on investments that is more restrictive than any such restriction applicable to such Significant Subsidiary on the Closing Date; *provided, however*, that any Significant Subsidiary may agree to a financial covenant limiting its ratio of Consolidated Debt to Consolidated Capital to no more than 0.675 to 1.000.

(f) **ERISA.** (i) Terminate or withdraw from, or permit any of its ERISA Affiliates to terminate or withdraw from, any Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such termination or withdrawal, if such termination or withdrawal could have a Material Adverse Effect, (ii) incur a full or partial withdrawal, or permit any ERISA Affiliate to incur a full or partial withdrawal, from any Multiemployer Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such withdrawal, if such withdrawal could have a Material Adverse Effect, (iii) otherwise fail, or permit any of its ERISA Affiliates to fail, to comply in all material respects with ERISA or the related provisions of the Internal Revenue Code if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect, or (iv) fail, or permit any of its Subsidiaries to fail, to comply with Applicable Law with respect to any Foreign Plan if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect.

(g) **Use of Proceeds.** Use the proceeds of any Borrowing to buy or carry Margin Stock.

(h) **Anti-Corruption Laws and Sanctions.** Request any Borrowing, or use or permit any of its Subsidiaries or its or their respective directors, officers, employees and agents to use the proceeds of any Borrowing (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

### **SECTION 5.03      *Financial Covenant.***

So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will maintain a ratio of Consolidated Debt to Consolidated Capital, as of the last day of each March, June, September and December, of not greater than 0.675 to 1.000.

## **ARTICLE VI EVENTS OF DEFAULT**

### **SECTION 6.01      *Events of Default.***

If any of the following events ("***Events of Default***") shall occur and be continuing:

(a) The Borrower (i) shall fail to pay any principal of any Advance when the same becomes due and payable, or (ii) shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(a), 5.01(i)(iii) or 5.02 (other than (x) Section 5.02(f) and (y) except for a material breach thereof, 5.02(h)), or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) Any event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower (but excluding Debt outstanding hereunder) or any Significant Subsidiary outstanding in a principal or notional amount of at least \$50,000,000 in the aggregate if the effect of such event or condition is to accelerate or require early termination of the maturity or tenor of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), terminated, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity or the original tenor thereof; or

(e) The Borrower or any Significant Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any Significant Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any Significant Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) (i) Any entity, person (within the meaning of Section 14(d) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”)) or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) that as of the Closing Date was beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of less than 30% of the Voting Stock of AEP shall acquire a beneficial ownership (within the meaning of Rule 13d-3 of

the SEC under the Exchange Act), directly or indirectly, of Voting Stock of AEP (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of AEP; (ii) during any period of up to 24 consecutive months, commencing after the Closing Date, individuals who at the beginning of such 24-month period were directors of AEP shall cease for any reason to constitute a majority of the board of directors of AEP, *provided* that any person becoming a director subsequent to the Closing Date, whose election, or nomination for election by AEP's shareholders, was approved by a vote of at least a majority of the directors of the board of directors of AEP as comprised as of the Closing Date (other than the election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of AEP) shall be, for purposes of this provision, considered as though such person were a member of the board as of the Closing Date; or (iii) AEP shall fail to own directly or indirectly 100% of the Voting Stock of the Borrower; or

(g) Any judgment or order for the payment of money in excess of \$50,000,000 in the case of the Borrower or any Significant Subsidiary to the extent not paid or insured shall be rendered against the Borrower or any Significant Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) (i) The termination of or withdrawal from the United Mine Workers' of America 1974 Pension Trust by AEP or any of its ERISA Affiliates shall have occurred and the liability of AEP and its ERISA Affiliates related to such termination or withdrawal exceeds \$75,000,000 in the aggregate; or (ii) any ERISA Event (other than an ERISA Event described in clause (i)) shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such ERISA Event exceeds \$50,000,000;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the outstanding Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the outstanding Advances, all such interest and all such amounts shall become and be forthwith due and payable by the Borrower, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however*, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the outstanding Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

## ARTICLE VII THE ADMINISTRATIVE AGENT

### SECTION 7.01      *Appointment and Authorization.*



Each Lender hereby irrevocably appoints the entity named as the Administrative Agent in the heading of this Agreement and its successors to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to enter into each of the Loan Documents to which it is a party (other than this Agreement) on its behalf and to take such actions as the Administrative Agent on its behalf and to exercise such powers under the Loan Documents as are delegated to Administrative Agent by the terms thereof, together with all such powers as are reasonably incidental thereto. Subject to the terms of Section 8.01 and to the terms of the other Loan Documents, the Administrative Agent is authorized and empowered to amend, modify, or waive any provisions of this Agreement or the other Loan Documents on behalf of Lenders. The provisions of this Article 7 are solely for the benefit of the Administrative Agent and Lenders and Borrower shall not have any rights as a third- party beneficiary of any of the provisions hereof. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facility as well as activities as the Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

**SECTION 7.02**      *Administrative Agent and Affiliates.*

The Person serving as the Administrative Agent shall have the same rights and powers under the Loan Documents in its capacity as a Lender as any other Lender and may exercise or refrain from exercising the same as though it were not the Administrative Agent, and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, invest in and own securities of, act as financial advisor or in any other advisory capacity for, and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate of the Borrower as if it were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

**SECTION 7.03**      *Action by Administrative Agent.*

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties shall be mechanical and administrative in nature. Nothing in this Agreement or any of the Loan Documents is intended

to or shall be construed to impose upon the Administrative Agent any obligations in respect of this Agreement or any of the Loan Documents except as expressly set forth herein or therein. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any Subsidiary of the Borrower or any other Affiliate of the foregoing that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

**SECTION 7.04      *Consultation with Experts.***

The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower or an Affiliate of the Borrower), independent accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

**SECTION 7.05      *Liability of Administrative Agent.***

Neither the Administrative Agent nor any of its directors, officers, agents, employees or Affiliates shall be liable to any Lender for any action taken or not taken by it in connection with the Loan Documents (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 8.01 and Article VI or (ii) to the extent of its own gross negligence or willful misconduct in the discharge thereof (the absence of such gross negligence and willful misconduct to be presumed unless otherwise determined by a final non-appealable judgment of a court of competent jurisdiction). The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a “notice of default”) describing such Default is given to the Administrative Agent in writing by the Borrower or a Lender.

Neither the Administrative Agent nor any of its directors, officers, agents, employees or Affiliates shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with any Loan Document or any



borrowing hereunder; (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith; (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein; (iv) the satisfaction of any condition specified in any Loan Document; (v) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document, any Lien purported to be created or perfected thereby or any other agreement, instrument, document or writing; (vi) the occurrence, existence or non-existence of any Default or Event of Default; or (vii) the financial condition of Borrower. The Administrative Agent shall be entitled to rely, and shall not incur any liability for relying, upon any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof). The Administrative Agent also shall be entitled to rely, and shall not incur any liability for relying, upon any statement made to it orally or by telephone and believed by it to be made by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof), and may act upon any such statement prior to receipt of written confirmation thereof. In determining compliance with any condition hereunder to the making of an Advance that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Advance.

**SECTION 7.06**        *Indemnification.*

To the extent that the Borrower fail to indefeasibly pay any amount required to be paid by them under Section 8.04(a) or Section 8.04(b) to the Administrative Agent (or any sub-agent thereof) or any of its Related Parties (and without limiting the Borrower's obligation to do so), each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or such sub-agent) in its capacity as such or against any of its Related Parties acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. For purposes of this Section, a Lender's "pro rata share" shall be determined based upon its share of the sum of the outstanding Advances and Commitments, in each case, at the time (or most recently outstanding and in effect). If any indemnity furnished to the Administrative Agent for any purpose shall, in the opinion of the Administrative Agent, be insufficient or become impaired, Administrative Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against even if so directed by Required Lenders until such additional indemnity is furnished.

**SECTION 7.07**        *Right to Request and Act on Instructions.*

Without limitation of the protections provided in Section 7.03, the Administrative Agent may at any time request instructions from Lenders with respect to any actions or approvals which

by the terms of this Agreement or of any of the Loan Documents the Administrative Agent is permitted or desires to take or to grant, and if such instructions are promptly requested, the Administrative Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval under any of the Loan Documents until it shall have received such instructions from the Required Lenders or all or such other portion of the Lenders as shall be prescribed by this Agreement.

**SECTION 7.08      *Credit Decision.***

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under or based on any Loan Document or any related agreement or any document furnished hereunder or thereunder.

Each Lender, by delivering its signature page to this Agreement, or delivering its signature page to an Assignment and Assumption, Lender Joinder Agreement or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Closing Date.

**SECTION 7.09      *Successor Administrative Agent.***

Subject to the terms of this paragraph, the Administrative Agent may resign at any time from its capacity as such. The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor Administrative Agent. Upon the acceptance of a successor's appointment as Administrative Agent hereunder and notice of such acceptance to the retiring Administrative Agent, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, the retiring Administrative Agent's resignation shall become immediately effective and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder and under the other Loan Documents (if such resignation was not already effective and such duties and obligations not already discharged, as provided below in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. Notwithstanding the foregoing, if no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders (but without any obligation) appoint a successor Administrative Agent. From and following the expiration of

such thirty (30) day period, the Administrative Agent shall have the exclusive right, upon one (1) Business Days' notice to the Borrower and the Lenders, to make its resignation effective immediately. From and following the effectiveness of such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this paragraph. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 8.04, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

**SECTION 7.10**            *Return of Payments.*

If the Administrative Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by the Administrative Agent from Borrower and such related payment is not received by the Administrative Agent, then the Administrative Agent will be entitled to recover such amount from such Lender on demand without setoff, counterclaim or deduction of any kind, together with interest accruing on a daily basis at the Federal Funds Rate.

If the Administrative Agent determines at any time that any amount received by the Administrative Agent under this Agreement must be returned to the Borrower or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, the Administrative Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to the Administrative Agent on demand any portion of such amount that Administrative Agent has distributed to such Lender, together with interest at such rate, if any, as the Administrative Agent is required to pay to the Borrower or such other Person, without setoff, counterclaim or deduction of any kind.

**SECTION 7.11**            *Right to Perform, Preserve and Protect.*

If the Borrower fails to perform any obligation hereunder or under any other Loan Document, the Administrative Agent itself may, but shall not be obligated to, cause such obligation to be performed at Borrower's expense. The Administrative Agent is further authorized by the Borrower and the Lenders to make expenditures from time to time which the Administrative Agent, in its reasonable business judgment, deems necessary or desirable to (i) preserve or protect the business conducted by the Borrower or any portion thereof and/or (ii) enhance the likelihood of, or maximize the amount of, repayment of the Advances. The Borrower hereby agrees to reimburse the Administrative Agent on demand for any and all costs, liabilities and obligations incurred by the Administrative Agent pursuant to this Section 7.11. Each Lender hereby agrees to indemnify the Administrative Agent upon demand for any and all costs, liabilities and obligations incurred by the Administrative Agent pursuant to this Section 7.11.

**SECTION 7.12**      *Administrative Agent May File Proofs of Claim.*

In case of the pendency of any proceeding with respect to the Borrower under any Debtor Relief Law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Advance shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances and all other obligations under any Loan Document that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim under Sections 2.03, 2.07, 2.10, 2.13 and 8.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lender, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 8.04).

**SECTION 7.13**      *Additional Titled Agents.*

Notwithstanding anything herein to the contrary, neither the Arranger nor any other bookrunner, arranger or to any titled agent named on the cover page of this Agreement, other than the Administrative Agent (collectively, the “*Additional Titled Agents*”) shall have any duties or obligations under this Agreement or any other Loan Documents (except in its capacity, as applicable, as a Lender), but all such Persons shall have the benefit of the indemnities provided for hereunder. Without limiting the foregoing, no Additional Titled Agent shall have nor be deemed to have a fiduciary relationship with any Lender. At any time that any Lender serving as an Additional Titled Agent shall have transferred to any other Person (other than any Affiliates) all of its interests in the Advances and in the Commitment, such Lender shall be deemed to have concurrently resigned as such Additional Titled Agent.

**SECTION 7.14**      *Erroneous Payments.*

(a) Each Lender and any other party hereto hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or any other Person that has received funds from the Administrative Agent or any of its Affiliates, either for its own account or on behalf of a Lender (each such recipient, a “Payment Recipient”) that the Administrative Agent has determined in its sole discretion that any funds received by such Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment

Recipient) or (ii) any Payment Recipient receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, or (z) that such Payment Recipient otherwise becomes aware was transmitted or received in error or by mistake (in whole or in part) then, in each case, an error in payment shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 7.14(a), whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise; individually and collectively, an “Erroneous Payment”), then, in each case, such Payment Recipient is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment; provided that nothing in this Section shall require the Administrative Agent to provide any of the notices specified in clauses (i) or (ii) above. Each Payment Recipient agrees that it shall not assert any right or claim to any Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly notify the Administrative Agent in writing of such occurrence.

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and upon demand from the Administrative Agent such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds and in the currency so received, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an “Erroneous Payment Return Deficiency”), then at the sole discretion of the Administrative Agent and upon the Administrative Agent’s written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the “Erroneous Payment Impacted Class”) to the Administrative Agent or, at the option of the Administrative Agent, the Administrative Agent’s applicable lending affiliate in an

amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the “Erroneous Payment Deficiency Assignment”) plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by the Administrative Agent or its applicable lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment. The parties hereto acknowledge and agree that (1) any assignment contemplated in this clause (d) shall be made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor, (2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of Section 8.07 and (3) the Administrative Agent may reflect such assignments in the Register without further consent or action by any other Person.

(e) Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent (1) shall be subrogated to all the rights of such Payment Recipient with respect to such amount and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under this Section 7.14 or under the indemnification provisions of this Agreement, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or other satisfaction of any Obligations owed by the Borrower or any other Credit Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Credit Party for the purpose of making a payment on the Obligations and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the Obligations, the Obligations or any part thereof that were so credited, and all rights of the Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

(f) Each party’s obligations under this Section 7.14 shall survive the resignation or replacement of the Administrative Agent or any transfer of right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

(g) Nothing in this Section 7.14 will constitute a waiver or release of any claim of the Administrative Agent hereunder arising from any Payment Recipient’s receipt of an Erroneous Payment.

## **ARTICLE VIII MISCELLANEOUS**

### **SECTION 8.01      *Amendments, Etc.***

No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in



writing and signed by the Required Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that, subject to Section 8.17, no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (i) amend Section 3.01 or 3.02 or waive any of the conditions specified therein, (ii) increase the Commitment of any Lender or extend the Commitments, or subject any Lender to any additional obligations, (iii) reduce the principal of, or interest on, or rate of interest applicable to, the outstanding Advances or any fees or other amounts payable hereunder, (iv) postpone any date fixed for any payment of principal of, or interest on, the outstanding Advances, reimbursement obligations or any fees or other amounts payable hereunder, (v) change the definition of Required Lenders or the percentage of the Commitments or of the aggregate unpaid principal amount of the outstanding Borrowings, or the number or percentage of the Lenders that shall be required for the Lenders or any of them to take any action hereunder, or (vi) amend or waive this Section 8.01 or any provision of this Agreement that requires pro rata treatment of the Lenders; and provided further that (x) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement, and (y) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent and the Required Lenders, amend or waive Section 8.18. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate (but such Lender shall continue to be entitled to the benefits of Sections 2.11, 2.14 and 8.04) upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal amount of and interest accrued on each Advance made by it and outstanding and all other amounts owing to it or accrued for its account under this Agreement and is released from its obligations hereunder.

## **SECTION 8.02**      *Notices, Etc.*

(a) The Borrower hereby agrees that any notice that is required to be delivered to it hereunder shall be delivered to the Borrower as set forth in this Section 8.02. All notices and other communications provided for hereunder shall be in writing (including fax) and mailed, faxed or delivered, if to the Borrower, at its address at 1 Riverside Plaza, Columbus, OH 43215, Attention: Treasurer (fax: 614-716-2807; telephone: 614-716-2885), with a copy to the General Counsel (fax: 614-716-1687; telephone: 614-716-2929) and to [corporatefinance@aep.com](mailto:corporatefinance@aep.com); if to any Initial Lender, at its Domestic Lending Office specified in its Administrative Questionnaire; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Assumption or New Lender Joinder pursuant to which it became a Lender; if to the Administrative Agent, at its address at KeyBank National Association, 127 Public Square, Cleveland, Ohio 44114-1306, Attn: Renee Bonnell, Tel: (216) 689-7729, Fax: (216) 689-4981, Email: [renee.bonnell@key.com](mailto:renee.bonnell@key.com); [Renewables.ProjectFinance@KeyBank.com](mailto:Renewables.ProjectFinance@KeyBank.com); or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall be effective when delivered or received at the appropriate address or number to the attention of the appropriate individual or department,

except that notices and communications to the Administrative Agent pursuant to Article II, III or VII shall not be effective until received by the Administrative Agent. Delivery by fax of an executed counterpart of any amendment or waiver of any provision of this Agreement or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) The Borrower and the Lenders hereby agree that the Administrative Agent may make any information required to be delivered to the Administrative Agent on behalf of the Lenders (the “*Communications*”) available to the Lenders by posting the Communications on Intralinks, SyndTrak or a substantially similar electronic transmission systems (the “*Platform*”). The Borrower and the Lenders hereby acknowledge that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c) THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT, AND SHALL NOT BE DEEMED TO WARRANT, THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE, OR SHALL BE DEEMED TO BE MADE, BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES (COLLECTIVELY, “*AGENT PARTIES*”) HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER’S OR THE ADMINISTRATIVE AGENT’S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender’s e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.



Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

**SECTION 8.03**      *No Waiver; Remedies.*

No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right or power hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and not exclusive of any rights and remedies that are provided by law or that they would otherwise have.

**SECTION 8.04**      *Costs and Expenses.*

(a) The Borrower agrees to pay promptly upon demand all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, (i) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (ii) the reasonable fees and expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay promptly upon demand all costs and expenses of the Administrative Agent and the Lenders, if any (including, without limitation, counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Administrative Agent and the Lenders in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower agrees to indemnify and hold harmless each Lender and the Administrative Agent and each of their Related Parties (each, an “*Indemnified Party*”) from and against any and all claims, damages, losses, liabilities and penalties, joint or several, to which any such Indemnified Party may become subject, in each case arising out of or in connection with or relating to (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances (ii) any error or omission in connection with posting of data on the Platform, or (iii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, and to reimburse any Indemnified Party for any and all reasonable expenses (including, without limitation, reasonable fees and expenses of counsel) as they are incurred in connection with the investigation of or preparation for or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf

of the Borrower or any of its Affiliates and whether or not any of the transactions contemplated hereby are consummated or this Agreement is terminated, AND THE FOREGOING INDEMNIFICATION SHALL APPLY WHETHER OR NOT SUCH INDEMNIFIED LIABILITIES ARE IN ANY WAY OR TO ANY EXTENT OWED, IN WHOLE OR IN PART, UNDER ANY CLAIM OR THEORY OF STRICT LIABILITY, OR ARE CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF ANY KIND BY ANY INDEMNIFIED PERSON, except to the extent such claim, damage, loss, liability, penalty or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. To the fullest extent permitted by applicable law, the Borrower agrees not to assert, or permit any of their Affiliates or Related Parties to assert, and each hereby waives, any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential (including lost profits) or punitive damages arising out of or otherwise relating to this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Borrowings.

(c) If any payment of principal of, or Conversion of, any SOFR Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.05, 2.08(e), 2.09, 2.10 or 2.12, acceleration of the maturity of the outstanding Borrowings pursuant to Section 6.01 or for any other reason (in the case of any such payment or Conversion), the Borrower shall, promptly upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (other than loss of Applicable Margin), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.11, 2.14 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

(e) The Borrower agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or its security holders or creditors related to or arising out of or in connection with this Agreement, the Borrowings or the use or proposed use of the proceeds thereof, any of the transactions contemplated by any of the foregoing or in the loan documentation or the performance by an Indemnified Party of any of the foregoing (including the use by unintended recipients of any information or other materials distributed through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents) except to the extent that any loss, claim, damage, liability or expense is found in a final, non-appealable judgment by a court of

competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(f) In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against the Borrower or any of its Affiliates in which such Indemnified Party is not named as a defendant, the Borrower agrees to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the fees and disbursements of its legal counsel.

#### **SECTION 8.05      *Right of Set-off.***

Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the outstanding Borrowings due and payable pursuant to the provisions of Section 6.01, each Credit Party and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Credit Party or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement held by such Credit Party, whether or not such Credit Party shall have made any demand under this Agreement and although such obligations may be unmatured; *provided* that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 8.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations of the Borrower owing to such Defaulting Lender as to which it exercised such right of setoff. Each Credit Party agrees promptly to notify the Borrower after any such set-off and application, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Credit Party and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Credit Party and its Affiliates may have.

#### **SECTION 8.06      *Binding Effect.***

This Agreement shall become effective upon satisfaction of the conditions precedent specified in Section 3.01 and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of all of the Lenders (and any attempted assignment or transfer by the Borrower without such consent shall be null and void).

#### **SECTION 8.07      *Assignments and Participations.***

(a) **Successors and Assigns Generally.** No Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 8.07(b), (ii) by way of participation in accordance with the provisions of Section 8.07(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 8.07(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 8.07(d) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts.**

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment and/or Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if the "**Trade Date**" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$2,500,000 or an integral multiple of \$500,000 in excess thereof, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment of such Lender being assigned.

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default has

occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) ***Assignment and Assumption.*** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (to be paid by the assigning Lender, or, in the case of an assignment pursuant to Section 2.15(b), the Borrower); *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) ***No Assignment to Certain Persons.*** No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person that, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) ***No Assignment to Natural Persons.*** No such assignment shall be made to a natural Person.

(vii) ***Certain Additional Payments.*** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and Commitments in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this subsection, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.11, 2.14 and 8.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed in writing by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) **Register.** The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.** Any Lender may at any time, without the consent of the Borrower or the Administrative Agent, but upon notice to the Administrative Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 7.06 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver with respect to clauses (i) through (vi) of Section 8.01 that affects such Participant. The Borrower agrees that each Participant shall



be entitled to the benefits of Sections 2.02(c), 2.11, and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of Section 2.15 as if it were an assignee under subsection (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.11 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.05 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.16 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Advances or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Advances or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Advance or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

#### **SECTION 8.08      *Confidentiality.***

Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Confidential Information, except that Confidential Information may be disclosed (a) to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any state, federal or foreign authority or examiner regulating banks, banking or other financial institutions and any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Law or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies

hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder or (iii) any credit insurance provider relating to the Borrower and its obligations; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or this Agreement or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement; (h) with the consent of the Borrower; or (i) to the extent such Confidential Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent or any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. Any Person required to maintain the confidentiality of Confidential Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Confidential Information as such Person would accord to its own confidential information. It is agreed that, notwithstanding the restrictions of any prior confidentiality agreement binding on the Arranger or the Administrative Agent, such parties may disclose Confidential Information as provided in this Section 8.08.

**SECTION 8.09**      *Governing Law.*

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

**SECTION 8.10**      *Severability; Survival; Entire Agreement.*

(a) Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(b) All covenants, agreements, representations and warranties made by the Borrower herein and in the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Advances, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Arranger, any Lender or any Affiliate of any of the foregoing may have had notice or knowledge of any Default or incorrect representation or warranty at the time the Loan Document is executed and delivered or any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Advance or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.10, 2.13, 2.15(b)



and 8.04 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Advances, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

(c) The Loan Documents constitute the entire contract among the parties relative to the subject matter hereof. Any previous agreement, written or oral, among the parties with respect to the subject matter hereof is superseded by this Agreement, except as expressly stated in any other Loan Document.

**SECTION 8.11**      *Execution in Counterparts.*

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

**SECTION 8.12**      *Jurisdiction, Etc.*

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, THE COUNTY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT IN THE COURTS OF ANY JURISDICTION.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT REFERRED TO IN SECTION 8.12(a). EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) THE BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON THE BORROWER BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO THE BORROWER AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

**SECTION 8.13**      *Waiver of Jury Trial.*

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO WARRANTS AND REPRESENTS THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

**SECTION 8.14**      *USA Patriot Act.*

Each of the Lenders and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that, (a) pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law as of October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the “*Patriot Act*”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act and (b) pursuant to the Beneficial Ownership Regulation, it is required to obtain a Beneficial Ownership Certificate.

**SECTION 8.15**      *No Fiduciary Duty.*

The Administrative Agent, the Arranger, each Lender and each of their respective Affiliates and each of their respective officers, directors, controlling persons, employees, agents and advisors (collectively, solely for purposes of this Section 8.15, the “*Lenders*”) may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those the Borrower and its Affiliates, and none of the Lenders has any obligation to disclose any of such interests to the Borrower or any of their Affiliates. The Borrower agrees that nothing in the Loan Documents or otherwise will be

deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and the Borrower, its stockholders or its Affiliates. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its Affiliates has advised or is currently advising the Borrower on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (iv) the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate. The Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim, and hereby waives and releases any claim to the fullest extent permitted by law, that any Lender (x) has rendered advisory services of any nature or respect, (y) has committed a breach of agency, fiduciary or similar duty, or (z) owes a duty of agency, fiduciary or similar duty to the Borrower, in each case in connection with such transaction or the process leading thereto.

**SECTION 8.16      *Interest Rate Limitation.***

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Advance, together with all fees, charges and other amounts which are treated as interest on such Advance under applicable law (collectively, the "***Charges***"), shall exceed the maximum lawful rate (the "***Maximum Rate***") which may be contracted for, charged, taken, received or reserved by the Lender making such Advance in accordance with applicable law, the rate of interest payable in respect of such Advance hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Advance but were not payable as a result of the operation of this Section 8.16 shall be cumulated and the interest and Charges payable to such Lender in respect of other Advances or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Applicable Margin to the date of repayment, shall have been received by such Lender.

**SECTION 8.17      *Defaulting Lenders.***

(a) ***Defaulting Lender Adjustments.*** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) ***Waivers and Amendments.*** Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 8.01.

(ii) ***Defaulting Lender Waterfall.*** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such

Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 8.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that, if (x) such payment is a payment of the principal amount of any Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made at a time when the conditions set forth in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Advances of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of such Defaulting Lender until such time as all Advances are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 8.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) ***Reduction of Commitments.*** The Borrower may terminate the Commitment of any Lender that is a Defaulting Lender upon not less than three Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 8.17(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); *provided* that (i) no Event of Default shall have occurred and be continuing and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent or any Lender may have against such Defaulting Lender.

(b) ***Defaulting Lender Cure.*** If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a

Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed in writing by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

**SECTION 8.18      *Acknowledgment and Consent to Bail-In of EEA Financial Institutions.***

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(c) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

**SECTION 8.19      *Certain ERISA Matters.***

(a) Each Lender (x) represents and warrants, as of the date such person became a Lender party hereto, to, and (y) covenants, from the date such person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Commitments or this Agreement,

- (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement,
- (iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Advances, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement, or
- (iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such person became a Lender party hereto, to, and (y) covenants, from the date such person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent, Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).



**SECTION 8.20      *Acknowledgement Regarding Any Supported QFCs.***

(a) To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and, each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the FDIC under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(b) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(c) As used in this Section 8.20, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

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*Execution Version*

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U.S. \$150,000,000

**CREDIT AGREEMENT**

Dated as of July 22, 2022

Among

**KENTUCKY POWER COMPANY**  
as the Borrower

**THE LENDERS NAMED HEREIN**  
as Initial Lenders

and

**THE BANK OF NOVA SCOTIA**  
as Administrative Agent

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**THE BANK OF NOVA SCOTIA,**  
as Lead Arranger

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## CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of July 22, 2022 (this “*Agreement*”), among KENTUCKY POWER COMPANY, a Kentucky corporation (the “*Borrower*”), the banks, financial institutions and other institutional lenders listed on the signatures pages hereof (the “*Initial Lenders*”), and THE BANK OF NOVA SCOTIA (“*BNS*”), as administrative agent (in such capacity, and together with its successors appointed pursuant to the terms of this Agreement, the “*Administrative Agent*”) for the Lenders (as hereinafter defined).

### PRELIMINARY STATEMENT:

WHEREAS, the Borrower has requested that the Lenders, on the terms and conditions set forth herein, provide the Borrower a \$150,000,000 term loan credit facility to be used for general corporate purposes. The Lenders have indicated their willingness to provide such a facility on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

## ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

### SECTION 1.01 *Certain Defined Terms.*

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“*Act*” has the meaning specified in Section 4.01(l).

“*Adjustment Margins*” has the meaning specified in Section 2.08(f).

“*Adjusted Term SOFR*” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“*Administrative Agent*” has the meaning specified in the recital of parties to this Agreement.

“*Administrative Questionnaire*” means an administrative questionnaire in a form supplied by the Administrative Agent.

“*Advance*” means an advance by a Lender to a Borrower as part of a Borrowing and refers to a Base Rate Advance or a SOFR Advance.

“*Advance A*” means the Advance proposed to be funded on the Closing Date, in an amount not to exceed \$75,000,000.

“**Advance B**” means the proposed Advance to be funded pursuant to Section 3.02, in an amount not to exceed \$75,000,000.

“**AEP**” means American Electric Power Company, Inc., a New York corporation.

“**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term “control” (including the terms “controlling”, “controlled by” and “under common control with”) of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

“**Agent Parties**” has the meaning specified in Section 8.02(c).

“**Agent’s Account**” means the account of the Administrative Agent designated from time to time by the Administrative Agent in a written notice to the Lenders and the Borrower.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption.

“**Applicable Law**” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of Governmental Authorities, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

“**Applicable Lending Office**” means, with respect to each Lender, such Lender’s Domestic Lending Office in the case of a Base Rate Advance and such Lender’s SOFR Lending Office in the case of a SOFR Advance.

“**Applicable Margin**” means (i) with respect to a SOFR Advance, 0.95% per annum, and (ii) with respect to a Base Rate Advance, 0.00% per annum; *provided* that the Applicable Margins set forth above shall be increased upon the occurrence and during the continuance of any Event of Default by 2.00% per annum.

“**Approved Fund**” means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 2.18(iv).

“**Arranger**” means BNS in its capacity as lead arranger of the Facility.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 8.07(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit B hereto or any other form approved by the Administrative Agent.

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“**Bail-In Legislation**” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“**Bankruptcy Event**” means, with respect to any Person, such Person becomes the subject of a proceeding under any Debtor Relief Law, or has had a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets (including the Federal Deposit Insurance Corporation or any other Governmental Authority acting in a similar capacity) appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; *provided* that, a Bankruptcy Event shall not result solely by virtue of any ownership interest, or acquisition of any equity interest, in such Person by a Governmental Authority so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm obligations under any agreement in which it commits to extend credit.

“**Base Rate**” means, at any time, the highest of (a) the rate of interest established by the Administrative Agent from time to time as the Administrative Agent’s prime rate (the “Prime Rate”), (b) the Federal Funds Rate plus 0.50% and (c) Adjusted Term SOFR for a three-month tenor in effect on such day plus 1.00%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate or Adjusted Term SOFR, as applicable (provided that clause (c) shall not be applicable during any period in which Adjusted Term SOFR is unavailable or unascertainable).

“**Base Rate Advance**” means an Advance that bears interest as provided in Section 2.07(a).

“**Benchmark**” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.18(i).

**“Benchmark Replacement”** means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

**“Benchmark Replacement Adjustment”** means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

**“Benchmark Replacement Date”** means the earlier to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

**“Benchmark Transition Event”** means the occurrence of one or more of the following events with respect to the then-current Benchmark:



(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Start Date**” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.18(i) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.18(i).

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**Benefit Plan**” means any of (i) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (ii) a “plan” as defined in Section 4975 of the Internal Revenue Code to which Section 4975 of the Internal Revenue Code applies, and (iii) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Internal Revenue Code) the assets of any such “employee benefit plan” or “plan”.

“**BNS**” has the meaning specified in the recital of parties to this Agreement.

“**Borrower**” has the meaning specified in the recital of parties to this Agreement.

“**Borrowing**” means a borrowing by the Borrower consisting of simultaneous Advances of the same Type, having the same Interest Period and ratably made or Converted on the same day by each of the Lenders pursuant to Section 2.02 or 2.09, as the case may be. All Advances to the Borrower of the same Type, having the same Interest Period and made or Converted on the same day shall be deemed a single Borrowing hereunder until repaid or next Converted.

“**Borrowing Date**” means the date of any Borrowing.

“**Business Day**” means a day of that is not a Saturday or Sunday or other day on which the Federal Reserve Bank of New York is Closed.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“**Charges**” has the meaning specified in Section 8.16.

“**Commitment**” means, for each Lender at any time on any day, the obligation of such Lender to make Advances to the Borrower in an aggregate amount no greater than the amount set forth on Schedule I hereto or, if such Lender has entered into any Assignment and Assumption, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c). The initial amount of each Lender’s Commitment as of the Closing Date is set forth on Schedule I hereto, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable.

“**Closing Date**” means July 22, 2022.

**“Commitment Percentage”** means, as to any Lender as of any date of determination, the percentage describing such Lender’s pro rata share of the Commitments set forth in the Register from time to time; *provided* that in the case of Section 8.17 when a Defaulting Lender shall exist, **“Commitment Percentage”** means the percentage of the total Commitments (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Commitment Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

**“Commitments”** means, at any time on any day, the aggregate amount for all Lenders of each Lender’s Commitment then in effect hereunder. The initial amount of the Commitments hereunder on the Closing Date is \$150,000,000.

**“Communications”** has the meaning specified in Section 8.02(b).

**“Confidential Information”** means all information relating the Borrower or any of its Subsidiaries or their businesses that the Borrower furnishes to the Administrative Agent, the Arranger or any Lender in a writing clearly identified at the time of delivery as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent, the Arranger or such Lender from a source other than the Borrower.

**“Conforming Changes”** means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 7.10 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

**“Connection Income Taxes”** means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

**“Consolidated Capital”** means the sum of (i) Consolidated Debt of the Borrower and (ii) the consolidated equity of all classes of stock (whether common, preferred, mandatorily convertible preferred or preference) of the Borrower, in each case determined in accordance with GAAP, but including Equity-Preferred Securities issued by the Borrower and its Consolidated

Subsidiaries and excluding the funded pension and other postretirement benefit plans, net of tax, components of accumulated other comprehensive income (loss).

**“Consolidated Debt”** of the Borrower means the total principal amount of all Debt described in clauses (i) through (v) of the definition of Debt and Guaranties of such Debt of the Borrower and its Consolidated Subsidiaries, excluding, however, (i) Debt of AEP Credit, Inc. that is non-recourse to the Borrower and its Consolidated Subsidiaries in respect of the sale of accounts receivable by the Borrower or its Consolidated Subsidiaries, (ii) Stranded Cost Recovery Bonds, and (iii) Equity-Preferred Securities not to exceed 10% of Consolidated Capital (calculated for purposes of this clause without reference to any Equity-Preferred Securities); *provided* that Guaranties of Debt included in the total principal amount of Consolidated Debt shall not be added to such total principal amount.

**“Consolidated Subsidiary”** means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with Generally Accepted Accounting Principles.

**“Consolidated Tangible Net Assets”** means, on any date of determination and with respect to any Person at any time, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of such Person and its Consolidated Subsidiaries most recently delivered to the Lenders pursuant to Section 5.01(i) as of such date of determination, net of applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the consolidated current liabilities of such Person and its Consolidated Subsidiaries appearing on such balance sheet.

**“Convert”**, **“Conversion”** and **“Converted”** each refers to a conversion of Advances of one Type into Advances of the other Type, or the selection of new, or the renewal of the same, Interest Period for SOFR Advances, pursuant to Section 2.08, 2.09 or 2.12.

**“Credit Party”** means the Administrative Agent or any Lender.

**“Debt”** of any Person means, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person’s business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, including, without limitation, the leases described in clause (iv) of Section 5.02(c), (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, (vi) all Guaranties and (vii) all reasonably quantifiable obligations under indemnities or under support or capital contribution agreements, and other reasonably quantifiable obligations (contingent or otherwise) to purchase or otherwise to assure a creditor against loss in respect of, or to assure an obligee against loss in respect of, all Debt of others referred to in clauses (i) through (vi) above guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through

an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss.

**“Debtor Relief Laws”** means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

**“Default”** means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

**“Defaulting Lender”** means, subject to Section 8.17(b), any Lender that (i) has failed to (A) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, or (B) pay to any Credit Party any other amount required to be paid by it hereunder within two Business Days of the date when due, (ii) has notified the Borrower or any Credit Party in writing that it does not intend to comply with its funding obligations hereunder or generally under other agreements in which it commits to extend credit, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund an Advance hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (iii) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (iii) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (iv) has become the subject of a Bankruptcy Event. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (i) through (iv) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 8.17(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

**“Disclosure Documents”** means (A) Borrower’s Report on Form 10-K, as filed with the SEC, for the fiscal year ended December 31, 2021, (B) Borrower’s Report on Form 10-Q, as filed with the SEC, for the fiscal quarter ended March 31, 2022 and the (c) Borrower’s Current Report on Form 8-K, as filed with the SEC after the date of filing the Borrower’s Report on Form 10-K for the period ended March 31, 2022 but prior to the Closing Date.

“**Dollars**” and the symbol “\$” mean lawful currency of the United States of America.

“**Domestic Lending Office**” means, with respect to any Lender, the office of such Lender specified as its “Domestic Lending Office” on such Lender’s Administrative Questionnaire or in the Assignment and Assumption pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.

“**EEA Financial Institution**” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“**EEA Member Country**” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“**EEA Resolution Authority**” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“**Eligible Assignee**” means any Person that meets the requirements to be an assignee under Section 8.07(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 8.07(b)(iii)).

“**Environmental Action**” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (i) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (ii) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“**Environmental Law**” means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

“**Environmental Permit**” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“**Equity-Preferred Securities**” means (i) debt or preferred securities that are mandatorily convertible or mandatorily exchangeable into common shares of the Borrower and (ii) any other securities, however denominated, including but not limited to hybrid capital and trust originated preferred securities, (A) issued by the Borrower or any Consolidated Subsidiary of the Borrower,

(B) that are not subject to mandatory redemption or the underlying securities, if any, of which are not subject to mandatory redemption, (C) that are perpetual or mature no less than 30 years from the date of issuance, (D) the indebtedness issued in connection with which, including any guaranty, is subordinate in right of payment to the unsecured and unsubordinated indebtedness of the issuer of such indebtedness or guaranty, and (E) the terms of which permit the deferral of the payment of interest or distributions thereon to a date occurring after the Termination Date.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“**ERISA Affiliate**” means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) of the Internal Revenue Code.

“**ERISA Event**” means (i) the termination of or withdrawal from any Plan by the Borrower or any of its ERISA Affiliates, (ii) the failure by the Borrower or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Plan or (iii) the failure by the Borrower or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

“**Erroneous Payment**” has the meaning assigned thereto in Section 7.11(a).

“**Erroneous Payment Deficiency Assignment**” has the meaning assigned thereto in Section 7.11(d).

“**Erroneous Payment Impacted Class**” has the meaning assigned thereto in Section 7.11(d).

“**Erroneous Payment Return Deficiency**” has the meaning assigned thereto in Section 7.11(d).

“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“**Events of Default**” has the meaning specified in Section 6.01.

“**Exchange Act**” has the meaning specified in Section 6.01(f).

“**Excluded Taxes**” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (i) Taxes imposed on or measured by the net income (however denominated) of such Recipient, franchise Taxes or branch profits Taxes, in each case, (A) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) that are Other Connection Taxes, (ii) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect

on the date on which (A) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15(b) or (B) such Lender changes its Applicable Lending Office, except in each case to the extent that, pursuant to Section 2.14, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Applicable Lending Office, (iii) Taxes attributable to such Recipient's failure to comply with Section 2.14(g) and (iv) any U.S. federal withholding Taxes imposed under FATCA.

**"Facility"** means the aggregate commitment of the Lenders to make Advance A and Advance B to the Borrower hereunder up to a maximum of One Hundred Fifty Million Dollars (\$150,000,000).

**"FATCA"** means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

**"Federal Funds Rate"** means, for any period, a fluctuating interest rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

**"Foreign Lender"** means a Lender that is not a U.S. Person.

**"Foreign Plan"** has the meaning specified in Section 4.01(i).

**"Fund"** means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

**"Floor"** means a rate of interest equal to 0.00%.

**"GAAP"** has the meaning specified in Section 1.03.

**"Generally Accepted Accounting Principles"** means United States generally accepted accounting principles in effect from time to time.

**"Governmental Approval"** means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

**"Governmental Authority"** means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency,



authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Guaranty**” of any Person means any obligation, contingent or otherwise, of such Person (i) to pay any Debt of any other Person or (ii) incurred in connection with the issuance by a third person of a Guaranty of Debt of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise).

“**Hazardous Materials**” means (i) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (ii) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

“**Hedge Agreement**” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.

“**Indemnified Party**” has the meaning specified in Section 8.04(b).

“**Indemnified Taxes**” means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (ii) to the extent not otherwise described in clause (i), Other Taxes.

“**Initial Lenders**” has the meaning specified in the recital of parties to this Agreement.

“**Interest Period**” means, as to any SOFR Advance, the period commencing on the date such SOFR Advance is disbursed or converted to or continued as a SOFR Advance and ending on the date one (1) month or three (3) months thereafter, subject to availability; provided that:

(a) the Interest Period shall commence on the date of advance of or conversion to any SOFR Advance and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

(b) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

(c) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period;

(d) no Interest Period shall extend beyond the Termination Date and Interest Periods shall be selected by the Borrower so as to permit the Borrower to make the principal installment payments pursuant to Section 2.13 without payment of any amounts pursuant to Section 7.10;

(e) there shall be no more than one (1) Interest Period in effect at any time; and

(f) no tenor that has been removed from this definition pursuant to Section 2.18(iv) shall be available for specification in any Notice of Borrowing or notice of Conversion/continuation.

**“Internal Revenue Code”** means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

**“IRS”** means the United States Internal Revenue Service.

**“Lenders”** means the Initial Lenders and each other Person that shall become a party hereto pursuant to Section 8.07, in each case other than any such Person that shall have ceased to be a party hereto pursuant to Section 8.07.

**“Lending Office”** means, with respect to any Lender, the office of such Lender maintaining such Lender’s Advances, which office may, to the extent the applicable Lender notifies the Administrative Agent in writing, include an office of any Affiliate of such Lender or any domestic or foreign branch of such Lender or Affiliate.

**“Lien”** means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

**“Loan Documents”** means, collectively, (i) this Agreement, and (ii) any promissory note issued pursuant to Section 2.06(d), in each case, as amended, supplemented or modified from time to time.

**“Margin Regulations”** means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

**“Margin Stock”** has the meaning specified in the Margin Regulations.

**“Material Adverse Change”** means any material adverse change (i) in the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement or any other Loan Document against the Borrower or the ability of the Borrower to perform its obligations under this Agreement or any other Loan Document.

**“Material Adverse Effect”** means a material adverse effect (i) on the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement or any other Loan Document against the Borrower or the ability of the Borrower to perform its obligations under this Agreement or any other Loan Document.

**“Maximum Rate”** has the meaning specified in Section 8.18.

**“Moody’s”** means Moody’s Investors Service, Inc. and its successors.

**“Multiemployer Plan”** has the meaning specified in Section 4.01(i).

**“Non-Consenting Lender”** means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders in accordance with the terms of Section 8.01 and (ii) has been approved by the Required Lenders.

**“Non-Defaulting Lender”** means, at any time, each Lender that is not a Defaulting Lender at such time.

**“Notice of Borrowing”** has the meaning specified in Section 2.02(a).

**“Other Connection Taxes”** means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Advance, Commitment or Loan Document).

**“Other Taxes”** means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15(b)).

**“Participant”** has the meaning specified in Section 8.07(d).

**“Participant Register”** has the meaning specified in Section 8.07(d).

**“Patriot Act”** has the meaning specified in Section 8.14.

**“Payment Recipient”** has the meaning assigned thereto in Section 7.11(a).

**“Permitted Liens”** means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(g) hereof; (ii) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens, and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings; (iii) Liens incurred or deposits made to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; (iv) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (v) any judgment Lien, unless an Event of Default under Section 6.01(g) shall have occurred and be continuing; (vi) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower or any Significant Subsidiary and not created in contemplation of such event; (vii) deposits made in the ordinary course of business to secure the performance of bids, trade contracts (other than for Debt), operating leases and surety bonds; (viii) Liens upon or in any real property or equipment acquired, constructed, improved or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property); (ix) extensions, renewals or replacements of any Lien described in clause (iii), (vi), (vii) or (viii) for the same or a lesser amount, *provided, however*, that no such Lien shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced; and (x) any other Lien not covered by the foregoing exceptions as long as immediately after the creation of such Lien the aggregate principal amount of Debt secured by all Liens created or assumed under this clause (x) does not exceed 10% of Consolidated Tangible Net Assets of the Borrower.

**“Person”** means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

**“Plan”** has the meaning specified in Section 4.01(i).

**“Platform”** has the meaning specified in Section 8.02(b).

**“PTE”** means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

**“Recipient”** means (a) the Administrative Agent and (b) any Lender, as applicable.

**“Register”** has the meaning specified in Section 8.07(c).

**“Regulation AB”** means rules promulgated by the SEC found at C.F.R. 229.1100 et seq.

**“Related Parties”** means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

**“Relevant Governmental Body”** means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

**“Removal Effective Date”** has the meaning specified in Section 7.06(b).

**“Replacement Rate”** has the meaning specified in Section 2.08(f).

**“Required Lenders”** means at any time Lenders having Advances and Commitments representing more than 50% of the sum of the then aggregate unpaid principal amount of the Advances owing to Lenders and Commitments in effect at such time. Subject to Section 8.01, the unpaid principal amount of the Advances owing to any Defaulting Lender and the Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

**“Resignation Effective Date”** has the meaning specified in Section 7.06(a).

**“Resolution Authority”** shall mean any Person which has authority to exercise any Write-down and Conversion Powers.

**“Restructuring Law”** means Texas Senate Bill 7, as enacted by the Legislature of the State of Texas and signed into law on June 18, 1999, Ohio Senate Bill No. 3, as enacted by the General Assembly of the State of Ohio and signed into law on July 6, 1999, or any similar law applicable to the Borrower or any Subsidiary of the Borrower governing the deregulation or restructuring of the electric power industry.

**“RTO Transaction”** means the transfer of transmission facilities to a regional transmission organization or equivalent organization as approved or ordered by the Federal Energy Regulatory Commission or the Kentucky Public Service Commission.

**“S&P”** means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc.

**“Sanctioned Country”** means, at any time of determination, a country or territory which is the subject or target of any Sanctions.

**“Sanctioned Person”** means, at any time of determination, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any EU member state or Her Majesty’s Treasury of the United Kingdom, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by or acting on behalf of any such Person described in the preceding clause (a) or (b). For purposes of the foregoing, ownership or control of a Person shall be deemed to include where a Sanctioned Person (i) owns or has power to vote 25% or more of the

issued and outstanding equity interests having ordinary voting power for the election of directors of the Person or other individuals performing similar functions for the Person, or (ii) has the power to direct or cause the direction of the management and policies of the Person, whether by ownership of equity interests, contracts or otherwise.

“**Sanctions**” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any EU member state, or Her Majesty’s Treasury of the United Kingdom.

“**SEC**” means the United States Securities and Exchange Commission.

“**Significant Subsidiary**” means, at any time, any Subsidiary of the Borrower that constitutes at such time a “significant subsidiary” of the Borrower (as such term is defined in Regulation S-X of the SEC as in effect on the Closing Date (17 C.F.R. Part 210)); *provided, however*, that “total assets” as used in Regulation S-X shall not include securitization transition assets, phase-in cost assets or similar assets on the balance sheet of any Subsidiary resulting from the issuance of transition bonds or other asset-backed securities of a similar nature.

“**SOFR**” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**SOFR Advance**” means any Advance bearing interest at a rate based on Term SOFR as provided in Section 2.07(b).

“**Stranded Cost Recovery Bonds**” means securities, however denominated, that are issued by the Borrower or any Consolidated Subsidiary of the Borrower that are (i) non-recourse to the Borrower and its Consolidated Subsidiaries (other than for failure to collect and pay over the charges referred to in clause (ii) below) and (ii) payable solely from transition or similar charges authorized by the Kentucky Public Service Commission and to be invoiced to customers of any Subsidiary of the Borrower or to retail electric providers.

“**Subsidiary**” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership or joint venture or (iii) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person’s other Subsidiaries.

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Termination Date**” means the earlier to occur of (i) December 31, 2023, (ii) the date of termination in whole of the Commitments available to the Borrower pursuant to Section 2.04; *provided* that, concurrently with such termination, the Borrower has repaid or prepaid all Advances outstanding under the Facility, including any accrued and unpaid interest thereon, and paid all other amounts owed under the Loan Documents, and (iii) the declaration of outstanding Advances, all interest thereon and all other amounts payable under this Agreement to be due and payable, in each case pursuant to Section 6.01.

“**Term SOFR**” means,

(a) for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Periodic Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “**Base Rate Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

“**Term SOFR Adjustment**” means a percentage equal to 0.10% per annum.

“**Term SOFR Administrator**” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“**Term SOFR Reference Rate**” means the forward-looking term rate based on SOFR.

“**Type**” refers to the distinction between Advances bearing interest at the Base Rate and Advances bearing interest at SOFR.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**U.S. Government Securities Business Day**” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in Sections **Error! Reference source not found., Error! Reference source not found., Error! Reference source not found.**, 2.09 and 2.10, in each case, such day is also a Business Day.

“**U.S. Person**” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“**U.S. Tax Compliance Certificate**” has the meaning assigned to such term in Section 2.14(g)(ii)(B)(3).

“**Voting Stock**” means capital stock issued by a corporation, the membership interests in a limited liability company, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors or managers (or Persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

“**Withholding Agent**” means the Borrower and the Administrative Agent.

“**Write-Down and Conversion Powers**” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

## **SECTION 1.02      *Computation of Time Periods.***

In this Agreement in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

## **SECTION 1.03      *Accounting Terms.***

All accounting terms not specifically defined herein shall be construed in accordance with Generally Accepted Accounting Principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(f) (“**GAAP**”); *provided* that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the



application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change to GAAP occurring after the Closing Date as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)*, issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case to the extent that such change would require treating any operating lease entered into on or prior to December 31, 2021 that would not otherwise constitute Debt as a capital lease where such operating lease would not constitute Debt and was not required to be so treated under GAAP as in effect on the Closing Date.

**SECTION 1.04**      *Other Interpretive Provisions.*

As used herein, except as otherwise specified herein, (i) references to any Person include its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities; (ii) references to any Applicable Law include amendments, supplements and successors thereto; (iii) references to specific sections, articles, annexes, schedules and exhibits are to this Agreement; (iv) words importing any gender include the other gender; (v) the singular includes the plural and the plural includes the singular; (vi) the words “including”, “include” and “includes” shall be deemed to be followed by the words “without limitation”; (vii) captions and headings are for ease of reference only and shall not affect the construction hereof; and (viii) references to any time of day shall be to New York, New York, New York time unless otherwise specified.

**SECTION 1.05**      *Rates.*

The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 2.18, will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The

Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

## **ARTICLE II AMOUNTS AND TERMS OF THE ADVANCES**

### **SECTION 2.01**      *The Advances.*

(a) Subject to the terms and conditions hereof, each Lender severally agrees, to make (i) Advance A to the Borrower on the Closing Date subject to the conditions set forth in Section 3.01 and (ii) Advance B to the Borrower on a date no later than ninety (90) days after the Closing Date subject to the conditions set forth in Section 3.03. The Borrower may make only two Borrowings under the Facility. Any amounts borrowed under this Section 2.01(a) and subsequently repaid or prepaid in respect of Advances may not be reborrowed.

### **SECTION 2.02**      *Making the Advances.*

(a) Each Borrowing shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitment Percentages. The Borrower shall give notice to the Administrative Agent, (i) not later than 11:00 A.M. one (1) Business Day prior to the Closing Date, of a Borrowing consisting of SOFR Advances to be made on the Closing Date, or (ii) not later than 9:30 A.M. on the Closing Date, in the case of a Borrowing consisting of Base Rate Advances to be made on the Closing Date, and the Administrative Agent shall give to each Lender prompt written notice of such Borrowing. Each such notice of a Borrowing under this Section 2.02 (a “*Notice of Borrowing*”) shall be by telephone, confirmed immediately in writing, or fax in substantially the form of Exhibit A hereto, specifying therein the requested (i) Borrowing Date for such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of SOFR Advances, the initial Interest Period for each such Advance. Each Lender shall, before 12:00 Noon on the applicable Borrowing Date, make available for the account of its Applicable Lending Office to the Administrative Agent at the Agent’s Account, in same day funds, such Lender’s ratable portion of the Borrowing to be made on such Borrowing Date. After the Administrative Agent’s receipt of such funds and upon fulfillment of the applicable conditions set forth in Section 3.01 (with respect to Advance A) or Section 3.02 (with respect to Advance B), the Administrative Agent will promptly make such funds available to the Borrower in such manner as the Borrower shall have specified in the applicable Notice of Borrowing and as shall be reasonably acceptable to the Administrative Agent.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select SOFR Advances if the obligation of the Lenders to make SOFR shall then be suspended pursuant to Section 2.08(b), 2.08(e), 2.08(f), or 2.12.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to comprise SOFR Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Section 3.01 (with respect to Advance A) or Section 3.02 (with respect to Advance B), including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) Unless the Administrative Agent shall have received notice in writing from a Lender prior to any Borrowing Date or, in the case of a Base Rate Advance, prior to the time of Borrowing, that such Lender will not make available to the Administrative Agent such Lender's Advance as part of the Borrowing to be made on such Borrowing Date, the Administrative Agent may, but shall not be required to, assume that such Lender has made such portion available to the Administrative Agent on such Borrowing Date in accordance with subsection (a) of this Section 2.02, and the Administrative Agent may (but it shall not be required to), in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such Advance available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount, together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

**SECTION 2.03**      *[Reserved].*

**SECTION 2.04**      *Termination of the Commitments.*

(a) The Commitment of each Lender shall terminate immediately and without further action on the Closing Date after giving effect to the funding of such Lender's Commitment on such date.

(b) Once terminated, neither a Commitment nor any portion thereof may be reinstated.

**SECTION 2.05      *Repayment of Advances.***

The Borrower shall repay to the Administrative Agent for the account of each Lender on the Termination Date the aggregate principal amount of all Advances made by such Lender to the Borrower then outstanding.

**SECTION 2.06      *Evidence of Indebtedness.***

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Advance made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(b) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Advance made hereunder, the Type of each Advance made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to subsections (a) and (b) of this Section 2.06 shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations therein recorded; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Advances and interest thereon in accordance with the terms of this Agreement.

(d) Any Lender may request that any Advances made by it be evidenced by one or more promissory notes. In such event, the Borrower shall prepare, execute and deliver to such Lender one or more promissory notes payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Advances evidenced by such promissory notes and interest thereon shall at all times (including after assignment pursuant to Section 8.07) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

**SECTION 2.07      *Interest on Advances.***

The Borrower shall pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) ***Base Rate Advances.*** During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate plus (y) the Applicable Margin for Base Rate Advances in effect from time to time, payable in arrears (i)

quarterly on the last Business Day of each March, June, September and December during such periods, (ii) on the date such Base Rate Advance shall be Converted or paid in full and (iii) on the Termination Date.

(b) ***SOFR Advances.*** During such periods as such Advance is a SOFR Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) Adjusted Term SOFR for such Interest Period for such Advance plus (y) the Applicable Margin for SOFR Advances in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such SOFR Advance shall be Converted or paid in full.

(c) ***Term SOFR Conforming Changes.*** In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

## **SECTION 2.08 *Interest Rate Determination.***

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.07(a) or (b).

(b) If, with respect to any SOFR Advances, (i) the Required Lenders notify the Administrative Agent that Adjusted Term SOFR for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective SOFR Advances for such Interest Period, or (ii) Adjusted Term SOFR cannot be determined or is otherwise unavailable, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon (A) each SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (B) the obligation of the Lenders to make, or to Convert Advances into, SOFR Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Borrower shall fail to select the duration of any Interest Period for any SOFR Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of SOFR Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, SOFR Advances shall be suspended.

(f) If the Administrative Agent determines (which determination shall be final and conclusive, absent manifest error) that a rate other than the SOFR has become the then-prevailing market benchmark rate for newly originated loans in Dollars in the U.S. market, then the Administrative Agent may (in consultation with the Borrower) choose a replacement index rate (“**Replacement Rate**”) and, as appropriate, adjustment margins (“**Adjustment Margins**”) corresponding to each available Term SOFR, to effect, to the extent practicable, an aggregate all-in interest rate substantially equivalent to the SOFR-based rate in effect prior to its replacement. The Replacement Rate and Adjustment Margins will be determined with due consideration to the then-prevailing market practice for determining a rate of interest for newly originated syndicated loans in the United States, and may reflect appropriate mathematical or other adjustments to account for the transition from the SOFR to the Replacement Rate. The Administrative Agent shall promptly notify the Lenders of the Replacement Rate and Adjustment Margins, and the Administrative Agent (on behalf of the Lenders) and the Borrower shall enter into an amendment to this Agreement to reflect such Replacement Rate and Adjustment Margins. Notwithstanding anything to the contrary in this Agreement or the other Loan Documents (including, without limitation, Section 8.01), such amendment shall become effective without any further action or consent of any other party to this Agreement at 5:00 p.m. New York City time on the tenth (10<sup>th</sup>) Business Day after the date a draft of the amendment reflecting such Replacement Rate and Adjustment Margin is provided to the Lenders, unless a written notice from the Required Lenders stating that such Lenders object to such amendment during such ten (10) Business Day period. For the avoidance of doubt, on or after the effective date of the Replacement Rate, the aggregate all-in interest payable by Borrower in respect of the Loans shall be the sum of the Replacement Rate, the Adjustment Margin(s), if any, and the Applicable Margin. Notwithstanding anything to the contrary contained herein, if the Replacement Rate is less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

#### **SECTION 2.09**            *Optional Conversion of Advances.*

The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 11:00 A.M. (New York, New York time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all or any part of Advances of one Type comprising the same Borrowing into Advances of the other Type or of the same Type but having a new Interest Period; *provided, however*, that any Conversion of SOFR Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such SOFR Advances, any Conversion of Base Rate Advances into SOFR Advances shall be in an amount not less than \$10,000,000, and no Conversion of any Advances shall result in more than five (5) different Interest Periods in effect. Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into SOFR Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

**SECTION 2.10**      *Optional Prepayments of Advances.*

The Borrower may, upon at least three Business Days' notice, in the case of SOFR Advances, and upon notice not later than 11:00 A.M. (New York, New York time) on the date of prepayment, in the case of Base Rate Advances, to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and, if such notice is given, the Borrower shall prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; *provided, however*, that (x) each partial prepayment shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, and (y) in the event of any such prepayment of a SOFR Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

**SECTION 2.11**      *Increased Costs.*

(a)      *Increased Costs Generally.* If any Change in Law shall:

(i)      impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii)      subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii)      impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Advance or of maintaining its obligation to make any such Advance, or to increase the cost to such Lender or such other Recipient to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b)      *Capital Requirements.* If any Lender determines that any Change in Law affecting such Lender or any Applicable Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by such Lender, to a level below that which such Lender or such Lender's or holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital

adequacy or liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) ***Certificates for Reimbursement.*** A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) ***Delay in Requests.*** Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than one hundred eighty (180) days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof).

## **SECTION 2.12      *Illegality.***

If due to any Change in Law it shall become unlawful or impossible for any Credit Party (or its SOFR Lending Office) to make, maintain or fund its SOFR Advances, and such Credit Party shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Credit Parties and the Borrower, whereupon, until such Credit Party notifies the Borrower and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Credit Party to make SOFR Advances, or to Convert outstanding Advances into SOFR Advances, shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section 2.12, such Credit Party shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions applicable to such Credit Party) to designate a different SOFR Lending Office if such designation would avoid the need for giving such notice and would not, in the judgment of such Credit Party, be otherwise disadvantageous to such Credit Party. If such notice is given, each SOFR Advance of such Credit Party then outstanding shall be Converted to a Base Rate Advance either (i) on the last day of the then current Interest Period applicable to such SOFR Advance if such Credit Party may lawfully continue to maintain and fund such Advance to such day or (ii) immediately if such Credit Party shall determine that it may not lawfully continue to maintain and fund such Advance to such day.

## **SECTION 2.13      *Payments and Computations.***

(a) The Borrower shall make each payment to be made by it hereunder not later than 1:00 P.M. on the day when due in Dollars to the Administrative Agent at the Agent's Account in same day funds without condition or deduction for any counterclaim, defense, recoupment or setoff. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest ratably (other than amounts payable



pursuant to Section 2.11, 2.14, 2.15, 8.04(c) and 8.17) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Assumption, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder, after any applicable grace period, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the rate referred to in clause (a) of the definition of the "Base Rate" contained in Section 1.01 shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on Adjusted Term SOFR or the Federal Funds Rate shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest; *provided, however*, that, if such extension would cause payment of interest on or principal of SOFR Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to a Lender hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date, and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

**SECTION 2.14**      *Taxes.*

(a) **Defined Terms.** For purposes of this Section 2.14, the term “Applicable Law” includes FATCA.

(b) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.14) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Borrower.** The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Borrower.** The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for and hold it harmless against the full amount of any Indemnified Taxes (including, without limitation, Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.14), payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders.** Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 8.07(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f) **Evidence of Payments.** As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.14, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) **Status of Lenders.** (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of,

U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit B-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “***U.S. Tax Compliance Certificate***”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-2 or Exhibit B-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional

documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(E) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.14 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **Survival.** Each party's obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

## **SECTION 2.15      *Mitigation Obligations; Replacement of Lenders.***

(a) **Designation of a Different Applicable Lending Office.** If any Lender requests compensation under Section 2.11, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different Applicable Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices,

branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.11 or 2.14, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) ***Replacement of Lenders.*** If any Lender requests compensation under Section 2.11, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14 and, in each case, such Lender has declined or is unable to designate a different Applicable Lending Office in accordance with subsection (a) above, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 8.07), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.11 or Section 2.14) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 8.07(b)(iv);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal amounts of its Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.04(c)) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.11 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) no Default shall have occurred and be continuing;

(v) such assignment does not conflict with Applicable Law; and

(vi) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

**SECTION 2.16** ***Sharing of Payments, Etc.***

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it (other than pursuant to Section 2.11, 2.14, 2.15, 8.04(c) or 8.17 or in respect of SOFR Advances converted into Base Rate Advances pursuant to Section 2.12) by the Borrower, in excess of its ratable share of payments on account of the Advances to the Borrower, obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in such Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.16 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(b) If any Lender shall fail to make any payment required to be made by it hereunder to or for the account of the Administrative Agent, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent to satisfy such Lender's obligations in respect of such payment until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

**SECTION 2.17**        *[Reserved].*

**SECTION 2.18**        *Benchmark Replacement Setting.*

(i)        Benchmark Replacement.

(A) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5<sup>th</sup>) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.18(i) will occur prior to the applicable Benchmark Transition Start Date.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.18(iv). Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.18, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.18.

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Advances to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request



into a request for a borrowing of or conversion to Base Rate Loans and (B) any outstanding affected SOFR Advances will be deemed to have been converted to Base Rate Loans at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

### ARTICLE III CONDITIONS PRECEDENT

#### SECTION 3.01 *Conditions Precedent to the Closing Date and Advance A.*

The effectiveness of this Agreement and the obligation of each Lender to make Advance A on the Closing Date shall be subject to the satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received on or before the date of such effectiveness the following, each dated such day, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:

(i) Certified copies of the resolutions of the board of directors of the Borrower approving this Agreement, and of all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Agreement;

(ii) A certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered by the Borrower hereunder;

(iii) A favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit C hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request; and

(b) On such date, the following statements shall be true and the Administrative Agent shall have received a certificate signed by a duly authorized officer of the Borrower, dated such date, certifying to the Administrative Agent and each Lender that:

(i) The representations and warranties of the Borrower contained in Section 4.01 are true and correct in all material respects on and as of such date, as though made on and as of such date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(c) The Borrower shall have paid all accrued fees and expenses of the Administrative Agent, the Arranger and the Lenders then due and payable in accordance with the terms of the Loan Documents (including all fees and expenses of counsel to the Administrative Agent to the extent then due and payable).

(d) The Administrative Agent, on behalf of each Lender, shall have received copies of all the Disclosure Documents.

(e) The Administrative Agent shall have received counterparts of this Agreement, executed and delivered by the Borrower and the Lenders.

(f) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as any Lender or the Administrative Agent may reasonably request through the Administrative Agent, including, without limitation, all documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the Patriot Act and, if Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to Borrower, to the extent such documentation or information is requested by the Administrative Agent on behalf of the Lenders prior to the Closing Date.

(g) The Administrative Agent shall have received the Notice of Borrowing for Advance A.

**SECTION 3.02      *Conditions Precedent to Advance B.***

The obligation of each Lender to make Advance B to be made by it hereunder shall be subject to the satisfaction of the conditions precedent set forth in Sections 3.01 and on the date of such Borrowing:

(a) The following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of any Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

(i) The representations and warranties of the Borrower contained in Section 4.01 (other than the representation and warranty in Section 4.01(e) and the representation and warranty set forth in the last sentence of Section 4.01(f)) are true and correct in all material respects on and as of the date of such Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date;

(ii) No event has occurred and is continuing or would result from such Borrowing or from the application of the proceeds therefrom, that constitutes a Default; and

(iii) The proposed funding date with respect to Advance B shall be no later than October 2, 2022.

(b) The Administrative Agent shall have received copies or other evidence of such other approvals (including, without limitation, the approval of the Kentucky Public Service Commission with respect to the borrowing of Advance B) and such other opinions or documents

as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.

- (c) Each of the conditions set forth in Section 3.01 have been satisfied.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

##### **SECTION 4.01        *Representations and Warranties of the Borrower.***

The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, and each Significant Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized.

(b) The execution, delivery and performance by the Borrower of each Loan Document, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(c) Each Loan Document has been duly executed and delivered by the Borrower. Each Loan Document is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

(d) No Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other third party, is required for the due execution, delivery and performance by the Borrower of any Loan Document, except for the authorization of the Federal Energy Regulatory Commission and the Kentucky Public Service Commission, each of which authorizations has been duly obtained and is in full force and effect as of the date hereof.

(e) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any Governmental Authority or arbitrator that is reasonably likely to have a Material Adverse Effect, except as may be disclosed in the Disclosure Documents.

(f) The financial statements included in the Disclosure Documents, copies of each of which have been furnished to each Lender, fairly present (subject, in the case of any

quarterly financial statements, to year-end adjustments) the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at the dates set forth therein and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such dates, all in accordance with Generally Accepted Accounting Principles consistently applied. Since December 31, 2021, there has been no Material Adverse Change. As of the Closing Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

(g) No written statement, information, report, financial statement, exhibit or schedule furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the syndication or negotiation of this Agreement or included herein or delivered pursuant hereto contained, contains, or will contain any material misstatement of fact or intentionally omitted, omits, or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are, or will be made, not misleading.

(h) Except as may be disclosed in the Disclosure Documents, the Borrower and each Significant Subsidiary is in compliance with all laws (including ERISA and Environmental Laws) rules, regulations and orders of any governmental authority applicable to it, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(i) No failure to satisfy the minimum funding standard applicable to a Plan for a plan year (as described in Section 302 of ERISA and Section 412 of the Internal Revenue Code) that could reasonably be expected to have a Material Adverse Effect, whether or not waived, has occurred with respect to any Plan. The Borrower has not incurred, and does not presently expect to incur, any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its ERISA Affiliates have complied in all respects with ERISA and the Internal Revenue Code, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The Borrower and each of its Subsidiaries have complied in all material respects with foreign law applicable to its Foreign Plans, if any. As used herein, the term “**Plan**” shall mean an “employee pension benefit plan” (as defined in Section 3 of ERISA) which is and has been established or maintained, or to which contributions are or have been made or should be made according to the terms of the plan, by the Borrower or any of its ERISA Affiliates. The term “**Multiemployer Plan**” shall mean any Plan which is a “multiemployer plan” (as such term is defined in Section 4001(a)(3) of ERISA). The term “**Foreign Plan**” shall mean any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement maintained by any Subsidiary which, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

(j) The Borrower and its Subsidiaries have filed or caused to be filed all material Federal, state and local tax returns that are required to be filed by them, and have paid or caused to be paid all material taxes shown to be due and payable on such returns or on any assessments received by them (to the extent that such taxes and assessments have become due and payable) other than those taxes contested in good faith and for which adequate reserves have been established in accordance with Generally Accepted Accounting Principles.

(k) The Borrower is not engaged in the business of extending credit for the purpose of buying or carrying Margin Stock, and no proceeds of any Advance will be used to buy or carry any Margin Stock or to extend credit to others for the purpose of buying or carrying any Margin Stock. Not more than 25% of the assets of the Borrower and the Significant Subsidiaries that are subject to the restrictions of Section 5.02(a), (c) or (d) constitute Margin Stock.

(l) Neither the Borrower nor any Significant Subsidiary is an “investment company,” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended (the “*Act*”). Neither the making of any Borrowing, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated hereby will violate any provision of the Act or any rule, regulation or order of the SEC thereunder.

(m) All Significant Subsidiaries as of the Closing Date are listed on Schedule 4.01(m) hereto.

(n) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective directors and officers and, to the knowledge of the Borrower, its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (i) the Borrower, any Subsidiary or any of their respective directors or officers, or (ii) to the knowledge of the Borrower, any employee or agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or use of proceeds thereof or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

## ARTICLE V COVENANTS OF THE BORROWER

### SECTION 5.01 *Affirmative Covenants.*

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(a) ***Preservation of Existence, Etc.*** Preserve and maintain, and cause each Significant Subsidiary to preserve and maintain, its corporate, partnership or limited liability company (as the case may be) existence and all material rights (charter and statutory) and franchises; *provided, however*, that the Borrower and any Significant Subsidiary may consummate any merger or consolidation permitted under Section 5.02(a); and *provided further* that neither the Borrower nor any Significant Subsidiary shall be required to preserve any right or franchise if (i) the board of directors of the Borrower or such Significant Subsidiary, as the case may be, shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Significant Subsidiary, as the case may be, and that the loss

thereof is not disadvantageous in any material respect to the Borrower or such Significant Subsidiary, as the case may be, or to the Lenders; (ii) required in connection with or pursuant to any Restructuring Law; or (iii) required in connection with the RTO Transaction; and *provided further*, that no Significant Subsidiary shall be required to preserve and maintain its corporate, partnership or limited liability company (as the case may be) existence if (x) the loss thereof is not disadvantageous in any material respect to the Borrower or to the Lenders or (y) required in connection with or pursuant to any Restructuring Law or (z) required in connection with the RTO Transaction.

(b) ***Compliance with Laws, Etc.*** Comply, and cause each Significant Subsidiary to comply, in all material respects, with Applicable Law, with such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(c) ***Performance and Compliance with Other Agreements.*** Perform and comply, and cause each Significant Subsidiary to perform and comply, with the provisions of each indenture, credit agreement, contract or other agreement by which it is bound, the non-performance or non-compliance with which would result in a Material Adverse Change.

(d) ***Inspection Rights.*** At any reasonable time and from time to time, permit the Administrative Agent or any Lender or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Significant Subsidiary and to discuss the affairs, finances and accounts of the Borrower and any Significant Subsidiary with any of their officers or directors and with their independent certified public accountants.

(e) ***Maintenance of Properties, Etc.*** Maintain and preserve, and cause each Significant Subsidiary to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted and except as required in connection with or pursuant to any Restructuring Law or in connection with an RTO Transaction.

(f) ***Maintenance of Insurance.*** Maintain, and cause each Significant Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties; *provided, however*, that the Borrower and each Significant Subsidiary may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties and to the extent consistent with prudent business practice.

(g) ***Payment of Taxes, Etc.*** Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; *provided, however*, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which adequate reserves are being maintained in accordance with

Generally Accepted Accounting Principles, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(h) **Keeping of Books.** Keep, and cause each Significant Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Significant Subsidiary in accordance with Generally Accepted Accounting Principles.

(i) **Reporting Requirements.** Furnish to the Administrative Agent, on behalf of each Lender:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a copy of the consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such quarter and consolidated statements of income, changes in shareholder's equity and comprehensive income (loss) and cash flows of the Borrower and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as having been prepared in accordance with Generally Accepted Accounting Principles and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower certifying (A) that such financial statements fairly present (subject to year-end adjustments) the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such date, all in accordance with Generally Accepted Accounting Principles consistently applied, (B) compliance with the terms of this Agreement, and (C) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the Closing Date;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Consolidated Subsidiaries containing a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and consolidated statements of income, changes in shareholder's equity and comprehensive income (loss) and cash flows of the Borrower and its Consolidated Subsidiaries for such fiscal year, in each case accompanied by an opinion by PriceWaterhouse Coopers LLP (or another independent registered public accounting firm acceptable to the Required Lenders) to the effect that such financial statements fairly present the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such date, all in accordance with Generally Accepted Accounting Principles consistently applied, and consolidating statements of

income and cash flows of the Borrower and its Consolidated Subsidiaries for such fiscal year, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower certifying (A) as to compliance with the terms of this Agreement, (B) that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (C) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the Closing Date;

(iii) as soon as possible and in any event within five days after the chief financial officer or treasurer of the Borrower obtains knowledge of the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the commencement thereof, notice of all actions and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Significant Subsidiary of the type described in Section 4.01(e);

(v) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification; and

(vi) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

Notwithstanding the foregoing, the information required to be delivered pursuant to clauses (i) and (ii) shall be deemed to have been delivered if such information shall be available on the website of AEP at <http://www.aep.com> or any successor website; *provided* that the compliance certificates required under clauses (i) and (ii) shall be delivered in the manner specified in Section 8.02(b).

## **SECTION 5.02**      *Negative Covenants.*

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower agrees that it will not:

(a) *Mergers, Etc.* Merge or consolidate with or into any Person, or permit any Significant Subsidiary to do so, except that (i) any Subsidiary may merge or consolidate with or into any other Subsidiary of the Borrower, (ii) any Subsidiary may merge into the Borrower, (iii) any Significant Subsidiary may merge with or into any other Person so long as such Significant Subsidiary continues to be a Significant Subsidiary of the Borrower and (iv) the Borrower may merge with any other Person so long as the successor entity (A) is the Borrower



and (B) has (x) a long-term senior unsecured debt rating issued (and confirmed after giving effect to such merger) by S&P of at least BBB- (*provided* that if no long-term senior unsecured debt rating is available from S&P at such time, the rating required by this clause (x) shall be the successor entity's corporate credit rating issued by S&P) or (y) a long-term senior unsecured debt rating issued (and confirmed after giving effect to such merger) by Moody's of at least Baa3 (or, in the case of (x) and (y), if no such ratings have been issued, commercial paper ratings issued (and confirmed after giving effect to such merger) by S&P and Moody's of at least A-3 and P-3, respectively), *provided*, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(b) ***Stock of Significant Subsidiaries.*** Sell, lease, transfer or otherwise dispose of, other than (i) in connection with an RTO Transaction, but only if no Default or Event of Default has occurred and is continuing or would result from such RTO Transaction, or (ii) pursuant to the requirements of any Restructuring Law, equity interests in any Significant Subsidiary of the Borrower if such Significant Subsidiary would cease to be a Subsidiary as a result of such sale, lease, transfer or disposition.

(c) ***Sales, Etc. of Assets.*** Sell, lease, transfer or otherwise dispose of, or permit any Significant Subsidiary to sell, lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any assets, except (i) sales in the ordinary course of its business, (ii) sales, leases, transfers or dispositions of assets to any Person that is not a wholly-owned Subsidiary of the Borrower that in the aggregate do not exceed 20% of the Consolidated Tangible Net Assets of the Borrower and its Subsidiaries, whether in one transaction or a series of transactions, (iii) other sales, leases, transfers and dispositions made in connection with an RTO Transaction or pursuant to the requirements of any Restructuring Law or to a wholly owned Subsidiary of the Borrower, or (iv) sales of pollution control assets to a state or local government or any political subdivision or agency thereof in connection with any transaction with such Person pursuant to which such Person sells or otherwise transfers such pollution control assets back to the Borrower or a Subsidiary under an installment sale, loan or similar agreement, in each case in connection with the issuance of pollution control or similar bonds.

(d) ***Liens, Etc.*** Create or suffer to exist, or permit any Significant Subsidiary to create or suffer to exist, any Lien on or with respect to any of its properties, including, without limitation, on or with respect to equity interests in any Subsidiary of the Borrower, whether now owned or hereafter acquired, or assign, or permit any Significant Subsidiary to assign, any right to receive income (other than in connection with Stranded Cost Recovery Bonds and the sale of accounts receivable by the Borrower), other than (i) Permitted Liens, (ii) the Liens existing on the Closing Date, (iii) Liens securing first mortgage bonds issued by the Borrower or any Subsidiary of the Borrower the rates or charges of which are regulated by the Federal Energy Regulatory Commission or any state governmental authority, *provided* that the aggregate principal amount of such first mortgage bonds of the Borrower or any such Subsidiary do not exceed 66 2/3% of the net value of plant, property and equipment of the Borrower or such Subsidiary, as applicable, and (iv) the replacement, extension or renewal of any Lien permitted by clauses (ii) and (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(e) **Restrictive Agreements.** Enter into, or permit any Significant Subsidiary to enter into (except in connection with or pursuant to any Restructuring Law), any agreement after the Closing Date, or amend, supplement or otherwise modify any agreement existing on the Closing Date, that imposes any restriction on the ability of any Significant Subsidiary to make payments, directly or indirectly, to its shareholders by way of dividends, advances, repayment of loans or intercompany charges, expenses and accruals or other returns on investments that is more restrictive than any such restriction applicable to such Significant Subsidiary on the Closing Date; *provided, however*, that any Significant Subsidiary may agree to a financial covenant limiting its ratio of Consolidated Debt to Consolidated Capital to no more than 0.675 to 1.000.

(f) **ERISA.** (i) Terminate or withdraw from, or permit any of its ERISA Affiliates to terminate or withdraw from, any Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such termination or withdrawal, if such termination or withdrawal could have a Material Adverse Effect, (ii) incur a full or partial withdrawal, or permit any ERISA Affiliate to incur a full or partial withdrawal, from any Multiemployer Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such withdrawal, if such withdrawal could have a Material Adverse Effect, (iii) otherwise fail, or permit any of its ERISA Affiliates to fail, to comply in all material respects with ERISA or the related provisions of the Internal Revenue Code if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect, or (iv) fail, or permit any of its Subsidiaries to fail, to comply with Applicable Law with respect to any Foreign Plan if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect.

(g) **Use of Proceeds.** Use the proceeds of any Borrowing to buy or carry Margin Stock.

(h) **Anti-Corruption Laws and Sanctions.** Request any Borrowing, or use or permit any of its Subsidiaries or its or their respective directors, officers, employees and agents to use the proceeds of any Borrowing (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

### **SECTION 5.03      *Financial Covenant.***

So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will maintain a ratio of Consolidated Debt to Consolidated Capital, as of the last day of each March, June, September and December, of not greater than 0.675 to 1.000.

## **ARTICLE VI EVENTS OF DEFAULT**

### **SECTION 6.01      *Events of Default.***

If any of the following events ("*Events of Default*") shall occur and be continuing:

(a) The Borrower (i) shall fail to pay any principal of any Advance when the same becomes due and payable, or (ii) shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(a), 5.01(i)(iii) or 5.02 (other than (x) Section 5.02(f) and (y) except for a material breach thereof, 5.02(h)), or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) Any event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower (but excluding Debt outstanding hereunder) or any Significant Subsidiary outstanding in a principal or notional amount of at least \$50,000,000 in the aggregate if the effect of such event or condition is to accelerate or require early termination of the maturity or tenor of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), terminated, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity or the original tenor thereof; or

(e) The Borrower or any Significant Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any Significant Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any Significant Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) (i) Any entity, person (within the meaning of Section 14(d) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”)) or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) that as of the Closing Date was beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of less than 30% of the Voting Stock of AEP shall acquire a beneficial ownership (within the meaning of Rule 13d-3 of

the SEC under the Exchange Act), directly or indirectly, of Voting Stock of AEP (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of AEP; (ii) during any period of up to 24 consecutive months, commencing after the Closing Date, individuals who at the beginning of such 24-month period were directors of AEP shall cease for any reason to constitute a majority of the board of directors of AEP, *provided* that any person becoming a director subsequent to the Closing Date, whose election, or nomination for election by AEP's shareholders, was approved by a vote of at least a majority of the directors of the board of directors of AEP as comprised as of the Closing Date (other than the election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of AEP) shall be, for purposes of this provision, considered as though such person were a member of the board as of the Closing Date; or (iii) AEP shall fail to own directly or indirectly 100% of the Voting Stock of the Borrower; or

(g) Any judgment or order for the payment of money in excess of \$50,000,000 in the case of the Borrower or any Significant Subsidiary to the extent not paid or insured shall be rendered against the Borrower or any Significant Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) (i) The termination of or withdrawal from the United Mine Workers' of America 1974 Pension Trust by AEP or any of its ERISA Affiliates shall have occurred and the liability of AEP and its ERISA Affiliates related to such termination or withdrawal exceeds \$75,000,000 in the aggregate; or (ii) any ERISA Event (other than an ERISA Event described in clause (i)) shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such ERISA Event exceeds \$50,000,000;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the outstanding Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the outstanding Advances, all such interest and all such amounts shall become and be forthwith due and payable by the Borrower, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however*, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the outstanding Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

## ARTICLE VII THE ADMINISTRATIVE AGENT

**SECTION 7.01**      *Appointment and Authority.* Each of the Lenders hereby irrevocably appoints BNS to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as otherwise provided in Section 7.06, the provisions of this Article VII are solely for the benefit of the Administrative Agent and the Lenders, and the Borrower shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.

**SECTION 7.02**      *Rights as a Lender.* The Person serving as the Administrative Agent hereunder has the same rights and powers in its capacity as a Lender as any other Lender and may exercise them as though it were not the Administrative Agent, and the term “Lender” or “Lenders,” unless otherwise expressly indicated or unless the context otherwise requires, includes the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

**SECTION 7.03**      *Exculpatory Provisions.*

(a) The Administrative Agent has no duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder are administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(A) is not subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(B) has no duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as is expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent is not required to take any action that, in the opinion of the Administrative Agent or its counsel, could expose the Administrative Agent to liability or is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that could be in violation of the automatic stay under any Debtor Relief Law or that could effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(C) does not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith is necessary, under the circumstances as provided in Sections 6.01 and 8.01), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower or a Lender.

(c) The Administrative Agent is not responsible for and has no duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

**SECTION 7.04** *Reliance by Administrative Agent.* The Administrative Agent may rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Borrowing that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent has received notice to the contrary from such Lender prior to the making of such Advance. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

**SECTION 7.05** *Delegation of Duties.* The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more of its Affiliates acting as sub-agents appointed by the Administrative Agent. The Administrative Agent and any such Affiliate sub-agent may perform any and all of their duties and exercise their rights and powers by or through their respective

Related Parties. The exculpatory provisions of this Article VII apply to any such Affiliate sub-agent and to the Related Parties of the Administrative Agent and any such Affiliate sub-agent and apply to their respective activities in connection with the syndication of the facilities hereunder as well as activities as Administrative Agent. The Administrative Agent is not responsible for the negligence or misconduct of any Affiliate sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such Affiliate sub-agents.

**SECTION 7.06      *Resignation of Administrative Agent.***

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders may, in consultation with the Borrower, appoint a successor. If no such successor has been so appointed by the Required Lenders and has accepted such appointment 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as is agreed by the Required Lenders) (the “**Resignation Effective Date**”), then the retiring Administrative Agent may (but is not obligated to), on behalf of the Lenders, appoint a successor Administrative Agent; provided that in no event may any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (iv) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor has been so appointed by the Required Lenders and has accepted such appointment 30 days after the Administrative Agent receives notice of its removal (or such earlier day as is agreed by the Required Lenders) (the “**Removal Effective Date**”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent’s resignation or removal

hereunder and under the other Loan Documents, the provisions of this Article VII and Section 8.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

**SECTION 7.07** *Non-Reliance on Agents and Other Lenders.* Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it from time to time deems appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

**SECTION 7.08** *No Other Duties.* Anything herein to the contrary notwithstanding, the Sole Lead Arranger has no powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender.

**SECTION 7.09** *Administrative Agent May File Proofs of Claim.* In case of the pendency of any proceeding under any Debtor Relief Law, the Administrative Agent (irrespective of whether the principal of any Advance is then due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent has made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances and all other obligations under this Agreement that are owing and unpaid and to file such other documents as may be necessary or advisable to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 8.04) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, if the Administrative Agent consents to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 8.04.



**SECTION 7.10**      *Indemnification.*

Each Lender severally agrees to indemnify the Administrative Agent and each of its Related Parties (to the extent not promptly reimbursed by the Borrower and without limiting its obligation to do so) from and against such Lender's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Administrative Agent or such Related Party in any way relating to or arising out of this Agreement or any action taken or omitted by such Person under this Agreement; provided, however, that no Lender shall be liable, as to the Administrative Agent or any of its Related Parties, for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of such Person as determined in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent and each of its Related Parties promptly upon demand for its ratable share of any costs and expenses (including, without limitation, fees and reasonable expenses of counsel) payable by the Borrower under Section 8.04, to the extent that the Administrative Agent or such Related Party is not promptly reimbursed for such costs and expenses by the Borrower after request therefor and without limiting the Borrower's obligation to do so. For purposes of this Section 7.10, the Lenders' respective ratable shares of any amount shall be determined, at any time, according to the sum of (i) the aggregate principal amount of the Advances outstanding at such time and owing to the respective Lenders and (ii) the aggregate unused portions of their respective Commitments at such time. In the event that any Lender shall have failed to make any Advance as required hereunder, such Lender's Commitment shall be considered to be unused for purposes of this Section 7.10 to the extent of the amount of such Advance. The failure of any Lender to reimburse the Administrative Agent or any of its Related Parties promptly upon demand for its ratable share of any amount required to be paid by the Lender to the Administrative Agent or such Related Party as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse the Administrative Agent or such Related Party for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Administrative Agent or such Related Party for such other Lender's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 7.10 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

**SECTION 7.11**      *Erroneous Payments.*

(a) If the Administrative Agent (x) notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient (and each of their respective successors and assigns), a "**Payment Recipient**") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any

such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “**Erroneous Payment**”) and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 7.11 and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender or any Person who has received funds on behalf of a Lender (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within two Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 7.11(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 7.11(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 7.11(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under immediately preceding clause (a).

(d) (i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "***Erroneous Payment Return Deficiency***"), upon the Administrative Agent's notice to such Lender at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender shall be deemed to have assigned its Advances (but not its Commitments) with respect to which such Erroneous Payment was made (the "***Erroneous Payment Impacted Class***") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Advances (but not Commitments) of the Erroneous Payment Impacted Class, the "***Erroneous Payment Deficiency Assignment***") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Notes evidencing such Advances to the Borrower or the Administrative Agent (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender, (D) the Administrative Agent and the Borrower shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Administrative Agent will reflect in the Register its ownership interest in the Advances subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement.

(ii) Subject to Section 8.07 (but excluding, in all events, any assignment consent or approval requirements (whether from the Borrower or otherwise)), the Administrative Agent may, in its discretion, sell any Advances acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Advance (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Advances acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Advances are then owned by the Administrative Agent) and (y) may, in the sole discretion of the Administrative Agent, be reduced by any amount specified by the Administrative Agent in writing to the applicable Lender from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender to the rights and interests of such Lender) under the Loan Documents with respect to such amount (the “*Erroneous Payment Subrogation Rights*”) (*provided* that the Loan Parties’ obligations under the Loan Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such obligations in respect of Advances that have been assigned to the Administrative Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligations owed by the Borrower or any other Loan Party; *provided* that this Section 7.11 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the obligations of the Borrower relative to the amount (and/or timing for payment) of the obligations hereunder that would have been payable had such Erroneous Payment not been made by the Administrative Agent; *provided, further*, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on “discharge for value” or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 7.11 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all obligations (or any portion thereof) under any Loan Document.

## **ARTICLE VIII MISCELLANEOUS**

### **SECTION 8.01**      *Amendments, Etc.*

No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that, subject to Section 8.17, no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (i) amend Section 3.01 or 3.02 or waive any of the conditions specified therein, (ii) increase the Commitment of any Lender or extend the Commitments, or subject any Lender to any additional obligations, (iii) reduce the principal of, or interest on, or rate of interest applicable to, the outstanding Advances or any fees or other amounts payable hereunder, (iv) postpone any date fixed for any payment of principal of, or interest on, the outstanding Advances, reimbursement obligations or any fees or other amounts payable hereunder, (v) change the definition of Required Lenders or the percentage of the Commitments or of the aggregate unpaid principal amount of the outstanding Borrowings, or the number or percentage of the Lenders that shall be required for the Lenders or any of them to take any action hereunder, or (vi) amend or waive this Section 8.01 or any provision of this Agreement that requires pro rata treatment of the Lenders; and provided further that (x) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement, and (y) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent and the Required Lenders, amend or waive Section 8.18. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate (but such Lender shall continue to be entitled to the benefits of Sections 2.11, 2.14 and 8.04) upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal amount of and interest accrued on each Advance made by it and outstanding and all other amounts owing to it or accrued for its account under this Agreement and is released from its obligations hereunder.

### **SECTION 8.02**      *Notices, Etc.*

(a) The Borrower hereby agrees that any notice that is required to be delivered to it hereunder shall be delivered to the Borrower as set forth in this Section 8.02. All notices

and other communications provided for hereunder shall be in writing (including fax) and mailed, faxed or delivered, if to the Borrower, at its address at 1 Riverside Plaza, Columbus, OH 43215, Attention: Treasurer (fax: 614-716-2807; telephone: 614-716-2885), with a copy to the General Counsel (fax: 614-716-1687; telephone: 614-716-2929) and to [corporatefinance@aep.com](mailto:corporatefinance@aep.com); if to any Initial Lender, at its Domestic Lending Office specified in its Administrative Questionnaire; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Assumption pursuant to which it became a Lender; if to the Administrative Agent, at its address at 720 King Street West, Toronto, ON, Canada M5V 2T3, Attention: Corporate Agency Operations (Telephone: 212-225-5705, Facsimile: 212-225-5708, Email: [CorporateLending.AgencyOps@scotiabank.com](mailto:CorporateLending.AgencyOps@scotiabank.com)); or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall be effective when delivered or received at the appropriate address or number to the attention of the appropriate individual or department, except that notices and communications to the Administrative Agent pursuant to Article II, III or VII shall not be effective until received by the Administrative Agent. Delivery by fax of an executed counterpart of any amendment or waiver of any provision of this Agreement or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) The Borrower and the Lenders hereby agree that the Administrative Agent may make any information required to be delivered to the Administrative Agent on behalf of the Lenders (the “*Communications*”) available to the Lenders by posting the Communications on Intralinks, SyndTrak or a substantially similar electronic transmission systems (the “*Platform*”). The Borrower and the Lenders hereby acknowledge that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c) THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT, AND SHALL NOT BE DEEMED TO WARRANT, THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE, OR SHALL BE DEEMED TO BE MADE, BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES (COLLECTIVELY, “*AGENT PARTIES*”) HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER’S OR THE ADMINISTRATIVE AGENT’S TRANSMISSION OF

COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

**SECTION 8.03**      *No Waiver; Remedies.*

No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right or power hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and not exclusive of any rights and remedies that are provided by law or that they would otherwise have.

**SECTION 8.04**      *Costs and Expenses.*

(a) The Borrower agrees to pay promptly upon demand all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, (i) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (ii) the reasonable fees and expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay promptly upon demand all costs and expenses of the Administrative Agent and the Lenders, if any (including, without limitation, counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Administrative Agent and the Lenders in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower agrees to indemnify and hold harmless each Lender and the Administrative Agent and each of their Related Parties (each, an “*Indemnified Party*”) from and against any and all claims, damages, losses, liabilities and penalties, joint or several, to which any such Indemnified Party may become subject, in each case arising out of or in connection with or relating to (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances (ii) any error or omission in connection with posting of data on the Platform, or (iii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, and to reimburse any Indemnified Party for any and all reasonable expenses (including, without limitation, reasonable fees and expenses of counsel) as they are incurred in connection with the investigation of or preparation for or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Borrower or any of its Affiliates and whether or not any of the transactions contemplated hereby are consummated or this Agreement is terminated, AND THE FOREGOING INDEMNIFICATION SHALL APPLY WHETHER OR NOT SUCH INDEMNIFIED LIABILITIES ARE IN ANY WAY OR TO ANY EXTENT OWED, IN WHOLE OR IN PART, UNDER ANY CLAIM OR THEORY OF STRICT LIABILITY, OR ARE CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF ANY KIND BY ANY INDEMNIFIED PERSON, except to the extent such claim, damage, loss, liability, penalty or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party’s gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. To the fullest extent permitted by applicable law, the Borrower agrees not to assert, or permit any of their Affiliates or Related Parties to assert, and each hereby waives, any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential (including lost profits) or punitive damages arising out of or otherwise relating to this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Borrowings.

(c) If any payment of principal of, or Conversion of, any SOFR Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.05, 2.08(e), 2.09, 2.10 or 2.12, acceleration of the maturity of the outstanding Borrowings pursuant to Section 6.01 or for any other reason (in the case of any such payment or Conversion), the Borrower shall, promptly upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (other than loss of Applicable Margin), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.



(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.11, 2.14 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

(e) The Borrower agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or its security holders or creditors related to or arising out of or in connection with this Agreement, the Borrowings or the use or proposed use of the proceeds thereof, any of the transactions contemplated by any of the foregoing or in the loan documentation or the performance by an Indemnified Party of any of the foregoing (including the use by unintended recipients of any information or other materials distributed through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents) except to the extent that any loss, claim, damage, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(f) In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against the Borrower or any of its Affiliates in which such Indemnified Party is not named as a defendant, the Borrower agrees to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the fees and disbursements of its legal counsel.

#### **SECTION 8.05      *Right of Set-off.***

Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the outstanding Borrowings due and payable pursuant to the provisions of Section 6.01, each Credit Party and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Credit Party or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement held by such Credit Party, whether or not such Credit Party shall have made any demand under this Agreement and although such obligations may be unmatured; *provided* that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 8.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations of the Borrower owing to such Defaulting Lender as to which it exercised such right of setoff. Each Credit Party agrees promptly to notify the Borrower after any such set-off and application, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Credit Party and its Affiliates under this Section are in

addition to other rights and remedies (including, without limitation, other rights of set-off) that such Credit Party and its Affiliates may have.

**SECTION 8.06**      ***Binding Effect.***

This Agreement shall become effective upon satisfaction of the conditions precedent specified in Section 3.01 and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of all of the Lenders (and any attempted assignment or transfer by the Borrower without such consent shall be null and void).

**SECTION 8.07**      ***Assignments and Participations.***

(a)      ***Successors and Assigns Generally.*** No Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 8.07(b), (ii) by way of participation in accordance with the provisions of Section 8.07(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 8.07(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 8.07(d) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)      ***Assignments by Lenders.*** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i)      ***Minimum Amounts.***

(A)      in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B)      in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment and/or Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if the "***Trade Date***" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$2,500,000 or an integral multiple of \$500,000 in excess thereof, unless each of the Administrative Agent

and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment of such Lender being assigned.

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) **Assignment and Assumption.** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (to be paid by the assigning Lender, or, in the case of an assignment pursuant to Section 2.15(b), the Borrower); *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) **No Assignment to Certain Persons.** No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person that, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) **No Assignment to Natural Persons.** No such assignment shall be made to a natural Person.

(vii) **Certain Additional Payments.** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or

subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and Commitments in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this subsection, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.11, 2.14 and 8.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed in writing by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) **Register.** The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.** Any Lender may at any time, without the consent of the Borrower or the Administrative Agent, but upon notice to the Administrative Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); *provided* that (i) such Lender's obligations under this

Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 7.10 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver with respect to clauses (i) through (vi) of Section 8.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.02(c), 2.11, and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of Section 2.15 as if it were an assignee under subsection (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.11 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.05 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.16 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Advances or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Advances or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Advance or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

**SECTION 8.08**      *Confidentiality.*

Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Confidential Information, except that Confidential Information may be disclosed (a) to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any state, federal or foreign authority or examiner regulating banks, banking or other financial institutions and any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Law or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder or (iii) any credit insurance provider relating to the Borrower and its obligations; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or this Agreement or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement; (h) with the consent of the Borrower; or (i) to the extent such Confidential Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent or any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. Any Person required to maintain the confidentiality of Confidential Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Confidential Information as such Person would accord to its own confidential information. It is agreed that, notwithstanding the restrictions of any prior confidentiality agreement binding on the Arranger or the Administrative Agent, such parties may disclose Confidential Information as provided in this Section 8.08.

**SECTION 8.09**      *Governing Law.*

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

**SECTION 8.10**      *Severability; Survival; Entire Agreement.*

(a) Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(b) All covenants, agreements, representations and warranties made by the Borrower herein and in the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Advances, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Arranger, any Lender or any Affiliate of any of the foregoing may have had notice or knowledge of any Default or incorrect representation or warranty at the time the Loan Document is executed and delivered or any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Advance or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.10, 2.13, 2.15(b) and 8.04 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Advances, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

(c) The Loan Documents constitute the entire contract among the parties relative to the subject matter hereof. Any previous agreement, written or oral, among the parties with respect to the subject matter hereof is superseded by this Agreement, except as expressly stated in any other Loan Document.

**SECTION 8.11**            *Execution in Counterparts.*

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

**SECTION 8.12**            *Jurisdiction, Etc.*

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, THE COUNTY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT

THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT IN THE COURTS OF ANY JURISDICTION.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT REFERRED TO IN SECTION 8.12(a). EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) THE BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON THE BORROWER BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO THE BORROWER AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

**SECTION 8.13**            *Waiver of Jury Trial.*

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO WARRANTS AND REPRESENTS THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

**SECTION 8.14**            *USA Patriot Act.*

Each of the Lenders and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that, (a) pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law as of October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the "*Patriot Act*"), it is required to



obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act and (b) pursuant to the Beneficial Ownership Regulation, it is required to obtain a Beneficial Ownership Certificate.

**SECTION 8.15**      *No Fiduciary Duty.*

The Administrative Agent, the Arranger, each Lender and each of their respective Affiliates and each of their respective officers, directors, controlling persons, employees, agents and advisors (collectively, solely for purposes of this Section 8.15, the “**Lenders**”) may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those the Borrower and its Affiliates, and none of the Lenders has any obligation to disclose any of such interests to the Borrower or any of their Affiliates. The Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and the Borrower, its stockholders or its Affiliates. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm’s-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its Affiliates has advised or is currently advising the Borrower on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (iv) the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate. The Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim, and hereby waives and releases any claim to the fullest extent permitted by law, that any Lender (x) has rendered advisory services of any nature or respect, (y) has committed a breach of agency, fiduciary or similar duty, or (z) owes a duty of agency, fiduciary or similar duty to the Borrower, in each case in connection with such transaction or the process leading thereto.

**SECTION 8.16**      *Interest Rate Limitation.*

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Advance, together with all fees, charges and other amounts which are treated as interest on such Advance under applicable law (collectively, the “**Charges**”), shall exceed the maximum lawful rate (the “**Maximum Rate**”) which may be contracted for, charged, taken, received or reserved by the Lender making such Advance in accordance with applicable law, the rate of interest payable in respect of such Advance hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Advance but were not payable as a result of the operation of this Section 8.16 shall be cumulated and the interest and Charges payable to such Lender in respect of other Advances or periods shall be increased (but not above

the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Applicable Margin to the date of repayment, shall have been received by such Lender.

**SECTION 8.17      *Defaulting Lenders.***

(a) ***Defaulting Lender Adjustments.*** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) ***Waivers and Amendments.*** Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 8.01.

(ii) ***Defaulting Lender Waterfall.*** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 8.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that, if (x) such payment is a payment of the principal amount of any Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made at a time when, with respect to Advance A, the conditions set forth in Section 3.01 were satisfied or waived or, with respect to Advance B, at a time when the conditions in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Advances of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of such Defaulting Lender until such time as all Advances are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 8.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Reduction of Commitments.** The Borrower may terminate the Commitment of any Lender that is a Defaulting Lender upon not less than three Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 8.17(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); *provided* that (i) no Event of Default shall have occurred and be continuing and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent or any Lender may have against such Defaulting Lender.

(b) **Defaulting Lender Cure.** If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed in writing by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

**SECTION 8.18 Acknowledgment and Consent to Bail-In of EEA Financial Institutions.**

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such

shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(c) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

**SECTION 8.19**      *Certain ERISA Matters.*

(a) Each Lender (x) represents and warrants, as of the date such person became a Lender party hereto, to, and (y) covenants, from the date such person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

- (i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Advances, the Commitments or this Agreement,
- (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement,
- (iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Advances, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and

performance of the Advances, the Commitments and this Agreement, or

- (iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such person became a Lender party hereto, to, and (y) covenants, from the date such person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent, Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

#### **SECTION 8.20      *Acknowledgement Regarding Any Supported QFCs.***

(a) To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support, "***QFC Credit Support***" and, each such QFC, a "***Supported QFC***"), the parties acknowledge and agree as follows with respect to the resolution power of the FDIC under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "***U.S. Special Resolution Regimes***") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(b) In the event a Covered Entity that is party to a Supported QFC (each, a "***Covered Party***") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the

Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(c) As used in this Section 8.20, the following terms have the following meanings:

“**BHC Act Affiliate**” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“**Covered Entity**” means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**QFC**” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each party hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

KENTUCKY POWER COMPANY


By



Name: Renee V. Hawkins

Title: Assistant Treasurer

THE BANK OF NOVA SCOTIA,  
as Administrative Agent and as a Lender

By  \_\_\_\_\_  
Name: David Dewar  
Title: Director



**EXHIBIT A**  
**(to the Credit Agreement)**

**FORM OF NOTICE OF BORROWING**

The Bank of Nova Scotia, as Administrative Agent  
for the Lenders party  
to the Credit Agreement  
referred to below

720 King Street West  
Toronto, ON, Canada M5V 2T3  
Attention: Corporate Agency Operations  
Telephone: 212-225-5705  
Facsimile: 212-225-5708  
Email: [CorporateLending.AgencyOps@scotiabank.com](mailto:CorporateLending.AgencyOps@scotiabank.com)

July [ ], 2022

Ladies and Gentlemen:

The undersigned, Kentucky Power Company, refers to the Credit Agreement, to be dated as of July 22, 2022 (as amended or modified from time to time, the “**Credit Agreement**,” the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders party thereto and The Bank of Nova Scotia, as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the “**Proposed Borrowing**”) as required by Section 2.02(a) of the Credit Agreement:

- (i) The Business Day of the Proposed Borrowing is [ ], 2022.
- (ii) The aggregate amount of the Proposed Borrowing is \$[ ].
- (iii) The Type of Advance comprising the Proposed Borrowing is a [Base Rate Advance][SOFR Advance].
- (iv) (For SOFR Advances only) The initial Interest Period to be applicable to the Proposed Borrowing is [ ] months.
- (v) The location and number of the account of the Borrower to which the funds from the Proposed Borrowing are to be disbursed:

Name and Address of Bank: [ ]  
Account Description: [ ]  
Account Number: [ ]  
ABA Routing Number: [ ]

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The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement are true and correct in all material respects on and as of the date hereof, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on the date hereof; and

(B) no event has occurred and is continuing, or would result from the Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

KENTUCKY POWER COMPANY

By \_\_\_\_\_  
Name:  
Title:

**EXHIBIT B  
(to the Credit Agreement)**

**FORM OF ASSIGNMENT AND ASSUMPTION**

This Assignment and Assumption (the “*Assignment and Assumption*”) is dated as of the Effective Date set forth below and is entered into by and between [the][each]<sup>1</sup> Assignor identified in item 1 below ([the][each, an] “*Assignor*”) and [the][each]<sup>2</sup> Assignee identified in item 2 below ([the][each, an] “*Assignee*”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]<sup>3</sup> hereunder are several and not joint.]<sup>4</sup> Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “*Credit Agreement*”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the Credit Agreement, and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: \_\_\_\_\_

---

<sup>1</sup> For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

<sup>2</sup> For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

<sup>3</sup> Select as appropriate.

<sup>4</sup> Include bracketed language if there are either multiple Assignors or multiple Assignees.

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\_\_\_\_\_

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: \_\_\_\_\_

[for each Assignee, indicate [Affiliate][Approved Fund] of [identify Lender]

3. Borrower: Kentucky Power Company
4. Administrative Agent: The Bank of Nova Scotia, as the Administrative Agent under the Credit Agreement
5. Credit Agreement: The \$150,000,000 Credit Agreement dated as of July 22, 2022 among Kentucky Power Company, as the Borrower, the Lenders parties thereto, and The Bank of Nova Scotia, as Administrative Agent

6. Assigned Interest[s]:

Assignor[s] 5	Assignee[s] 6	Aggregate Amount of Commitment/Advances for all Lenders <sup>7</sup>	Amount of Commitment/Advances Assigned <sup>8</sup>	Percentage Assigned of Commitment/Advances <sup>8</sup>	CUSIP Number
		\$	\$	%	
		\$	\$	%	
		\$	\$	%	

[7. Trade Date: \_\_\_\_\_]<sup>9</sup>

<sup>5</sup> List each Assignor, as appropriate.  
<sup>6</sup> List each Assignee, as appropriate.  
<sup>7</sup> Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.  
<sup>8</sup> Set forth, to at least 9 decimals, as a percentage of the Commitment/Advances of all Lenders thereunder.  
<sup>9</sup> To be completed if the Assignor and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

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Effective Date: \_\_\_\_\_, 20\_\_ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]<sup>10</sup>

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

ASSIGNEE[S]<sup>11</sup>

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

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<sup>10</sup> Add additional signature blocks as needed.

<sup>11</sup> Add additional signature blocks as needed.

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[Consented to and]<sup>12</sup> Accepted:

THE BANK OF NOVA SCOTIA, as  
Administrative Agent

By \_\_\_\_\_  
Title:

[Consented to:]

[KENTUCKY POWER COMPANY

By \_\_\_\_\_  
Title:]<sup>13</sup>

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<sup>12</sup> To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

<sup>13</sup> To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

## ANNEX 1

\$150,000,000 Credit Agreement dated as of July 22, 2022 among Kentucky Power Company, as the Borrower, the Lenders parties thereto, and The Bank of Nova Scotia, as Administrative Agent

### STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

#### 1. *Representations and Warranties.*

- 1.1. Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.
- 1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 8.07(b)(iii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 8.07(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to clauses (i) and (ii) of Section 5.01(i) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit

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analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender and (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto.

2. **Payments.** From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.
3. **General Provisions.** This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by fax shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.



## EXHIBIT B-1

### FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of July 22, 2022 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), The Bank of Nova Scotia, as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.13 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Advance(s) (as well as any Note(s) evidencing such Advance(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_, 20[ ]

## EXHIBIT B-2

### FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of July 22, 2022 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), The Bank of Nova Scotia, as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.13 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

### EXHIBIT B-3

#### FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of July 22, 2022 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), The Bank of Nova Scotia, as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.13 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_, 20[ ]

## EXHIBIT B-4

### FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of July 22, 2022 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), The Bank of Nova Scotia, as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.13 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Advance(s) (as well as any Note(s) evidencing such Advance(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Advance(s) (as well as any Note(s) evidencing such Advance(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_, 20[ ]

## **EXHIBIT C**

### **Form of Opinion of Counsel to the Borrower<sup>1</sup>**

---

<sup>1</sup> NTD: Company to provide.

**Schedule I**

**Schedule of Initial Lenders**

<b>Lender Name</b>	<b>Commitment</b>
The Bank of Nova Scotia	\$150,000,000
<b>Total</b>	<b>\$150,000,000</b>

**Schedule 4.01(m)**  
**Significant Subsidiaries**

None.

*Execution Version*

## SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT, dated as of May 26, 2023 (this “*Amendment*”) is made by and among KENTUCKY POWER COMPANY, a Kentucky corporation (the “*Borrower*”), each of the Lenders as reflected on the signature pages hereto, and CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH (“*CIBC*”), as administrative agent (in such capacity, and together with its permitted successors, the “*Administrative Agent*”). Capitalized terms used but not defined herein shall have the meanings assigned such terms in the Credit Agreement (as defined below).

**WHEREAS**, the Borrower, the Lenders and the Administrative Agent are parties to that certain Credit Agreement, dated as of June 17, 2021 (as amended, supplemented or modified prior to the date hereof, the “*Credit Agreement*”), pursuant to which, among other things, the Borrower requested the Lenders extend the Termination Date from June 17, 2023 to June 30, 2024 on the terms and conditions set forth in the Credit Agreement.

**WHEREAS**, the Borrower has requested that the Lenders (i) amend the Credit Agreement as provided below and (ii) confirm the continued effectiveness of the Credit Agreement as amended hereby.

**WHEREAS**, the Administrative Agent and the Lenders signatory hereto, on the terms and conditions hereinafter set forth, are willing to grant the aforesaid requests of the Borrower.

**NOW, THEREFORE**, in consideration of the premises and in order to induce the Administrative Agent and the Lenders to amend the Credit Agreement, the parties hereto agree as follows:

### **SECTION 1. Amendment to Credit Agreement.**

- (a) Subject to the satisfaction of the conditions precedent specified in Section 3 below, the Credit Agreement is hereby amended to (a) delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~), and (b) to add the bold double-underlined text (indicated textually in the same manner as the following example: **bold double-underlined text**) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto. Except as expressly stated above and in Section 2(b) below, each other provision of the Credit Agreement (including all schedules and exhibits thereto) shall remain as it was in effect immediately prior to the date hereof.

**SECTION 2. Conditions to Effectiveness.** This Amendment shall become effective on the date (the “**Second Amendment Effective Date**”) that each of the following conditions precedent is satisfied:



- (a) The Administrative Agent shall have received on or before the Second Amendment Effective Date the following, each dated the Second Amendment Effective Date, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:
- (i) certified copies of the Borrower's certificate of incorporation and bylaws, and resolutions of the board of directors of the Borrower approving this Amendment, a certificate of good standing for the Borrower from its jurisdiction of incorporation and all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Amendment;
  - (ii) a certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Amendment and the other documents to be delivered by the Borrower hereunder; and
  - (iii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit B hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.
- (b) On the Second Amendment Effective Date, the following statements shall be true and the Administrative Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Second Amendment Effective Date, stating that:
- (i) The representations and warranties of the Borrower contained in Section 3 hereto and Section 4.01 of the Credit Agreement are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the Second Amendment Effective Date, as though made on and as of such date; provided, however, (A) any reference to the Disclosure Documents in Section 4.01 of the Credit Agreement shall be deemed to be a reference to the Second Amendment Disclosure Documents, and (B) any reference to December 31, 2018 in Section 4.01 of the Credit Agreement shall be deemed to be a reference to December 31, 2021; and
  - (ii) Both immediately prior to and immediately after giving effect to the Amendment, no event has occurred and is continuing that constitutes a Default.
- (c) The Administrative Agent shall have received counterparts of this Amendment, executed and delivered by the Borrower and the Lenders.
- (d) The Administrative Agent shall have received all promissory notes (if any) requested by the Lenders pursuant to Section 2.06(d), duly completed and executed by the Borrower and payable to such Lenders.

- (e) The Administrative Agent shall have received all documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations.
- (f) The Administrative Agent shall have received copies of the Borrower’s Annual Report for the fiscal year ended December 31, 2022, and (ii) the Borrower’s Current Reports on Form 8-K, as filed with the SEC after the date of filing the Borrower’s Report on Form 10-K for the period ended December 31, 2022 but prior to the Second Amendment Effective Date (collectively, the “**Second Amendment Disclosure Documents**”).
- (g) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.
- (h) The Borrower shall have paid all fees and expenses of the Administrative Agent and the Lenders then due and payable in accordance with the terms of the Section 4 hereto.

**SECTION 3. Representations and Warranties of Borrower.** The Borrower represents and warrants as follows:

(a) The execution, delivery and performance by each Borrower of this Amendment and the consummation by the Borrower of the transactions contemplated by this Amendment, are within the Borrower’s corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower’s certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(b) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Borrower of this Amendment.

(c) This Amendment has been duly executed and delivered by the Borrower. Each of this Amendment and the Credit Agreement, as amended by this Amendment, constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors’ rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

(d) As of the Second Amendment Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

**SECTION 4. Fees, Expenses, Etc.**

(a) Administrative Agent shall have received all reasonable out-of-pocket fees, costs and expenses incurred by the Administrative Agent in connection with the negotiation, preparation and execution of this Amendment.

(b) (i) [Reserved].

(ii) The Borrower agrees that, once paid, the fees described herein or any part thereof payable hereunder and under the Credit Agreement will not be refundable under any circumstances, except otherwise as agreed in writing by the party to whom such fee is owed. All such fees will be paid in immediately available funds and shall not be subject to reduction by way of setoff or counterclaim. All or any portion of the fees received by the Administrative Agent hereunder or under the Credit Agreement may be allocated to any affiliate of CIBC or any other Lender or be shared among the CIBC, the Lenders and their respective affiliates.

**SECTION 5. Reference to and Effect on the Credit Agreement.** (a) Upon the effectiveness of Section 1 hereof: (i) each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby, and (ii) each reference in the Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically amended above, the Credit Agreement shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

(c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, under the Credit Agreement or any of the other Loan Documents.

(d) Nothing contained in this Amendment shall prejudice any right or remedy that the Administrative Agent or any Lender may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document, or any other instrument or agreement referred to therein.

**SECTION 6. Reaffirmation.** The Borrower hereby reaffirms its obligations under the Credit Agreement (as amended by this Amendment) and each Loan Document to which it is a party.

**SECTION 7. Entire Agreement.** This Agreement and the Loan Documents (including the Credit Agreement as amended by this Amendment) constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal among the parties hereto or any of them with respect to the subject matter hereof.

**SECTION 8. Amendments; Modifications.** Neither this Amendment nor any provision hereof may be waived, amended or modified, except in accordance with Section 8.01 of the Credit Agreement.

**SECTION 9. Incorporated Provisions.** The provisions of Section 8.12 (“**Jurisdiction, Etc.**”) and Section 8.13 (“**Waiver of Jury Trial**”) of the Credit Agreement are hereby incorporated by reference into this Agreement, mutatis mutandis.

**SECTION 10. Execution in Counterparts.** This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment.

**SECTION 11. Headings.** Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

**SECTION 12. Successors and Assigns.** This Amendment shall be binding upon the Borrower, the Administrative Agent, the Lenders and their respective permitted successors and assigns, and shall inure to the benefit of the Borrower, the Administrative Agent and the Lenders and their respective permitted successors and assigns.

**SECTION 13. GOVERNING LAW.** THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signature page follows.]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

KENTUCKY POWER COMPANY

By:   
Name: \_\_\_\_\_  
Title: **Renee V. Hawkins**  
**Asst. Treasurer**

[Signature Page – Second Amendment to Credit Agreement]

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CANADIAN IMPERIAL BANK OF  
COMMERCE, NEW YORK BRANCH,  
as Administrative Agent and a Lender

By:   
Name: Amit Vasani  
Title: Managing Director

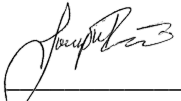
COBANK ACB,  
as a Lender

By: 

Name: Kelli Cholas

Title: Assistant Corporate Secretary

PNC BANK, NATIONAL ASSOCIATION,  
as a Lender

By:   
Name: Joseph Rein  
Title: Assistant Vice President



**Exhibit A**

**Amended Credit Agreement**

[See attached]

~~Execution Version~~ Conformed through Second Amendment, dated as of May 26, 2023

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U.S. \$150,000,000

**CREDIT AGREEMENT**

Dated as of June 17, 2021

Among

**KENTUCKY POWER COMPANY**  
as the Borrower

**THE LENDERS NAMED HEREIN**  
as Initial Lenders

and

**CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH,**  
as Administrative Agent

---

**CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH,**  
as Lead Arranger

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## CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of June 17, 2021 (this “*Agreement*”), among KENTUCKY POWER COMPANY, a Kentucky corporation (the “*Borrower*”), the banks, financial institutions and other institutional lenders listed on the signatures pages hereof (the “*Initial Lenders*”), and CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH (“*CIBC*”), as administrative agent (in such capacity, and together with its successors appointed pursuant to the terms of this Agreement, the “*Administrative Agent*”) for the Lenders (as hereinafter defined).

### PRELIMINARY STATEMENT:

~~WHEREAS, the Borrower has requested that the Lenders, on the terms and conditions set forth herein, provide the Borrower a \$150,000,000 two year term loan facility to be used for general corporate purposes, and the Lenders have indicated their willingness to provide such a facility on the terms and conditions of this Agreement.~~

The Borrower is party to that certain the Credit Agreement, dated as of June 17, 2021 (as in effect immediately prior to the Second Amendment Effective Date, the “*Existing Credit Agreement*”), among the Borrower, CIBC, as administrative agent, and the banks, financial institutions and other institutional lenders party thereto.

WHEREAS, the parties hereto have agreed to amend the Existing Credit Agreement to read as set forth in this Agreement, and it has been agreed by such parties that any Advances outstanding as of the Second Amendment Effective Date shall be governed by and deemed to be outstanding under this Agreement with the intent that the provisions of this Agreement that differ from those contained in the Existing Credit Agreement shall supersede such provisions of the Existing Credit Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

## ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

### SECTION 1.01 *Certain Defined Terms.*

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“*Act*” has the meaning specified in Section 4.01(l).

“*Adjusted Term SOFR*” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“*Administrative Agent*” has the meaning specified in the recital of parties to this Agreement.

“**Administrative Questionnaire**” means an administrative questionnaire in a form supplied by the Administrative Agent.

“**Advance**” means an advance by a Lender to a Borrower as part of a Borrowing and refers to a Base Rate Advance or a ~~Eurodollar Rate~~SOFR Advance.

“**AEP**” means American Electric Power Company, Inc., a New York corporation.

“**Affected Financial Institution**” means (i) any EEA Financial Institution or (ii) any UK Financial Institution.

“**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term “control” (including the terms “controlling”, “controlled by” and “under common control with”) of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

“**Agent Parties**” has the meaning specified in Section 8.02(c).

“**Agent’s Account**” means the account of the Administrative Agent designated from time to time by the Administrative Agent in a written notice to the Lenders and the Borrower.

~~“**Announcements**” has the meaning specified in Section 1.05.~~

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption.

“**Applicable Law**” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of Governmental Authorities, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

~~“**Applicable Lending Office**” means, with respect to each Lender, such Lender’s Domestic Lending Office in the case of a Base Rate Advance and such Lender’s Eurodollar Lending Office in the case of a Eurodollar Rate Advance.~~

“**Applicable Margin**” means (i) with respect to a ~~Eurodollar Rate~~SOFR Advance, ~~0.80~~0.95% per annum, and (ii) with respect to a Base Rate Advance, 0% per annum; *provided* that the Applicable Margins set forth above shall be increased upon the occurrence and during the continuance of any Event of Default by 2.00% per annum.

“**Approved Fund**” means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Arranger**” means CIBC in its capacity as lead arranger and bookrunner of the Facility.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 8.07(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit B hereto or any other form approved by the Administrative Agent.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 8.19(c).

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“**Bail-In Legislation**” means (i) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (ii) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“**Bankruptcy Event**” means, with respect to any Person, such Person becomes the subject of a proceeding under any Debtor Relief Law, or has had a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets (including the Federal Deposit Insurance Corporation or any other Governmental Authority acting in a similar capacity) appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; *provided* that, a Bankruptcy Event shall not result solely by virtue of any ownership interest, or acquisition of any equity interest, in such Person by a Governmental Authority so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm obligations under any agreement in which it commits to extend credit.

“**Base Rate**” means ~~a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to,~~ at any time, the highest of (a) the ~~following~~



~~rates then in effect (provided that if~~ Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1.00%; each change in the Base Rate ~~as determined below shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement):~~

~~(i) — take effect simultaneously with the corresponding change or changes in the rate of interest established by the Administrative Agent from time to time as the Administrative Agent’s prime rate (the “Prime Rate”);~~

~~(ii) — 1/2 of 1% per annum above, the Federal Funds Rate; and~~

~~or Adjusted Term SOFR, as applicable (provided that clause (iii) the Daily Eurodollar Rate plus 1 shall not be applicable during any period in which Adjusted Term SOFR is unavailable or unascertainable). Notwithstanding the foregoing, in no event shall the Base Rate be less than 0.00%.~~

“**Base Rate Advance**” means an Advance that bears interest as provided in Section 2.07(a).

~~“**Benchmark**” has the meaning specified in Section 8.19(g)~~

~~“**Benchmark Replacement**” has the meaning specified in Section 8.19(g).~~

~~“**Benchmark Replacement Adjustment**” has the meaning specified in Section 8.19(g).~~

~~“**Benchmark Replacement Conforming Changes**” has the meaning specified in Section 8.19(g).~~

~~“**Benchmark Replacement Date**” has the meaning specified in Section 8.19(g). means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “**Benchmark**” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 8.19.~~

“**Benchmark Replacement**” means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such **Benchmark Replacement** will be deemed to be the Floor for the purposes of this Agreement and the other **Loan Documents**.

**“Benchmark Replacement Adjustment”** means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

**“Benchmark Replacement Date”** means the earlier to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

**“Benchmark Transition Event”** ~~has the meaning specified in Section 8.19(g).~~ means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with

jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Start Date**” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90<sup>th</sup> day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.19 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.19.

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**Benefit Plan**” means any of (i) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (ii) a “plan” as defined in Section 4975 of the Internal Revenue Code to which Section 4975 of the Internal Revenue Code applies, and (iii) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Internal Revenue Code) the assets of any such “employee benefit plan” or “plan”.

“**Borrower**” has the meaning specified in the recital of parties to this Agreement.

“**Borrowing**” means a borrowing by the Borrower consisting of simultaneous Advances of the same Type, having the same Interest Period and ratably made or Converted on the same day by each of the Lenders pursuant to Section 2.02 or 2.09, as the case may be. All Advances to the Borrower of the same Type, having the same Interest Period and made or Converted on the same day shall be deemed a single Borrowing hereunder until repaid or next Converted.

“**Borrowing Date**” means the date of any Borrowing.

“**Business Day**” means ~~any day of the year on which banks are not required or authorized by law to close in that~~ any day (a) is not a Saturday, Sunday or other day on which the Federal Reserve Bank of New York, NY is closed and, if the applicable Business Day relates to any Eurodollar Rate Advances, “Business Day” also includes a day on which dealings are carried out in the London interbank market (b) is not a day on which commercial banks in Toronto, Ontario, Canada are closed.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, implemented, adopted or issued.

“**Charges**” has the meaning specified in Section 8.16.

“**CIBC**” has the meaning specified in the recital of parties to this Agreement.

“**Commitment**” means, for each Lender at any time on any day, the obligation of such Lender to make Advances to the Borrower in an aggregate amount no greater than the amount set forth on Schedule I hereto or, if such Lender has entered into any Assignment and Assumption, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), in each such case as such amount may be increased pursuant to Section 2.17. The initial amount of each Lender’s Commitment as of the Closing Date is set forth on Schedule I hereto, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable.

“**Conforming Changes**” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the

addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 8.04 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“**Closing Date**” means June 17, 2021.

“**Commitment Percentage**” means, as to any Lender as of any date of determination, the percentage describing such Lender’s pro rata share of the Commitments set forth in the Register from time to time; *provided* that in the case of Section 8.17 when a Defaulting Lender shall exist, “**Commitment Percentage**” means the percentage of the total Commitments (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Commitment Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“**Commitments**” means, at any time on any day, the aggregate amount for all Lenders of each Lender’s Commitment then in effect hereunder. The initial amount of the Commitments hereunder on the Closing Date is \$150,000,000.

“**Communications**” has the meaning specified in Section 8.02(b).

“**Confidential Information**” means all information relating the Borrower or any of its Subsidiaries or their businesses that the Borrower furnishes to the Administrative Agent, the Arranger or any Lender in a writing clearly identified at the time of delivery as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent, the Arranger or such Lender from a source other than the Borrower.

“**Confirmation of Facility Increase**” has the meaning specified in Section 2.17.

“**Connection Income Taxes**” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“**Consolidated Capital**” means the sum of (i) Consolidated Debt of the Borrower and (ii) the consolidated equity of all classes of stock (whether common, preferred, mandatorily convertible preferred or preference) of the Borrower, in each case determined in accordance with GAAP, but including Equity-Preferred Securities issued by the Borrower and its Consolidated Subsidiaries and excluding the funded pension and other postretirement benefit plans, net of tax, components of accumulated other comprehensive income (loss).

“**Consolidated Debt**” of the Borrower means the total principal amount of all Debt described in clauses (i) through (v) of the definition of Debt and Guaranties of such Debt of the Borrower and its Consolidated Subsidiaries, excluding, however, (i) ~~Debt of AEP Credit, Inc. that is non-recourse to the Borrower and its Consolidated Subsidiaries in respect of the sale of accounts receivable by the Borrower or its Consolidated Subsidiaries,~~ (ii) Stranded Cost Recovery Bonds, and (iii) Equity-Preferred Securities not to exceed 10% of Consolidated Capital (calculated for purposes of this clause without reference to any Equity-Preferred Securities); provided that Guaranties of Debt included in the total principal amount of Consolidated Debt shall not be added to such total principal amount.

“**Consolidated Subsidiary**” means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with Generally Accepted Accounting Principles.

“**Consolidated Tangible Net Assets**” means, on any date of determination and with respect to any Person at any time, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of such Person and its Consolidated Subsidiaries most recently delivered to the Lenders pursuant to Section 5.01(i) as of such date of determination, net of applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the consolidated current liabilities of such Person and its Consolidated Subsidiaries appearing on such balance sheet.

“**Convert**”, “**Conversion**” and “**Converted**” each refers to a conversion of Advances of one Type into Advances of the other Type, or the selection of new, or the renewal of the same, Interest Period for ~~Eurodollar Rate~~ SOFR Advances, pursuant to Section 2.08, 2.09 or 2.12.

“**Credit Party**” means the Administrative Agent or any Lender.

~~“**Daily Eurodollar Rate**” means, for any day, the rate per annum determined by the Administrative Agent by dividing the (i) the Published Rate by (ii) a number equal to 1.00 minus the percentage prescribed by the Federal Reserve Bank of New York for determining the maximum reserve requirements with respect to any Eurocurrency funding by banks on such day.~~

~~“**Daily Simple SOFR**” has the meaning specified in Section 8.19(g).~~

“**Debt**” of any Person means, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person’s business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, including, without limitation, the leases described in clause (iv) of Section 5.02(c), (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, (vi) all Guaranties and (vii) all



reasonably quantifiable obligations under indemnities or under support or capital contribution agreements, and other reasonably quantifiable obligations (contingent or otherwise) to purchase or otherwise to assure a creditor against loss in respect of, or to assure an obligee against loss in respect of, all Debt of others referred to in clauses (i) through (vi) above guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss.

“**Debtor Relief Laws**” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“**Declining Lender**” has the meaning specified in Section 2.18(b).

“**Default**” means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

“**Defaulting Lender**” means, subject to Section 8.17(b), any Lender that (i) has failed to (A) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, or (B) pay to any Credit Party any other amount required to be paid by it hereunder within two Business Days of the date when due, (ii) has notified the Borrower or any Credit Party in writing that it does not intend to comply with its funding obligations hereunder or generally under other agreements in which it commits to extend credit, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund an Advance hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (iii) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided that*, such Lender shall cease to be a Defaulting Lender pursuant to this clause (iii) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (iv) has become the subject of (x) a Bankruptcy Event or (y) a Bail-~~in~~In Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (i) through (iv) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 8.17(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“**Disclosure Documents**” means (i) the Borrower’s Annual Report for the fiscal year ended December 31, ~~2020~~2022, and (ii) the Borrower’s ~~First Quarter~~Current Reports on Form 8-K, as filed with the SEC after the date of filing the Borrower’s Report on Form 10-K for the period ended ~~March~~December 31, ~~2021~~2022 but prior to the Second Amendment Effective Date

“**Dollars**” and the symbol “\$” mean lawful currency of the United States of America.

~~“**Domestic Lending Office**” means, with respect to any Lender, the office of such Lender specified as its “Domestic Lending Office” on such Lender’s Administrative Questionnaire or in the Assignment and Assumption pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.~~

~~“**Early Opt-in Election**” has the meaning specified in Section 8.19(g).~~

“**EEA Financial Institution**” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“**EEA Member Country**” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“**EEA Resolution Authority**” means any public administrative authority or any ~~person~~Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“**Eligible Assignee**” means any Person that meets the requirements to be an assignee under Section 8.07(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 8.07(b)(iii)).

“**Environmental Action**” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (i) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (ii) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“**Environmental Law**” means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.



“**Environmental Permit**” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“**Equity Interests**” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“**Equity-Preferred Securities**” means (i) debt or preferred securities that are mandatorily convertible or mandatorily exchangeable into common shares of the Borrower and (ii) any other securities, however denominated, including but not limited to hybrid capital and trust originated preferred securities, (A) issued by the Borrower or any Consolidated Subsidiary of the Borrower, (B) that are not subject to mandatory redemption or the underlying securities, if any, of which are not subject to mandatory redemption, (C) that are perpetual or mature no less than 30 years from the date of issuance, (D) the indebtedness issued in connection with which, including any guaranty, is subordinate in right of payment to the unsecured and unsubordinated indebtedness of the issuer of such indebtedness or guaranty, and (E) the terms of which permit the deferral of the payment of interest or distributions thereon to a date occurring after the Termination Date.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“**ERISA Affiliate**” means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) of the Internal Revenue Code.

“**ERISA Event**” means (i) the termination of or withdrawal from any Plan by the Borrower or any of its ERISA Affiliates, (ii) the failure by the Borrower or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Plan or (iii) the failure by the Borrower or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

“**Erroneous Payment**” has the meaning specified in Section 7.14(a).

“**Erroneous Payment Deficiency Assignment**” has the meaning assigned thereto in Section 7.14(d).

“**Erroneous Payment Impacted Class**” has the meaning assigned thereto in Section 7.14(d).

“**Erroneous Payment Return Deficiency**” has the meaning assigned thereto in Section 7.14(d).

“**EU Bail-In Legislation Schedule**” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

~~“**Eurocurrency Liabilities**” has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.~~

~~“Eurodollar Lending Office” means, with respect to any Lender, the office of such Lender specified as its “Eurodollar Lending Office” on such Lender’s Administrative Questionnaire or in the Assignment and Assumption pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.~~

~~“Eurodollar Rate” means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing, the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards to the nearest 1/100th of 1% per annum) (i) the rate that appears on Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market), or the rate that is quoted by another source selected by the Administrative Agent, reasonably acceptable to the Borrower, that has been approved by ICE Benchmark Association as an authorized information vendor for the purpose of displaying the rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market (for purposes of this definition, an “Alternate Source”) at approximately 11:00 A.M., London time, two Business Days prior to the first day of such Interest Period as the London interbank offered rate for U.S. Dollars for an amount comparable to such Borrowing and having a Borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error)), by (ii) a number equal to 1.00 minus the percentage prescribed by the Federal Reserve Bank of New York for determining the maximum reserve requirements with respect to any Eurocurrency funding by banks from time to time; provided that if the Eurodollar Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.~~

~~“Eurodollar Rate Advance” means an Advance that bears interest as provided in Section 2.07(b).~~

~~“Events of Default” has the meaning specified in Section 6.01.~~

~~“Exchange Act” has the meaning specified in Section 6.01(f).~~

~~“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (i) Taxes imposed on or measured by the net income (however denominated) of such Recipient, franchise Taxes or branch profits Taxes, in each case, (A) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Applicable~~applicable~~ Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) that are Other Connection Taxes, (ii) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date on which (A) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15(b) or (B) such Lender changes its Applicable~~applicable~~ Lending Office, except in each case to the extent that,~~

pursuant to Section 2.14, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its ~~Applicable~~applicable Lending Office, (iii) Taxes attributable to such Recipient's failure to comply with Section 2.14(g) and (iv) any U.S. federal withholding Taxes imposed under FATCA.

***"Extension Effective Date"*** has the meaning specified in Section 2.18(c).

***"Extension of Credit"*** means the making of a Borrowing. For purposes of this Agreement, a Conversion shall not constitute an Extension of Credit.

***"Facility"*** means the aggregate commitment of the Lenders to make Advances to the Borrower hereunder up to a maximum of One Hundred Fifty Million Dollars (\$150,000,000), as such aggregate commitment may be increased pursuant to Section 2.17.

***"FATCA"*** means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

***"Federal Funds Rate"*** means, for any period, a fluctuating interest rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it; provided that if the Federal Funds Rate as determined in accordance with this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

***"First Amendment"*** means that certain Waiver and Amendment to Credit Agreement, dated as of August 16, 2022, among the Borrower, the Administrative Agent and the Lenders party thereto.

***"Floor"*** ~~has the meaning specified in Section 8.19(g)~~means a rate of interest equal to 0.00%.

***"Foreign Lender"*** means a Lender that is not a U.S. Person.

***"Foreign Plan"*** has the meaning specified in Section 4.01(i).

***"Fund"*** means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

***"GAAP"*** has the meaning specified in Section 1.03.

“**Generally Accepted Accounting Principles**” means United States generally accepted accounting principles in effect from time to time.

“**Governmental Approval**” means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

“**Governmental Authority**” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Guaranty**” of any Person means any obligation, contingent or otherwise, of such Person (i) to pay any Debt of any other Person or (ii) incurred in connection with the issuance by a third person of a Guaranty of Debt of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise).

“**Hazardous Materials**” means (i) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (ii) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

~~“**IBA**” has the meaning specified in Section 1.05.~~

“**Indemnified Party**” has the meaning specified in Section 8.04(b).

“**Indemnified Taxes**” means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (ii) to the extent not otherwise described in clause (i), Other Taxes.

“**Initial Lenders**” has the meaning specified in the recital of parties to this Agreement.

“**Interest Period**” means, ~~for each Eurodollar Rate Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate Advance or the date of the Conversion of~~ as to any Base Rate SOFR Advance into such Eurodollar Rate Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, with respect to Eurodollar Rate Advances, each subsequent, the period commencing on the ~~last day of the immediately preceding Interest Period~~ date such SOFR Advance is disbursed or converted to or continued as a SOFR Advance and ending on the last day of the period date one (1), three (3) or six (6) months thereafter, in each case as selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months (subject to availability), as the Borrower may, upon notice received by the Administrative Agent not later than 11:00 A.M. on the third Business Day prior to the first day of such Interest Period, select in its Notice of Borrowing or a notice of conversion and subject to availability; provided, however, that:

(i) ~~the Borrower may not select any Interest Period that ends after the Termination Date;~~

~~(ii) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Borrowing shall be of the same duration;~~

(i) the Interest Period shall commence on the date of advance of or conversion to any SOFR Advance and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

~~(iii) whenever the last day of~~ any Interest Period would otherwise ~~occur~~expire on a day ~~other than that is not~~ a Business Day, ~~the last day of~~ such Interest Period shall ~~be extended to occur~~expire on the next succeeding Business Day; ~~provided, however, that, if such extension would cause the last day of such~~ any Interest Period ~~to occur in the next following calendar~~ would otherwise ~~expire~~ on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, ~~the last day of~~ such Interest Period shall ~~occur~~expire on the ~~next~~immediately preceding Business Day; ~~and~~

~~(iv) whenever the first day of~~ any Interest Period ~~occurs~~that begins on ~~a day~~the last Business Day of ~~an initial~~ a calendar month (or on a day for which there is no numerically corresponding day in the calendar month ~~that succeeds such initial calendar month by~~ at the ~~number~~end of ~~months equal to the number of months in~~ such Interest Period, ~~such Interest Period~~ shall end on the last Business Day of ~~such succeeding~~the relevant calendar month at the end of such Interest Period;

(iv) no Interest Period shall extend beyond the Termination Date;

(v) there shall be no more than ten (10) Interest Periods in effect at any time; and

(vi) no tenor that has been removed from this definition pursuant to Section 8.19 shall be available for specification in any Notice of Borrowing or notice of conversion.

“*Internal Revenue Code*” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“*IRS*” means the United States Internal Revenue Service.

~~“*ISDA Definitions*” has the meaning specified in Section 8.21(g).~~

“*Lender Commitment Increase Agreement*” has the meaning specified in Section 2.17.

“*Lender Joinder Agreement*” has the meaning specified in Section 2.17.

“*Lenders*” means the Initial Lenders and each other Person that shall become a party hereto pursuant to Section 8.07 or Section 2.17, in each case other than any such Person that shall have ceased to be a party hereto pursuant to Section 8.07 or Section 2.17.

“**Lending Office**” means, with respect to any Lender, the office of such Lender maintaining such Lender’s Extensions of Credit, which office may, to the extent the applicable Lender notifies the Administrative Agent in writing, include an office of any Affiliate of such Lender or any domestic or foreign branch of such Lender or Affiliate.

“**Lien**” means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“**Loan Documents**” means, collectively, (i) this Agreement, (ii) any promissory note issued pursuant to Section 2.06(d), and (iii) any Lender Joinder Agreement, in each case, as amended, supplemented or modified from time to time.

“**Margin Regulations**” means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“**Margin Stock**” has the meaning specified in the Margin Regulations.

“**Material Adverse Change**” means any material adverse change (i) in the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement or any other Loan Document against the Borrower or the ability of the Borrower to perform its obligations under this Agreement or any other Loan Document.

“**Material Adverse Effect**” means a material adverse effect (i) on the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement or any other Loan Document against the Borrower or the ability of the Borrower to perform its obligations under this Agreement or any other Loan Document.

“**Maximum Rate**” has the meaning specified in Section 8.18.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Multiemployer Plan**” has the meaning specified in Section 4.01(i).

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders in accordance with the terms of Section 8.01 and (ii) has been approved by the Required Lenders.

“**Non-Defaulting Lender**” means, at any time, each Lender that is not a Defaulting Lender at such time.

“**Notice of Borrowing**” has the meaning specified in Section 2.02(a).

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing



such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Advance, Commitment or Loan Document).

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15(b)).

“**Overnight Rate**” means, for any day, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

“**Participant**” has the meaning specified in Section 8.07(d).

“**Participant Register**” has the meaning specified in Section 8.07(d).

“**Patriot Act**” has the meaning specified in Section 8.14.

“**Permitted Liens**” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(g) hereof; (ii) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens, and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings; (iii) Liens incurred or deposits made to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; (iv) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (v) any judgment Lien, unless an Event of Default under Section 6.01(g) shall have occurred and be continuing; (vi) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower or any Significant Subsidiary and not created in contemplation of such event; (vii) deposits made in the ordinary course of business to secure the performance of bids, trade contracts (other than for Debt), operating leases and surety bonds; (viii) Liens upon or in any real property or equipment acquired, constructed, improved or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property); (ix) extensions, renewals or replacements of any Lien described in clause (iii), (vi), (vii) or (viii) for the same or a lesser amount, *provided, however*, that no such Lien shall extend to or cover any

properties not theretofore subject to the Lien being extended, renewed or replaced; and (x) any other Lien not covered by the foregoing exceptions as long as immediately after the creation of such Lien the aggregate principal amount of Debt secured by all Liens created or assumed under this clause (x) does not exceed 10% of Consolidated Tangible Net Assets of the Borrower.

“**Person**” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

“**Plan**” has the meaning specified in Section 4.01(i).

“**Platform**” has the meaning specified in Section 8.02(b).

“**PTE**” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

~~“**Published Rate**” means the rate of interest published each business day in The Wall Street Journal “Money Rates” listing under the caption “London Interbank Offered Rates” for a one-month period; provided, that, if no such rate is published therein for any reason, then the Published Rate shall be the Eurodollar rate for a one-month period as published in another publication determined by the Administrative Agent.~~

“**Recipient**” means (a) the Administrative Agent and (b) any Lender, as applicable.

~~“**Reference Time**” has the meaning specified in Section 8.19(g).~~

“**Register**” has the meaning specified in Section 8.07(c).

“**Regulation AB**” means rules promulgated by the SEC found at C.F.R. 229.1100 et seq.

“**Related Parties**” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“**Relevant Governmental Body**” means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

“**Request for Facility Increase**” has the meaning specified in Section 2.17.

“**Required Lenders**” means at any time Lenders having Advances and Commitments representing more than 50% of the sum of the then aggregate unpaid principal amount of the Advances owing to Lenders and Commitments in effect at such time. Subject to Section 8.01, the unpaid principal amount of the Advances owing to any Defaulting Lender and the Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“**Resolution Authority**” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.



“**Restructuring Law**” means Texas Senate Bill 7, as enacted by the Legislature of the State of Texas and signed into law on June 18, 1999, Ohio Senate Bill No. 3, as enacted by the General Assembly of the State of Ohio and signed into law on July 6, 1999, or any similar law applicable to the Borrower or any Subsidiary of the Borrower governing the deregulation or restructuring of the electric power industry.

“**RTO Transaction**” means the transfer of transmission facilities to a regional transmission organization or equivalent organization as approved or ordered by the Federal Energy Regulatory Commission or the Kentucky Public Service Commission.

“**S&P**” means ~~Standard & Poor’s~~ S&P Global Ratings ~~Group~~, a ~~division of The McGraw Hill Companies~~ business unit of S&P Global, Inc.

“**Sanctioned Country**” means, at any time of determination, a country or territory which is the subject or target of any Sanctions.

“**Sanctioned Person**” means, at any time, any target of determination, Sanctions, including: (a) any Person ~~listed in on~~ any Sanctions-related list of targets identified or designated ~~Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union or pursuant to any EU member state~~ Sanctions, (b) any Person operating, organized or resident in a Sanctioned Country ~~or~~, (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in ~~the preceding clause~~ clauses (a) ~~or and~~ (b). ~~For purposes of the foregoing, ownership or control of, including a Person shall be that is deemed to include where a~~ by the Office of Foreign Assets Control of the U.S. Department of the Treasury to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person ~~(is) owns or has power to vote 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of the Person or other individuals performing similar functions for the Person, or (ii) has the power to direct or cause the direction of the management and policies of the Person, whether by ownership of equity interests, contracts or~~ any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

“**Sanctions**” means any and all economic or financial sanctions ~~or~~, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by ~~(a) the U.S. government, (including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by, the U.S. Department of State, the U.S. Department of State~~ Commerce, or ~~(b) through any existing or future statute or executive order)~~, the United Nations Security Council, the European Union, any EU European member state, ~~or Her~~ His Majesty’s Treasury, or other relevant sanctions authority in any jurisdiction in which (a) the Borrower or any of its Subsidiaries or Affiliates is located or conducts business, (b) in which any of the proceeds of the Advances will be used, or (c) from which repayment of the ~~United Kingdom~~ Advances will be derived.

“**SEC**” means the United States Securities and Exchange Commission.

“*Second Amendment*” means that certain Second Amendment to Credit Agreement, dated as of May 26, 2023, among the Borrower, the Administrative Agent and the Lenders party thereto.

“*Second Amendment Effective Date*” shall have the meaning ascribed thereto in the Second Amendment.

“*Significant Subsidiary*” means, at any time, any Subsidiary of the Borrower that constitutes at such time a “significant subsidiary” of the Borrower (as such term is defined in Regulation S-X of the SEC as in effect on the Closing Date (17 C.F.R. Part 210)); *provided, however,* that “total assets” as used in Regulation S-X shall not include securitization transition assets, phase-in cost assets or similar assets on the balance sheet of any Subsidiary resulting from the issuance of transition bonds or other asset-backed securities of a similar nature.

~~“*SOFR*” has the meaning specified in Section 8.19(g).~~

~~“means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator” has the meaning specified in Section 8.19(g).~~

~~“*SOFR Administrator’s Website*” has the meaning specified in Section 8.19(g)~~

“*SOFR Administrator*” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“*SOFR Advance*” means an Advance that bears interest at a rate based on Adjusted Term SOFR as provided in Section 2.07(b).

“*Stranded Cost Recovery Bonds*” means securities, however denominated, that are issued by the Borrower or any Consolidated Subsidiary of the Borrower that are (i) non-recourse to the Borrower and its Consolidated Subsidiaries (other than for failure to collect and pay over the charges referred to in clause (ii) below) and (ii) payable solely from transition or similar charges authorized by the Kentucky Public Service Commission and to be invoiced to customers of any Subsidiary of the Borrower or to retail electric providers.

“*Subsidiary*” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership or joint venture or (iii) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person’s other Subsidiaries.

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

~~“Term SOFR” has the meaning specified in Section 8.19(g)~~ means,

(a) for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Periodic Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Advance on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “**Base Rate Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

~~“Term SOFR Notice” has the meaning specified in Section 8.19(g)~~ “**Adjustment**” means, for any calculation with respect to a Base Rate Advance, 0.10% per annum, or a SOFR Advance, 0.10% per annum for each applicable Interest Period therefor.

~~“Term SOFR Transition Event” has the meaning specified in Section 8.19(g).~~

“Term SOFR Administrator” means CME Group **Benchmark Administration Limited** (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“Term SOFR Reference Rate” means **the forward-looking term rate based on SOFR.**

“Termination Date” means, with respect to any Lender, the earlier to occur of (i) ~~1730, 2023~~2024 or such later date that may be established for such Lender from time to time pursuant to Section 2.18 hereof, and (ii) the date on which the obligations hereunder are made due and payable pursuant to Section 6.01.

“*Type*” refers to the distinction between Advances bearing interest at the Base Rate and Advances bearing interest at ~~the Eurodollar Rate~~ SOFR.

~~“*Unadjusted Benchmark Replacement*” has the meaning specified in Section 8.19(g).~~

“*UK Financial Institution*” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“*UK Resolution Authority*” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“*U.S. Person*” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“*U.S. Tax Compliance Certificate*” has the meaning assigned to such term in Section 2.14(g)(ii)(B)(3).

~~“*USD LIBOR*” has the meaning specified in Section 8.19(g).~~ “*Unadjusted Benchmark Replacement*” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“*U.S. Government Securities Business Day*” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in Sections 2.02(a), 2.09 and 2.10, in each case, such day is also a Business Day.

“*Voting Stock*” means capital stock issued by a corporation, the membership interests in a limited liability company, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors or managers (or Persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

“*Withholding Agent*” means the Borrower and the Administrative Agent.

“*Write-Down and Conversion Powers*” means, (i) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (ii) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all

or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

**SECTION 1.02**      *Computation of Time Periods.*

In this Agreement in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

**SECTION 1.03**      *Accounting Terms.*

All accounting terms not specifically defined herein shall be construed in accordance with Generally Accepted Accounting Principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(f) (“*GAAP*”); *provided* that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change to GAAP occurring after the Closing Date as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)*, issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case to the extent that such change would require treating any operating lease entered into on or prior to December 31, 2018 that would not otherwise constitute Debt as a capital lease where such operating lease would not constitute Debt and was not required to be so treated under GAAP as in effect on the Closing Date.

**SECTION 1.04**      *Other Interpretive Provisions.*

As used herein, except as otherwise specified herein, (i) references to any Person include its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities; (ii) references to any Applicable Law include amendments, supplements and successors thereto; (iii) references to specific sections, articles, annexes, schedules and exhibits are to this Agreement; (iv) words importing any gender include the other gender; (v) the singular includes the plural and the plural includes the singular; (vi) the words “including”, “include” and “includes” shall be deemed to be followed by the words “without limitation”; (vii) captions and headings are for ease of reference only and shall not affect the construction hereof; and (viii) references to any time of day shall be to New York, NY time unless otherwise specified. [For all purposes under the Loan Documents, in connection with](#)

any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person.

**SECTION 1.05**      *Rates.*

~~The interest rate on Advances may be determined by reference to a benchmark rate that is, or may in the future become, the subject to regulatory reform or cessation. Regulators have signaled the need to use alternative reference rates for some of these benchmark rates and, as a result, such benchmark rates may cease to comply with applicable laws and regulations, may be permanently discontinued or the basis on which they are calculated may change. The London interbank offered rate, which may be one of the benchmark rates with reference to which the interest on Advances may be determined, is intended to represent the rate at which contributing banks may obtain short term borrowings from each other in the London interbank market. On March 5, 2021, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (“IBA”), the administrator of the London interbank offered rate, and the Financial Conduct Authority (the “FCA”), the regulatory supervisor of IBA, announced in public statements (the “Announcements”) that the final publication or representativeness date for the London interbank offered rate for: (a) Dollars for 1 week and 2 month tenor settings will be December 31, 2021 and (b) Dollars for overnight, 1 month, 3 month, 6 month and 12 month tenor settings will be June 30, 2023. No successor administrator for IBA was identified in the Announcements. As a result, it is possible that commencing immediately after such dates, the London interbank offered rate for such tenors may no longer be available or may no longer be deemed a representative reference rate upon which to determine the interest rate on applicable Advances. There is no assurance that the dates set forth in the Announcements will not change or that IBA or the FCA will not take further action that could impact the availability, composition or characteristics of any London interbank offered rate. Public and private sector industry initiatives have been and continue, as of the date hereof, to be underway to implement new or alternative reference rates to be used in place of London interbank offered rates. In the event that the London interbank offered rate or any other then current Benchmark is no longer available or in certain other circumstances set forth in Section 8.19, such Section 8.19 provides a mechanism for determining an alternative rate of interest. The Administrative Agent will notify the Borrower, pursuant to Section 8.19, of any change to the reference rate upon which the interest rate on Advances is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (ia) the continuation of, administration of, submission of, calculation of or any other matter related to the London interbank offered rate or other Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition of “Eurodollar Rate” thereof, or with respect to any alternative, comparable or successor rate thereto, or replacement rate thereof thereto (including ~~any then current Benchmark or~~ any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement ~~reference~~ rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 8.19, will be similar to, or produce the same value or economic equivalence of, ~~the Eurodollar Rate or any other Benchmark,~~ or have the same volume or liquidity as ~~did,~~ the London interbank offered rate Term SOFR Reference Rate, Adjusted Term~~



SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or ~~(i)~~<sup>(ii)</sup> the effect, implementation or composition of any ~~Benchmark Replacement Conforming Changes~~. ~~SECTION 1.06~~ Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

**SECTION 1.06**      *Divisions.*

For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

**ARTICLE II**  
**AMOUNTS AND TERMS OF THE ADVANCES**

**SECTION 2.01**      *The Advances.*

(a) Subject to the terms and conditions hereof, each Lender severally agrees, to make Advances to the Borrower on the Closing Date in an aggregate outstanding amount not to exceed such Lender's Commitment. Subject to Section 2.01(b), the Borrower may make only one Borrowing under the Facility. Any amounts borrowed under this Section 2.01(a) and subsequently repaid or prepaid in respect of Advances may not be reborrowed.

(b) In the event any increase in the Facility and the Commitments thereunder is undertaken pursuant to Section 2.17, the Borrower shall be required to make a Borrowing in an amount equal to such increased Commitments on the date which is not more than five (5) Business Days following the effectiveness of such increase pursuant to the terms of Section 2.02.

**SECTION 2.02**      *Making the Advances.*

(a) Each Borrowing shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitment Percentages. The Borrower shall give notice to the Administrative Agent, (i) not later than 11:00 A.M. three (3) U.S. Government Securities Business Days prior to the Closing Date, of a Borrowing consisting

of ~~Eurodollar Rate~~SOFR Advances to be made on the Closing Date, or (ii) not later than 11:00 A.M. one (1) Business Day prior to the Closing Date, of a Borrowing consisting of Base Rate Advances to be made on the Closing Date, and the Administrative Agent shall give to each Lender prompt written notice of such Borrowing. Each such notice of a Borrowing under this Section 2.02 (a “**Notice of Borrowing**”) shall be by telephone, confirmed immediately in writing, or fax in substantially the form of Exhibit A hereto, specifying therein the requested (i) Borrowing Date for such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of ~~Eurodollar Rate~~SOFR Advances, the initial Interest Period for each such Advance. Each Lender shall, before 12:00 Noon on the applicable Borrowing Date, make available for the account of its ~~Applicable~~applicable Lending Office to the Administrative Agent at the Agent’s Account, in same day funds, such Lender’s ratable portion of the Borrowing to be made on such Borrowing Date. After the Administrative Agent’s receipt of such funds and upon fulfillment of the applicable conditions set forth in Section 3.02, the Administrative Agent will promptly make such funds available to the Borrower in such manner as the Borrower shall have specified in the applicable Notice of Borrowing and as shall be reasonably acceptable to the Administrative Agent.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select ~~Eurodollar Rate~~SOFR Advances if the obligation of the Lenders to make ~~Eurodollar Rate~~SOFR Advances shall then be suspended pursuant to Section 2.08(b), 2.08(e) or 2.12.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to comprise ~~Eurodollar Rate~~SOFR Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Section 3.02, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) ~~Unless the Administrative Agent shall have received notice in writing from a Lender prior to any Borrowing Date or, in the case of a Base Rate Advance, prior to the time of Borrowing, that such Lender will not make available to the Administrative Agent such Lender’s Advance as part of the Borrowing to be made on such Borrowing Date~~In connection with any borrowing hereunder, the Administrative Agent may, ~~but shall not be required to,~~ assume that ~~such~~each Lender has made ~~its respective share of~~ such ~~portion~~borrowing available ~~to the Administrative Agent~~ on such ~~Borrowing Date~~date in accordance with ~~subsection (a) of this Section 2.02, and the Administrative Agent may (but it shall not be required to)~~the terms hereof and may, in reliance upon such assumption, make available to the Borrower ~~on such date~~a corresponding amount. ~~If and to the extent that~~In such ~~event, if a~~ Lender ~~shall~~has not ~~have so in fact~~ made ~~such Advance~~its share of the applicable borrowing available to the Administrative Agent, ~~such~~then the applicable Lender and the Borrower severally agree to ~~repay~~pay to the Administrative Agent forthwith on demand such corresponding amount, ~~together~~with interest thereon, for each day from ~~and including~~ the date such amount is made available to the Borrower



~~until~~ to but excluding the date ~~such amount is repaid~~ of payment to the Administrative Agent, at ~~(iA)~~ in the case of a payment to be made by such Lender, the Overnight Rate and (B) in the case of a payment to be made by the Borrower, the interest rate applicable ~~at the time to~~ to Base Rate Advances comprising such Borrowing. If the Borrower and (ii) in the case of such Lender, ~~the Federal Funds Rate~~ shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender ~~shall repay~~ pays its share of the applicable borrowing to the Administrative Agent ~~such corresponding amount, such,~~ then the amount so ~~repaid~~ paid shall constitute such Lender's Advance ~~as part of~~ included in such ~~Borrowing for purposes of this Agreement~~ borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

### **SECTION 2.03      *Fees.***

The Borrower shall pay to the Administrative Agent such fees as may from time to time be agreed between the Borrower and the Administrative Agent.

### **SECTION 2.04      *Termination of the Commitments.***

(a) The Commitment of each Lender shall terminate immediately and without further action on the Closing Date after giving effect to the funding of such Lender's Commitment on such date.

(b) Once terminated, neither a Commitment nor any portion thereof may be reinstated.

### **SECTION 2.05      *Repayment of Advances.***

The Borrower shall repay to the Administrative Agent for the account of each Lender on the Termination Date the aggregate principal amount of all Advances made by such Lender to the Borrower then outstanding.

### **SECTION 2.06      *Evidence of Indebtedness.***

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Advance made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(b) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Advance made hereunder, the Type of each Advance made and the

Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to subsections (a) and (b) of this Section 2.06 shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations therein recorded; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Advances and interest thereon in accordance with the terms of this Agreement.

(d) Any Lender may request that any Advances made by it be evidenced by one or more promissory notes. In such event, the Borrower shall prepare, execute and deliver to such Lender one or more promissory notes payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Advances evidenced by such promissory notes and interest thereon shall at all times (including after assignment pursuant to Section 8.07) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

#### **SECTION 2.07      *Interest on Advances.***

The Borrower shall pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) ***Base Rate Advances.*** During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate plus (y) the Applicable Margin for Base Rate Advances in effect from time to time, payable in arrears (i) monthly on the first Business Day of each month during such periods, (ii) on the date such Base Rate Advance shall be Converted or paid in full and (iii) on the Termination Date.

(b) ***~~Eurodollar Rate~~SOFR Advances.*** During such periods as such Advance is a ~~Eurodollar Rate~~SOFR Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) ~~the Eurodollar Rate~~Adjusted Term SOFR for such Interest Period for such Advance plus (y) the Applicable Margin for ~~Eurodollar Rate~~SOFR Advances in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such ~~Eurodollar Rate~~SOFR Advance shall be Converted or paid in full.

#### **SECTION 2.08      *Interest Rate Determination.***

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.07(a) or (b).

(b) If, with respect to any ~~Eurodollar Rate~~SOFR Advances, (i) the Required Lenders notify the Administrative Agent that ~~the Eurodollar Rate~~SOFR for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective ~~Eurodollar Rate~~SOFR Advances for such Interest Period, or (ii) ~~a Eurodollar Rate~~SOFR cannot be determined or is otherwise unavailable, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon (A) each ~~Eurodollar Rate~~SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (B) the obligation of the Lenders to make, or to Convert Advances into, ~~Eurodollar Rate~~SOFR Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Borrower shall fail to select the duration of any Interest Period for any ~~Eurodollar Rate~~SOFR Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of ~~Eurodollar Rate~~SOFR Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each ~~Eurodollar Rate~~SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, ~~Eurodollar Rate~~SOFR Advances shall be suspended.

#### **SECTION 2.09**      *Optional Conversion of Advances.*

The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 11:00 A.M. (New York, NY time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all or any part of Advances of one Type comprising the same Borrowing into Advances of the other Type or of the same Type but having a new Interest Period; *provided, however*, that any Conversion of ~~Eurodollar Rate~~SOFR Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such ~~Eurodollar Rate~~SOFR Advances, any Conversion of Base Rate Advances into ~~Eurodollar Rate~~SOFR Advances shall be in an amount not less than \$10,000,000, and no Conversion of any Advances shall result in more than five (5) different Interest Periods in effect. Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into ~~Eurodollar Rate~~SOFR Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

#### **SECTION 2.10**      *Optional Prepayments of Advances.*

The Borrower may, upon at least three Business Days' notice, in the case of ~~Eurodollar Rate~~SOFR Advances, and upon notice not later than 11:00 A.M. (New York, NY time) on the date of prepayment, in the case of Base Rate Advances, to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and, if such notice is given, the Borrower shall prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; *provided, however*, that (x) each partial prepayment shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, and (y) in the event of any such prepayment of a ~~Eurodollar Rate~~SOFR Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

**SECTION 2.11      *Increased Costs.***

(a)      ***Increased Costs Generally.*** If any Change in Law shall:

(i)      impose, modify or deem applicable any reserve including pursuant to regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of the FRB, as amended and in effect from time to time), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender ~~(except any reserve requirement reflected in the Eurodollar Rate)~~;

(ii)      subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii)      impose on any Lender ~~or the London interbank market~~ any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Advance or of maintaining its obligation to make any such Advance, or to increase the cost to such Lender or such other Recipient to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b)      ***Capital Requirements.*** If any Lender determines that any Change in Law affecting such Lender or any ~~Applicable~~applicable Lending Office of such Lender or such

Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by such Lender, to a level below that which such Lender or such Lender's or holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement.** A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than one hundred eighty (180) days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof).

## SECTION 2.12 ***Illegality Laws Affecting SOFR Availability.***

~~If due to, after the date hereof, the introduction of, or any Changechange in, any Applicable Law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall becomemake it unlawful or impossible for any Credit Party (or its Eurodollar) of the Lenders (or any of their respective Lending OfficeOffices) to honor its obligations hereunder to make, or maintain or fund its Eurodollar Rate Advancesany SOFR Advance, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, and such Credit PartyLender shall so notify the promptly give notice thereof to the Administrative Agent, and the Administrative Agent shall forthwith give notice thereof to the other Credit Parties and the Borrower, whereupon promptly give notice to the Borrower and the other Lenders (an "Illegality Notice"). Thereafter, until such Credit Partyeach affected Lender notifies the BorrowerAdministrative Agent and the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspensiondetermination no longer exist, the(i) any obligation of such Credit Partythe Lenders to make Eurodollar RateSOFR Advances, or to Convert outstanding Advances into Eurodollar Rate Advancesand any right of the Borrower to convert any Advance to a SOFR Advance or continue any Advance as a SOFR Advance, shall be~~

suspended. ~~Before giving any notice to~~ and (ii) if necessary to avoid such illegality, the Administrative Agent pursuant to this Section 2.12, such Credit Party shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions applicable to such Credit Party) to designate a different Eurodollar Lending Office if such designation would avoid the need for giving such notice and would not ~~shall~~ compute the Base Rate without reference to clause (c) of the definition of "Base Rate". Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all SOFR Advances to Base Rate Advances (in each case, if necessary to avoid such illegality, ~~in the judgment of such Credit Party, be otherwise disadvantageous to such Credit Party.~~ If such notice is given, each Eurodollar Rate Advance of such Credit Party then outstanding Administrative Agent shall be converted to a compute the Base Rate Advance either (i) without reference to clause (c) of the definition of "Base Rate"), on the last day of the ~~then current~~ Interest Period applicable to such Eurodollar Rate Advance if such Credit Party therefor, if all affected Lenders may lawfully continue to maintain and fund such Advance SOFR Advances to such day, or (ii) immediately, if such Credit Party shall determine that it any Lender may not lawfully continue to maintain and fund such Advance SOFR Advances to such day. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 8.04.

### **SECTION 2.13      *Payments and Computations.***

(a) The Borrower shall make each payment to be made by it hereunder not later than 1:00 P.M. on the day when due in Dollars to the Administrative Agent at the Agent's Account in same day funds without condition or deduction for any counterclaim, defense, recoupment or setoff. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest ratably (other than amounts payable pursuant to Section 2.03(a), 2.11, 2.14, 2.15, 8.04(c) and 8.17) to the Lenders for the account of their respective ~~Applicable~~ applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its ~~Applicable~~ applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Assumption, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder, after any applicable grace period, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the rate referred to in clause (i) of the definition of the "Base Rate" contained in Section 1.01 shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of



interest based on ~~the Eurodollar Rate~~SOFR or the Federal Funds Rate shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest; *provided, however*, that, if such extension would cause payment of interest on or principal of ~~Eurodollar Rate~~SOFR Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to a Lender hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date, and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

#### **SECTION 2.14 Taxes.**

(a) **Defined Terms.** For purposes of this Section 2.14, the term “Applicable Law” includes FATCA.

(b) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.14) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Borrower.** The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Borrower.** The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for and hold it harmless against the full amount of any Indemnified Taxes (including, without limitation, Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.14), payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders.** Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 8.07(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f) **Evidence of Payments.** As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.14, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) **Status of Lenders.** (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject



such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit B-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “*U.S. Tax Compliance Certificate*”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-2 or Exhibit

B-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(E) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) ***Treatment of Certain Refunds.*** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.14 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant

Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **Survival.** Each party's obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

#### **SECTION 2.15      *Mitigation Obligations; Replacement of Lenders.***

(a) **Designation of a Different Applicable Lending Office.** If any Lender requests compensation under Section 2.11, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different ~~Applicable~~ Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.11 or 2.14, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender requests compensation under Section 2.11, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14 and, in each case, such Lender has declined or is unable to designate a different ~~Applicable~~ Lending Office in accordance with subsection (a) above, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 8.07), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.11 or Section 2.14) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); provided that:

- (i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 8.07(b)(iv);
- (ii) such Lender shall have received payment of an amount equal to the outstanding principal amounts of its Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.04(c)) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);
- (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.11 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter;
- (iv) no Default shall have occurred and be continuing;
- (v) such assignment does not conflict with Applicable Law; and
- (vi) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

**SECTION 2.16      *Sharing of Payments, Etc.***

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it (other than pursuant to Section 2.03(a), 2.11, 2.14, 2.15, 8.04(c) or 8.17 or in respect of ~~Eurodollar Rate~~SOFR Advances converted into Base Rate Advances pursuant to Section 2.12) by the Borrower, in excess of its ratable share of payments on account of the Advances to the Borrower, obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in such Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.16 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(b) If any Lender shall fail to make any payment required to be made by it hereunder to or for the account of the Administrative Agent, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent to satisfy such Lender's obligations in respect of such payment until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

### **SECTION 2.17      *Option to Increase Facility.***

Upon the written request of the Borrower delivered to the Administrative Agent on or before March 31, 2022, which request from the Borrower can only be made once during such period (such request in the form of Exhibit D hereto, a "***Request for Facility Increase***"), the Administrative Agent shall request that Lenders increase their Commitment under the Facility; *provided*, that (v) in connection with such request, the Borrower may, at its sole expense and effort, seek to obtain new Commitments from any Person that is not a Lender at such time if such Person is an Eligible Assignee, (w) no Lender shall be obligated to increase its Commitment without its prior written consent, (x) any such requested increase must be in a minimum additional aggregate amount of \$5,000,000, and integral multiples of \$1,000,000 in excess thereof, (y) after giving effect to the increase in Commitments, the sum of (i) the aggregate principal amount of all Advances (disregarding any repayments or prepayments of Advances occurring on or prior to the date of such increase) *plus* (ii) the Commitments in effect after giving effect to such increase shall not exceed \$300,000,000 and (z) at the time of and after giving effect to the increase in Commitments and the concurrent funding of Advances, if any, the representations and warranties of the Borrower set forth herein are true and correct and no Default has occurred and is continuing. In the event that the Administrative Agent does not receive any commitments from the existing Lenders and/or new Lenders to cover such requested increase within 60 days of receipt of any Request for Facility Increase, such Request for Facility Increase shall be deemed to have been withdrawn by the Borrower on such 60<sup>th</sup> day. So long as no Default has occurred and is continuing and the Request for Facility Increase has not been withdrawn, any such increase shall be effective upon: (i) written notification from the Administrative Agent to the Borrower and the Lenders (each such notification in the form of Exhibit E hereto, (a "***Confirmation of Facility Increase***") confirming the total amount of the increased Facility, describing each Lender or new Lender that has agreed to participate in such increase and each Lender's Commitment after giving effect to such increase; (ii) the execution and delivery by each such Lender of a Lender Commitment Increase Agreement, in the form of Exhibit F hereto (a "***Lender Commitment Increase Agreement***"), or a Lender Joinder Agreement, in the form of Exhibit G hereto (a "***Lender Joinder Agreement***"), as applicable (*provided* that any new Lender making a commitment pursuant to a Lender Joinder Agreement shall make a commitment of at least \$5,000,000), and (iii) delivery by Borrower to the appropriate Lender of replacement or new notes, as applicable, to reflect such increase. Upon the effectiveness of a Commitment of any new Lender, such new Lender (I) shall be deemed to be a "Lender" hereunder, and henceforth shall be entitled to all the rights of, and benefits accruing to, Lenders hereunder and (II) shall be bound by all agreements, acknowledgements and other obligations of Lenders hereunder and under the other Loan Documents.

**SECTION 2.18**      *Extension of the Termination Date.*

(a) Not earlier than 60 days prior to, nor later than 30 days prior to the first anniversary of the date of this Agreement, the Borrower may request by notice made to the Administrative Agent (which shall promptly notify the Lenders thereof) a one-year extension of the Termination Date. Each Lender shall notify the Administrative Agent by the date specified by the Administrative Agent (which date shall be a Business Day and shall not be less than 15 days prior to, nor more than 30 days prior to, the Extension Effective Date) that either (A) such Lender declines to consent to extending the Termination Date or (B) such Lender consents to extending the Termination Date. Any Lender not responding within the above time period shall be deemed not to have consented to extending the Termination Date. The Administrative Agent shall, after receiving the notifications from all of the Lenders or the expiration of such period, whichever is earlier, notify the Borrower and the Lenders of the results thereof. The Borrower may request no more than one extension pursuant to this Section.

(b) If any Lender declines, or is deemed to have declined, to consent to such request for extension (each a “**Declining Lender**”), the Borrower shall have the right to replace such Declining Lender in accordance with Section 2.17(b). Any Lender replacing a Declining Lender shall be deemed to have consented to such request for extension (regardless of when such replacement is effective) and shall not be deemed to be a Declining Lender.

(c) If the Required Lenders have consented to the extension of the Termination Date, the Termination Date shall be extended (solely with respect to each Lender that consented to the extension) to the date that is one year after the then-effective Termination Date, effective as of the date to be determined by the Administrative Agent and the Borrower (the “**Extension Effective Date**”). On or prior to the Extension Effective Date, the Borrower shall deliver to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, (i) the resolutions of the Borrower authorizing such extension, certified as being in effect as of the Extension Effective Date and the related incumbency certificate of the Borrower, (ii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), as to such matters as any Lender through the Administrative Agent may reasonably request and (iii) a certificate of the Borrower stating that on and as of such Extension Effective Date, and after giving effect to the extension to be effective on such date, all conditions precedent to an Extension of Credit are satisfied. On each Extension Effective Date, the Declining Lender shall have received payment in full of the principal amount of all Advances outstanding owing to such Declining Lender and all interest thereon and all fees and other amounts (including, without limitation, any amounts payable pursuant to Section 8.04(c)) payable to such Declining Lender accrued through such Extension Effective Date. Promptly following such Extension Effective Date, the Administrative Agent shall distribute an amended Schedule I to this Agreement (which shall thereafter be incorporated into this Agreement) to reflect any changes in the Lenders, the Commitments and each Lender’s Commitment Percentage as of such Extension Effective Date.

**ARTICLE III**  
**CONDITIONS PRECEDENT**

**SECTION 3.01**      *Conditions Precedent to the Closing Date and the Advances on the Closing Date.*



The effectiveness of this Agreement and the obligation of each Lender to make the Advance to be made by it hereunder on the Closing Date shall be subject to the satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received on or before the date of such effectiveness the following, each dated such day, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:

(i) Certified copies of the resolutions of the board of directors of the Borrower approving this Agreement, and of all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Agreement;

(ii) A certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered by the Borrower hereunder;

(iii) A favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit C hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request; and

(b) On such date, the following statements shall be true and the Administrative Agent shall have received a certificate signed by a duly authorized officer of the Borrower, dated such date, certifying to the Administrative Agent and each Lender that:

(i) The representations and warranties of the Borrower contained in Section 4.01 are true and correct in all material respects on and as of such date, as though made on and as of such date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(c) The Borrower shall have paid all accrued fees and expenses of the Administrative Agent, the Arranger and the Lenders then due and payable in accordance with the terms of the Loan Documents (including all fees and expenses of counsel to the Administrative Agent to the extent then due and payable).

(d) The Administrative Agent, on behalf of each Lender, shall have received copies of all the Disclosure Documents.

(e) The Administrative Agent shall have received counterparts of this Agreement, executed and delivered by the Borrower and the Lenders.

(f) The Administrative Agent shall have received a promissory note for each Lender that has requested a promissory note, duly completed and executed by the Borrower and payable to such Lender.

(g) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as any Lender or the Administrative Agent may reasonably request through the Administrative Agent, including, without limitation, all documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the Patriot Act and, if Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to Borrower, to the extent such documentation or information is requested by the Administrative Agent on behalf of the Lenders prior to the Closing Date.

(h) The Administrative Agent shall have received the Notice of Borrowing for the Advance to be made on the Closing Date.

**SECTION 3.02**      *Conditions Precedent to each Advance.*

The obligation of each Lender to make each Advance to be made by it hereunder (other than in connection with any Borrowing that would not increase the aggregate principal amount of Advances outstanding immediately prior to the making of such Borrowing) shall be subject to the satisfaction of the conditions precedent set forth in Section 3.01 and on the date of such Borrowing:

(a) The following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of any Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

(i) The representations and warranties of the Borrower contained in Section 4.01 (other than the representation and warranty in Section 4.01(e) and the representation and warranty set forth in the last sentence of Section 4.01(f)) are true and correct in all material respects on and as of the date of such Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(ii) No event has occurred and is continuing or would result from such Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

(b) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.

**ARTICLE IV**  
**REPRESENTATIONS AND WARRANTIES**

**SECTION 4.01**      *Representations and Warranties of the Borrower.*

The Borrower represents and warrants as follows:



(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, and each Significant Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized.

(b) The execution, delivery and performance by the Borrower of each Loan Document, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(c) Each Loan Document has been duly executed and delivered by the Borrower. Each Loan Document is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

(d) No Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other third party, is required for the due execution, delivery and performance by the Borrower of any Loan Document, except for the authorization of the Federal Energy Regulatory Commission and the Kentucky Public Service Commission, each of which authorizations has been duly obtained and is in full force and effect as of the date hereof.

(e) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any Governmental Authority or arbitrator that is reasonably likely to have a Material Adverse Effect, except as may be disclosed in the Disclosure Documents.

(f) The financial statements included in the Disclosure Documents, copies of each of which have been furnished to each Lender, fairly present (subject, in the case of any quarterly financial statements, to year-end adjustments) the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at the dates set forth therein and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such dates, all in accordance with Generally Accepted Accounting Principles consistently applied. Since December 31, 2020, there has been no Material Adverse Change. As of the ~~Closing~~Second Amendment Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

(g) No written statement, information, report, financial statement, exhibit or schedule furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the syndication or negotiation of this Agreement or included herein or delivered

pursuant hereto contained, contains, or will contain any material misstatement of fact or intentionally omitted, omits, or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are, or will be made, not misleading.

(h) Except as may be disclosed in the Disclosure Documents, the Borrower and each Significant Subsidiary is in compliance with all laws (including ERISA and Environmental Laws) rules, regulations and orders of any governmental authority applicable to it, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(i) No failure to satisfy the minimum funding standard applicable to a Plan for a plan year (as described in Section 302 of ERISA and Section 412 of the Internal Revenue Code) that could reasonably be expected to have a Material Adverse Effect, whether or not waived, has occurred with respect to any Plan. The Borrower has not incurred, and does not presently expect to incur, any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its ERISA Affiliates have complied in all respects with ERISA and the Internal Revenue Code, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The Borrower and each of its Subsidiaries have complied in all material respects with foreign law applicable to its Foreign Plans, if any. As used herein, the term “*Plan*” shall mean an “employee pension benefit plan” (as defined in Section 3 of ERISA) which is and has been established or maintained, or to which contributions are or have been made or should be made according to the terms of the plan, by the Borrower or any of its ERISA Affiliates. The term “*Multiemployer Plan*” shall mean any Plan which is a “multiemployer plan” (as such term is defined in Section 4001(a)(3) of ERISA). The term “*Foreign Plan*” shall mean any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement maintained by any Subsidiary which, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

(j) The Borrower and its Subsidiaries have filed or caused to be filed all material Federal, state and local tax returns that are required to be filed by them, and have paid or caused to be paid all material taxes shown to be due and payable on such returns or on any assessments received by them (to the extent that such taxes and assessments have become due and payable) other than those taxes contested in good faith and for which adequate reserves have been established in accordance with Generally Accepted Accounting Principles.

(k) The Borrower is not engaged in the business of extending credit for the purpose of buying or carrying Margin Stock, and no proceeds of any Advance will be used to buy or carry any Margin Stock or to extend credit to others for the purpose of buying or carrying any Margin Stock. Not more than 25% of the assets of the Borrower and the Significant Subsidiaries that are subject to the restrictions of Section 5.02(a), (c) or (d) constitute Margin Stock.

(l) Neither the Borrower nor any Significant Subsidiary is an “investment company,” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended (the “*Act*”). Neither the making of any Borrowing, the application of the proceeds or

repayment thereof by the Borrower nor the consummation of the other transactions contemplated hereby will violate any provision of the Act or any rule, regulation or order of the SEC thereunder.

(m) All Significant Subsidiaries as of the ~~Closing~~Second Amendment Effective Date are listed on Schedule 4.01(m) hereto.

(n) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective directors and officers and, to the knowledge of the Borrower, its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (i) the Borrower, any Subsidiary or any of their respective directors or officers, or (ii) to the knowledge of the Borrower, any employee or agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or use of proceeds thereof or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

## ARTICLE V COVENANTS OF THE BORROWER

### SECTION 5.01 *Affirmative Covenants.*

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(a) ***Preservation of Existence, Etc.*** Preserve and maintain, and cause each Significant Subsidiary to preserve and maintain, its corporate, partnership or limited liability company (as the case may be) existence and all material rights (charter and statutory) and franchises; *provided, however*, that the Borrower and any Significant Subsidiary may consummate any merger or consolidation permitted under Section 5.02(a); and *provided further* that neither the Borrower nor any Significant Subsidiary shall be required to preserve any right or franchise if (i) the board of directors of the Borrower or such Significant Subsidiary, as the case may be, shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Significant Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower or such Significant Subsidiary, as the case may be, or to the Lenders; (ii) required in connection with or pursuant to any Restructuring Law; or (iii) required in connection with the RTO Transaction; and *provided further*, that no Significant Subsidiary shall be required to preserve and maintain its corporate, partnership or limited liability company (as the case may be) existence if (x) the loss thereof is not disadvantageous in any material respect to the Borrower or to the Lenders or (y) required in connection with or pursuant to any Restructuring Law or (z) required in connection with the RTO Transaction.

(b) ***Compliance with Laws, Etc.*** Comply, and cause each Significant Subsidiary to comply, in all material respects, with Applicable Law, with such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(c) **Performance and Compliance with Other Agreements.** Perform and comply, and cause each Significant Subsidiary to perform and comply, with the provisions of each indenture, credit agreement, contract or other agreement by which it is bound, the non-performance or non-compliance with which would result in a Material Adverse Change.

(d) **Inspection Rights.** At any reasonable time and from time to time, permit the Administrative Agent or any Lender or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Significant Subsidiary and to discuss the affairs, finances and accounts of the Borrower and any Significant Subsidiary with any of their officers or directors and with their independent certified public accountants.

(e) **Maintenance of Properties, Etc.** Maintain and preserve, and cause each Significant Subsidiary to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted and except as required in connection with or pursuant to any Restructuring Law or in connection with an RTO Transaction.

(f) **Maintenance of Insurance.** Maintain, and cause each Significant Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties; *provided, however*, that the Borrower and each Significant Subsidiary may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties and to the extent consistent with prudent business practice.

(g) **Payment of Taxes, Etc.** Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; *provided, however*, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which adequate reserves are being maintained in accordance with Generally Accepted Accounting Principles, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(h) **Keeping of Books.** Keep, and cause each Significant Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Significant Subsidiary in accordance with Generally Accepted Accounting Principles.

(i) **Reporting Requirements.** Furnish to the Administrative Agent, on behalf of each Lender:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a copy of the consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the

end of such quarter and consolidated statements of income, changes in shareholder's equity and comprehensive income (loss) and cash flows of the Borrower and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as having been prepared in accordance with Generally Accepted Accounting Principles and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower certifying (A) that such financial statements fairly present (subject to year-end adjustments) the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such date, all in accordance with Generally Accepted Accounting Principles consistently applied, (B) compliance with the terms of this Agreement, and (C) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the Closing Date;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Consolidated Subsidiaries containing a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and consolidated statements of income, changes in shareholder's equity and comprehensive income (loss) and cash flows of the Borrower and its Consolidated Subsidiaries for such fiscal year, in each case accompanied by an opinion by PriceWaterhouse Coopers LLP (or another independent registered public accounting firm acceptable to the Required Lenders) to the effect that such financial statements fairly present the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such date, all in accordance with Generally Accepted Accounting Principles consistently applied, and consolidating statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for such fiscal year, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower certifying (A) as to compliance with the terms of this Agreement, (B) that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (C) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the Closing Date;

(iii) as soon as possible and in any event within five days after the chief financial officer or treasurer of the Borrower obtains knowledge of the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the commencement thereof, notice of all actions and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Significant Subsidiary of the type described in Section 4.01(e);

(v) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification; and

(vi) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

Notwithstanding the foregoing, the information required to be delivered pursuant to clauses (i) and (ii) shall be deemed to have been delivered if such information shall be available on the website of AEP at <http://www.aep.com> or any successor website; *provided* that the compliance certificates required under clauses (i) and (ii) shall be delivered in the manner specified in Section 8.02(b).

(j) ***Compliance with Anti-Corruption Laws and Sanctions.*** Maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

#### **SECTION 5.02      *Negative Covenants.***

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower agrees that it will not:

(a) ***Mergers, Etc.*** Merge or consolidate with or into any Person, or permit any Significant Subsidiary to do so, except that (i) any Subsidiary may merge or consolidate with or into any other Subsidiary of the Borrower, (ii) any Subsidiary may merge into the Borrower, (iii) any Significant Subsidiary may merge with or into any other Person so long as such Significant Subsidiary continues to be a Significant Subsidiary of the Borrower and (iv) the Borrower may merge with any other Person so long as the successor entity (A) is the Borrower and (B) has (x) a long-term senior unsecured debt rating issued (and confirmed after giving effect to such merger) by S&P of at least BBB- (*provided* that if no long-term senior unsecured debt rating is available from S&P at such time, the rating required by this clause (x) shall be the successor entity's corporate credit rating issued by S&P) or (y) a long-term senior unsecured debt rating issued (and confirmed after giving effect to such merger) by Moody's of at least Baa3 (or, in the case of (x) and (y), if no such ratings have been issued, commercial paper ratings issued (and confirmed after giving effect to such merger) by S&P and Moody's of at least A-3 and P-3,



respectively), *provided*, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(b) ***Stock of Significant Subsidiaries.*** Sell, lease, transfer or otherwise dispose of, other than (i) in connection with an RTO Transaction, but only if no Default or Event of Default has occurred and is continuing or would result from such RTO Transaction, or (ii) pursuant to the requirements of any Restructuring Law, equity interests in any Significant Subsidiary of the Borrower if such Significant Subsidiary would cease to be a Subsidiary as a result of such sale, lease, transfer or disposition.

(c) ***Sales, Etc. of Assets.*** Sell, lease, transfer or otherwise dispose of, or permit any Significant Subsidiary to sell, lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any assets, except (i) sales in the ordinary course of its business, (ii) sales, leases, transfers or dispositions of assets to any Person that is not a wholly-owned Subsidiary of the Borrower that in the aggregate do not exceed 20% of the Consolidated Tangible Net Assets of the Borrower and its Subsidiaries, whether in one transaction or a series of transactions, (iii) other sales, leases, transfers and dispositions made in connection with an RTO Transaction or pursuant to the requirements of any Restructuring Law or to a wholly owned Subsidiary of the Borrower, or (iv) sales of pollution control assets to a state or local government or any political subdivision or agency thereof in connection with any transaction with such Person pursuant to which such Person sells or otherwise transfers such pollution control assets back to the Borrower or a Subsidiary under an installment sale, loan or similar agreement, in each case in connection with the issuance of pollution control or similar bonds.

(d) ***Liens, Etc.*** Create or suffer to exist, or permit any Significant Subsidiary to create or suffer to exist, any Lien on or with respect to any of its properties, including, without limitation, on or with respect to equity interests in any Subsidiary of the Borrower, whether now owned or hereafter acquired, or assign, or permit any Significant Subsidiary to assign, any right to receive income (other than in connection with Stranded Cost Recovery Bonds and the sale of accounts receivable by the Borrower), other than (i) Permitted Liens, (ii) the Liens existing on the Closing Date, (iii) Liens securing first mortgage bonds issued by the Borrower or any Subsidiary of the Borrower the rates or charges of which are regulated by the Federal Energy Regulatory Commission or any state governmental authority, *provided* that the aggregate principal amount of such first mortgage bonds of the Borrower or any such Subsidiary do not exceed 66 2/3% of the net value of plant, property and equipment of the Borrower or such Subsidiary, as applicable, and (iv) the replacement, extension or renewal of any Lien permitted by clauses (ii) and (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(e) ***Restrictive Agreements.*** Enter into, or permit any Significant Subsidiary to enter into (except in connection with or pursuant to any Restructuring Law), any agreement after the Closing Date, or amend, supplement or otherwise modify any agreement existing on the Closing Date, that imposes any restriction on the ability of any Significant Subsidiary to make payments, directly or indirectly, to its shareholders by way of dividends, advances, repayment of loans or intercompany charges, expenses and accruals or other returns on investments that is

more restrictive than any such restriction applicable to such Significant Subsidiary on the Closing Date; *provided, however*, that any Significant Subsidiary may agree to a financial covenant limiting its ratio of Consolidated Debt to Consolidated Capital to no more than 0.675 to 1.000.

(f) **ERISA.** (i) Terminate or withdraw from, or permit any of its ERISA Affiliates to terminate or withdraw from, any Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such termination or withdrawal, if such termination or withdrawal could have a Material Adverse Effect, (ii) incur a full or partial withdrawal, or permit any ERISA Affiliate to incur a full or partial withdrawal, from any Multiemployer Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such withdrawal, if such withdrawal could have a Material Adverse Effect, (iii) otherwise fail, or permit any of its ERISA Affiliates to fail, to comply in all material respects with ERISA or the related provisions of the Internal Revenue Code if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect, or (iv) fail, or permit any of its Subsidiaries to fail, to comply with Applicable Law with respect to any Foreign Plan if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect.

(g) **Use of Proceeds.** Use the proceeds of any Borrowing to buy or carry Margin Stock.

(h) **Anti-Corruption Laws and Sanctions.** Request any Borrowing, or use or permit any of its Subsidiaries or its or their respective directors, officers, employees and agents to use the proceeds of any Borrowing (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

### **SECTION 5.03      *Financial Covenant.***

So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will maintain a ratio of Consolidated Debt to Consolidated Capital, as of the last day of each March, June, September and December, of not greater than 0.675 to 1.000.

## **ARTICLE VI EVENTS OF DEFAULT**

### **SECTION 6.01      *Events of Default.***

If any of the following events (“*Events of Default*”) shall occur and be continuing:

(a) The Borrower (i) shall fail to pay any principal of any Advance when the same becomes due and payable, or (ii) shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement within five days after the same becomes due and payable; or



(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(a), 5.01(i)(iii) or 5.02 (other than (x) Section 5.02(f) and (y) except for a material breach thereof, 5.02(h)), or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) Any event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower (but excluding Debt outstanding hereunder) or any Significant Subsidiary outstanding in a principal or notional amount of at least \$50,000,000 in the aggregate if the effect of such event or condition is to accelerate or require early termination of the maturity or tenor of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), terminated, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity or the original tenor thereof; or

(e) The Borrower or any Significant Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any Significant Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any Significant Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) (i) Any entity, person (within the meaning of Section 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) that as of the Closing Date was beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of less than 30% of the Voting Stock of AEP shall acquire a beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act), directly or indirectly, of Voting Stock of AEP (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of AEP; (ii) during any period of up to 24 consecutive months, commencing after the Closing Date, individuals who at the beginning of such 24-month period were directors of AEP shall cease for any reason to constitute a majority of the board of directors

of AEP, *provided* that any person becoming a director subsequent to the Closing Date, whose election, or nomination for election by AEP's shareholders, was approved by a vote of at least a majority of the directors of the board of directors of AEP as comprised as of the Closing Date (other than the election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of AEP) shall be, for purposes of this provision, considered as though such person were a member of the board as of the Closing Date; or (iii) AEP shall fail to own directly or indirectly 100% of all voting and economic interests of the Borrower; or

(g) Any judgment or order for the payment of money in excess of \$50,000,000 in the case of the Borrower or any Significant Subsidiary to the extent not paid or insured shall be rendered against the Borrower or any Significant Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) ~~(i) The termination of or withdrawal from the United Mine Workers' of America 1974 Pension Trust by AEP or any of its ERISA Affiliates shall have occurred and the liability of AEP and its ERISA Affiliates related to such termination or withdrawal exceeds \$75,000,000 in the aggregate; or (ii) any ERISA Event (other than an ERISA Event described in clause (i)) shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such ERISA Event exceeds \$50,000,000;~~

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the outstanding Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the outstanding Advances, all such interest and all such amounts shall become and be forthwith due and payable by the Borrower, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however*, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the outstanding Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

## ARTICLE VII THE ADMINISTRATIVE AGENT

### SECTION 7.01 *Appointment and Authorization.*

Each Lender hereby irrevocably appoints the entity named as the Administrative Agent in the heading of this Agreement and its successors to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to enter into each of the Loan Documents to which it is a party (other than this Agreement) on its behalf

and to take such actions as the Administrative Agent on its behalf and to exercise such powers under the Loan Documents as are delegated to Administrative Agent by the terms thereof, together with all such powers as are reasonably incidental thereto. Subject to the terms of Section 8.01 and to the terms of the other Loan Documents, the Administrative Agent is authorized and empowered to amend, modify, or waive any provisions of this Agreement or the other Loan Documents on behalf of Lenders. The provisions of this Article 7 are solely for the benefit of the Administrative Agent and Lenders and Borrower shall not have any rights as a third-party beneficiary of any of the provisions hereof. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facility as well as activities as the Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

**SECTION 7.02**      *Administrative Agent and Affiliates.*

The Person serving as the Administrative Agent shall have the same rights and powers under the Loan Documents in its capacity as a Lender as any other Lender and may exercise or refrain from exercising the same as though it were not the Administrative Agent, and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, invest in and own securities of, act as financial advisor or in any other advisory capacity for, and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate of the Borrower as if it were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

**SECTION 7.03**      *Action by Administrative Agent.*

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties shall be mechanical and administrative in nature. Nothing in this Agreement or any of the Loan Documents is intended to or shall be construed to impose upon the Administrative Agent any obligations in respect of this Agreement or any of the Loan Documents except as expressly set forth herein or therein. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any Subsidiary of the Borrower or any other Affiliate of the foregoing that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

**SECTION 7.04      *Consultation with Experts.***

The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower or an Affiliate of the Borrower), independent accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

**SECTION 7.05      *Liability of Administrative Agent.***

Neither the Administrative Agent nor any of its directors, officers, agents, employees or Affiliates shall be liable to any Lender for any action taken or not taken by it in connection with the Loan Documents (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 8.01 and Article VI or (ii) to the extent of its own gross negligence or willful misconduct in the discharge thereof (the absence of such gross negligence and willful misconduct to be presumed unless otherwise determined by a final non-appealable judgment of a court of competent jurisdiction). The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a “notice of default”) describing such Default is given to the Administrative Agent in writing by the Borrower or a Lender.

Neither the Administrative Agent nor any of its directors, officers, agents, employees or Affiliates shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith; (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or

therein; (iv) the satisfaction of any condition specified in any Loan Document; (v) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document, any Lien purported to be created or perfected thereby or any other agreement, instrument, document or writing; (vi) the occurrence, existence or non-existence of any Default or Event of Default; or (vii) the financial condition of Borrower. The Administrative Agent shall be entitled to rely, and shall not incur any liability for relying, upon any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof). The Administrative Agent also shall be entitled to rely, and shall not incur any liability for relying, upon any statement made to it orally or by telephone and believed by it to be made by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof), and may act upon any such statement prior to receipt of written confirmation thereof. In determining compliance with any condition hereunder to the making of an Advance that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Advance.

**SECTION 7.06      *Indemnification.***

To the extent that the Borrower fail to indefeasibly pay any amount required to be paid by them under Section 8.04(a) or Section 8.04(b) to the Administrative Agent (or any sub-agent thereof) or any of its Related Parties (and without limiting the Borrower's obligation to do so), each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or such sub-agent) in its capacity as such or against any of its Related Parties acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. For purposes of this Section, a Lender's "pro rata share" shall be determined based upon its share of the sum of the outstanding Advances and Commitments, in each case, at the time (or most recently outstanding and in effect). If any indemnity furnished to the Administrative Agent for any purpose shall, in the opinion of the Administrative Agent, be insufficient or become impaired, Administrative Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against even if so directed by Required Lenders until such additional indemnity is furnished.

**SECTION 7.07      *Right to Request and Act on Instructions.***

Without limitation of the protections provided in Section 7.03, the Administrative Agent may at any time request instructions from Lenders with respect to any actions or approvals which by the terms of this Agreement or of any of the Loan Documents the Administrative Agent is permitted or desires to take or to grant, and if such instructions are promptly requested, the Administrative Agent shall be absolutely entitled to refrain from taking any action or to withhold



any approval and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval under any of the Loan Documents until it shall have received such instructions from the Required Lenders or all or such other portion of the Lenders as shall be prescribed by this Agreement.

**SECTION 7.08**      *Credit Decision.*

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under or based on any Loan Document or any related agreement or any document furnished hereunder or thereunder.

Each Lender, by delivering its signature page to this Agreement, or delivering its signature page to an Assignment and Assumption, Lender Joinder Agreement or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Closing Date.

**SECTION 7.09**      *Successor Administrative Agent.*

Subject to the terms of this paragraph, the Administrative Agent may resign at any time from its capacity as such. The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor Administrative Agent. Upon the acceptance of a successor's appointment as Administrative Agent hereunder and notice of such acceptance to the retiring Administrative Agent, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, the retiring Administrative Agent's resignation shall become immediately effective and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder and under the other Loan Documents (if such resignation was not already effective and such duties and obligations not already discharged, as provided below in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. Notwithstanding the foregoing, if no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders (but without any obligation) appoint a successor Administrative Agent. From and following the expiration of such thirty (30) day period, the Administrative Agent shall have the exclusive right, upon one (1) Business Days' notice to the Borrower and the Lenders, to make its resignation effective immediately. From and following the effectiveness of such notice, (i) the retiring Administrative

Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this paragraph. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 8.04, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

**SECTION 7.10**      ***Return of Payments.***

If the Administrative Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by the Administrative Agent from Borrower and such related payment is not received by the Administrative Agent, then the Administrative Agent will be entitled to recover such amount from such Lender on demand without setoff, counterclaim or deduction of any kind, together with interest accruing on a daily basis at the Federal Funds Rate.

If the Administrative Agent determines at any time that any amount received by the Administrative Agent under this Agreement must be returned to the Borrower or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, the Administrative Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to the Administrative Agent on demand any portion of such amount that Administrative Agent has distributed to such Lender, together with interest at such rate, if any, as the Administrative Agent is required to pay to the Borrower or such other Person, without setoff, counterclaim or deduction of any kind.

**SECTION 7.11**      ***Right to Perform, Preserve and Protect.***

If the Borrower fails to perform any obligation hereunder or under any other Loan Document, the Administrative Agent itself may, but shall not be obligated to, cause such obligation to be performed at Borrower's expense. The Administrative Agent is further authorized by the Borrower and the Lenders to make expenditures from time to time which the Administrative Agent, in its reasonable business judgment, deems necessary or desirable to (i) preserve or protect the business conducted by the Borrower or any portion thereof and/or (ii) enhance the likelihood of, or maximize the amount of, repayment of the Advances. The Borrower hereby agrees to reimburse the Administrative Agent on demand for any and all costs, liabilities and obligations incurred by the Administrative Agent pursuant to this Section 7.11. Each Lender hereby agrees to indemnify the Administrative Agent upon demand for any and all costs, liabilities and obligations incurred by the Administrative Agent pursuant to this Section 7.11.

**SECTION 7.12**      ***Administrative Agent May File Proofs of Claim.***

In case of the pendency of any proceeding with respect to the Borrower under any Debtor Relief Law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Advance shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances and all other obligations under any Loan Document that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim under Sections 2.03, 2.07, 2.10, 2.13 and 8.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lender, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 8.04).

### **SECTION 7.13      *Additional Titled Agents.***

Notwithstanding anything herein to the contrary, neither the Arranger nor any other bookrunner, arranger or to any titled agent named on the cover page of this Agreement, other than the Administrative Agent (collectively, the “*Additional Titled Agents*”) shall have any duties or obligations under this Agreement or any other Loan Documents (except in its capacity, as applicable, as a Lender), but all such Persons shall have the benefit of the indemnities provided for hereunder. Without limiting the foregoing, no Additional Titled Agent shall have nor be deemed to have a fiduciary relationship with any Lender. At any time that any Lender serving as an Additional Titled Agent shall have transferred to any other Person (other than any Affiliates) all of its interests in the Advances and in the Commitment, such Lender shall be deemed to have concurrently resigned as such Additional Titled Agent.

### **SECTION 7.14      *Erroneous Payments.***

(a) Each Lender hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Lender (whether or not known to such Lender) or (ii) it receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment,



(y) that was not preceded or accompanied by a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment or (z) that such Lender otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) then, in each case an error in payment has been made (any such amounts specified in clauses (i) or (ii) of this Section 7.14(a), whether received as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, an “*Erroneous Payment*”) and the Lender is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment and to the extent permitted by applicable law, such Lender shall not assert any right or claim to the Erroneous Payment, and hereby waives, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Lender agrees that, in the case of clause (a)(ii) above, it shall promptly (and, in all events, within one Business Day of its knowledge (or deemed knowledge) of such error) notify the Administrative Agent in writing of such occurrence and, in the case of either clause (a)(i) or (a)(ii) above upon demand from the Administrative Agent, it shall promptly, but in all events no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds (in the currency so received), together with interest thereon at the Federal Funds Rate in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent in same day funds.

(c) The Borrower hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Lender that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount, (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligations hereunder owed by the Borrower if the Borrower has not made a payment to the Administrative Agent in respect of such obligations in accordance with the terms hereof and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the obligations hereunder, the obligations hereunder or any part thereof that were so credited, and all rights of the applicable Lender or Administrative Agent, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

Each party’s obligations under this Section 7.14 shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all obligations hereunder (or any portion thereof) or under any Loan Document.

## ARTICLE VIII MISCELLANEOUS

### SECTION 8.01 *Amendments, Etc.*

No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that, subject to Section 8.17, no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following: (i) amend Section 3.01 or 3.02 or waive any of the conditions specified therein, (ii) increase the Commitment of any Lender or extend the Commitments, or subject any Lender to any additional obligations, (iii) reduce the principal of, or interest on, or rate of interest applicable to, the outstanding Advances or any fees or other amounts payable hereunder, (iv) postpone any date fixed for any payment of principal of, or interest on, the outstanding Advances, reimbursement obligations or any fees or other amounts payable hereunder, (v) change the definition of Required Lenders or the percentage of the Commitments or of the aggregate unpaid principal amount of the outstanding Borrowings, or the number or percentage of the Lenders that shall be required for the Lenders or any of them to take any action hereunder, or (vi) amend or waive this Section 8.01 or any provision of this Agreement that requires pro rata treatment of the Lenders; and provided further that (x) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement, and (y) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent and the Required Lenders, amend or waive Section 8.18. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate (but such Lender shall continue to be entitled to the benefits of Sections 2.11, 2.14 and 8.04) upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal amount of and interest accrued on each Advance made by it and outstanding and all other amounts owing to it or accrued for its account under this Agreement and is released from its obligations hereunder.

## **SECTION 8.02      *Notices, Etc.***

(a) The Borrower hereby agrees that any notice that is required to be delivered to it hereunder shall be delivered to the Borrower as set forth in this Section 8.02. All notices and other communications provided for hereunder shall be in writing (including fax) and mailed, faxed or delivered, if to the Borrower, at its address at 1 Riverside Plaza, Columbus, OH 43215, Attention: Treasurer (fax: 614-716-2807; telephone: 614-716-2885), with a copy to the General Counsel ~~(fax: 614-716-1687; telephone: 614-716-2929) and to corporatefinance@aep.com at its address at c/o 354 Davis Road, Suite 100, Oakville, ON L6J 2X1, Attention: General Counsel, with a copy to notices@apucorp.com;~~ if to any Initial Lender, at its ~~Domestic~~ Lending Office specified in its Administrative Questionnaire; if to any other Lender, at its ~~Domestic~~ Lending Office specified in the Assignment and Assumption or New Lender Joinder pursuant to which it became a Lender; if to the Administrative Agent, at its address at 595 Bay Street, 5th Floor, Toronto, Ontario, Canada, M5G 2C2, Attn: Leanne Third – Senior Agency Associate, Tel: 416-780-5094, Email: Leanne.third@cibc.ca; or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written

notice to the Borrower and the Administrative Agent. All such notices and communications shall be effective when delivered or received at the appropriate address or number to the attention of the appropriate individual or department, except that notices and communications to the Administrative Agent pursuant to Article II, III or VII shall not be effective until received by the Administrative Agent. Delivery by fax of an executed counterpart of any amendment or waiver of any provision of this Agreement or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) The Borrower and the Lenders hereby agree that the Administrative Agent may make any information required to be delivered to the Administrative Agent on behalf of the Lenders (the “**Communications**”) available to the Lenders by posting the Communications on Intralinks, SyndTrak or a substantially similar electronic transmission systems (the “**Platform**”). The Borrower and the Lenders hereby acknowledge that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c) THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT, AND SHALL NOT BE DEEMED TO WARRANT, THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE, OR SHALL BE DEEMED TO BE MADE, BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES (COLLECTIVELY, “**AGENT PARTIES**”) HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER’S OR THE ADMINISTRATIVE AGENT’S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (including by electronic communication) from time to

time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

**SECTION 8.03**      *No Waiver; Remedies.*

No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right or power hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and not exclusive of any rights and remedies that are provided by law or that they would otherwise have.

**SECTION 8.04**      *Costs and Expenses.*

(a) The Borrower agrees to pay promptly upon demand all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, (i) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (ii) the reasonable fees and expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay promptly upon demand all costs and expenses of the Administrative Agent and the Lenders, if any (including, without limitation, counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Administrative Agent and the Lenders in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower agrees to indemnify and hold harmless each Lender and the Administrative Agent and each of their Related Parties (each, an "*Indemnified Party*") from and against any and all claims, damages, losses, liabilities and penalties, joint or several, to which any such Indemnified Party may become subject, in each case arising out of or in connection with or relating to (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances (ii) any error or omission in connection with posting of data on the Platform, or (iii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, and to reimburse any Indemnified Party for any and all reasonable expenses (including, without limitation, reasonable fees and expenses of counsel) as they are incurred in

connection with the investigation of or preparation for or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Borrower or any of its Affiliates and whether or not any of the transactions contemplated hereby are consummated or this Agreement is terminated, AND THE FOREGOING INDEMNIFICATION SHALL APPLY WHETHER OR NOT SUCH INDEMNIFIED LIABILITIES ARE IN ANY WAY OR TO ANY EXTENT OWED, IN WHOLE OR IN PART, UNDER ANY CLAIM OR THEORY OF STRICT LIABILITY, OR ARE CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF ANY KIND BY ANY INDEMNIFIED PERSON, except to the extent such claim, damage, loss, liability, penalty or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. To the fullest extent permitted by applicable law, the Borrower agrees not to assert, or permit any of their Affiliates or Related Parties to assert, and each hereby waives, any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential (including lost profits) or punitive damages arising out of or otherwise relating to this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Borrowings.

(c) If any payment of principal of, or Conversion of, any **Eurodollar RateSOFR** Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.05, 2.08(e), 2.09, 2.10 or 2.12, acceleration of the maturity of the outstanding Borrowings pursuant to Section 6.01 or for any other reason (in the case of any such payment or Conversion), or if any prepayment of a SOFR Advance is made on a date other than the date specified in any notice therefor delivered pursuant hereto, the Borrower shall, promptly upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (other than loss of Applicable Margin), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.11, 2.14 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

(e) The Borrower agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or its security holders or creditors related to or arising out of or in connection with this Agreement, the Borrowings or the use or proposed use of the proceeds thereof, any of the transactions contemplated by any of the foregoing or in the loan documentation or the performance by an Indemnified Party of any of



the foregoing (including the use by unintended recipients of any information or other materials distributed through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents) except to the extent that any loss, claim, damage, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(f) In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against the Borrower or any of its Affiliates in which such Indemnified Party is not named as a defendant, the Borrower agrees to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the fees and disbursements of its legal counsel.

#### **SECTION 8.05      *Right of Set-off.***

Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the outstanding Borrowings due and payable pursuant to the provisions of Section 6.01, each Credit Party and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Credit Party or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement held by such Credit Party, whether or not such Credit Party shall have made any demand under this Agreement and although such obligations may be unmaturing; *provided* that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 8.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations of the Borrower owing to such Defaulting Lender as to which it exercised such right of setoff. Each Credit Party agrees promptly to notify the Borrower after any such set-off and application, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Credit Party and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Credit Party and its Affiliates may have.

#### **SECTION 8.06      *Binding Effect.***

This Agreement shall become effective upon satisfaction of the conditions precedent specified in Section 3.01 and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of all of the Lenders (and any attempted assignment or transfer by the Borrower without such consent shall be null and void).

**SECTION 8.07**      *Assignments and Participations.*

(a)      ***Successors and Assigns Generally.*** No Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 8.07(b), (ii) by way of participation in accordance with the provisions of Section 8.07(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 8.07(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 8.07(d) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)      ***Assignments by Lenders.*** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i)      ***Minimum Amounts.***

(A)      in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B)      in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment and/or Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if the "***Trade Date***" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$2,500,000 or an integral multiple of \$500,000 in excess thereof, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii)      ***Proportionate Amounts.*** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment of such Lender being assigned.

(iii)      ***Required Consents.*** No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) ***Assignment and Assumption.*** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$5,000 (to be paid by the assigning Lender, or, in the case of an assignment pursuant to Section 2.15(b), the Borrower); *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) ***No Assignment to Certain Persons.*** No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person that, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) ***No Assignment to Natural Persons.*** No such assignment shall be made to a natural Person.

(vii) ***Certain Additional Payments.*** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and Commitments in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this subsection, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.



Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.11, 2.14 and 8.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed in writing by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) **Register.** The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.** Any Lender may at any time, without the consent of the Borrower or the Administrative Agent, but upon notice to the Administrative Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 7.06 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver with respect to clauses (i) through (vi) of Section 8.01 that affects such Participant. The Borrower agrees that each Participant shall

be entitled to the benefits of Sections 2.02(c), 2.11, and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of Section 2.15 as if it were an assignee under subsection (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.11 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.05 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.16 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Advances or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Advances or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Advance or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

## **SECTION 8.08**      ***Confidentiality.***

Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Confidential Information, except that Confidential Information may be disclosed (a) to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any state, federal or foreign authority or examiner regulating banks, banking or other financial institutions and any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Law or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies

hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder or (iii) any credit insurance provider relating to the Borrower and its obligations; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or this Agreement or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement; (h) with the consent of the Borrower; or (i) to the extent such Confidential Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent or any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. Any Person required to maintain the confidentiality of Confidential Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Confidential Information as such Person would accord to its own confidential information. It is agreed that, notwithstanding the restrictions of any prior confidentiality agreement binding on the Arranger or the Administrative Agent, such parties may disclose Confidential Information as provided in this Section 8.08.

**SECTION 8.09**      *Governing Law.*

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

**SECTION 8.10**      *Severability; Survival; Entire Agreement.*

(a) Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(b) All covenants, agreements, representations and warranties made by the Borrower herein and in the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Advances, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Arranger, any Lender or any Affiliate of any of the foregoing may have had notice or knowledge of any Default or incorrect representation or warranty at the time the Loan Document is executed and delivered or any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Advance or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.10, 2.13, 2.15(b)

and 8.04 and Article VII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Advances, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

(c) The Loan Documents constitute the entire contract among the parties relative to the subject matter hereof. Any previous agreement, written or oral, among the parties with respect to the subject matter hereof is superseded by this Agreement, except as expressly stated in any other Loan Document.

**SECTION 8.11**      *Execution in Counterparts.*

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

**SECTION 8.12**      *Jurisdiction, Etc.*

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, THE COUNTY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT IN THE COURTS OF ANY JURISDICTION.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT REFERRED TO IN SECTION 8.12(a). EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) THE BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON THE BORROWER BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO THE BORROWER AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

**SECTION 8.13**      *Waiver of Jury Trial.*

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO WARRANTS AND REPRESENTS THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

**SECTION 8.14**      *USA Patriot Act.*

Each of the Lenders and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that, (a) pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law as of October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the "*Patriot Act*"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act and (b) pursuant to the Beneficial Ownership Regulation, it is required to obtain a Beneficial Ownership ~~Certificate~~Certification.

**SECTION 8.15**      *No Fiduciary Duty.*

The Administrative Agent, the Arranger, each Lender and each of their respective Affiliates and each of their respective officers, directors, controlling persons, employees, agents and advisors (collectively, solely for purposes of this Section 8.15, the "*Lenders*") may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those the Borrower and its Affiliates, and none of the Lenders has any obligation to disclose any of such interests to the Borrower or any of their Affiliates. The Borrower agrees that nothing in the Loan Documents or otherwise will be



deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and the Borrower, its stockholders or its Affiliates. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its Affiliates has advised or is currently advising the Borrower on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (iv) the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate. The Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim, and hereby waives and releases any claim to the fullest extent permitted by law, that any Lender (x) has rendered advisory services of any nature or respect, (y) has committed a breach of agency, fiduciary or similar duty, or (z) owes a duty of agency, fiduciary or similar duty to the Borrower, in each case in connection with such transaction or the process leading thereto.

**SECTION 8.16      *Interest Rate Limitation.***

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Advance, together with all fees, charges and other amounts which are treated as interest on such Advance under applicable law (collectively, the "***Charges***"), shall exceed the maximum lawful rate (the "***Maximum Rate***") which may be contracted for, charged, taken, received or reserved by the Lender making such Advance in accordance with applicable law, the rate of interest payable in respect of such Advance hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Advance but were not payable as a result of the operation of this Section 8.16 shall be cumulated and the interest and Charges payable to such Lender in respect of other Advances or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Applicable Margin to the date of repayment, shall have been received by such Lender.

**SECTION 8.17      *Defaulting Lenders.***

(a) ***Defaulting Lender Adjustments.*** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) ***Waivers and Amendments.*** Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 8.01.

(ii) ***Defaulting Lender Waterfall.*** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such

Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 8.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that, if (x) such payment is a payment of the principal amount of any Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made at a time when the conditions set forth in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Advances of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of such Defaulting Lender until such time as all Advances are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 8.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) ***Reduction of Commitments.*** The Borrower may terminate the Commitment of any Lender that is a Defaulting Lender upon not less than three Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 8.17(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); *provided* that (i) no Event of Default shall have occurred and be continuing and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent or any Lender may have against such Defaulting Lender.

(b) ***Defaulting Lender Cure.*** If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a

Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed in writing by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

**SECTION 8.18      *Acknowledgement and Consent to Bail-In of Affected Financial Institutions.***

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-~~in~~In Action on any such liability, including, if applicable (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document or (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any applicable Resolution Authority.

**SECTION 8.19      *Benchmark Replacement Setting.***

(a) ~~(i) Benchmark Replacement.~~ **(+) Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Loan Document ~~if, upon the occurrence of~~ a Benchmark Transition Event ~~or an Early Opt in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of,~~ the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark, ~~then (x) if a Benchmark Replacement is determined in accordance with clause (a)(1) or (a)(2) of the definition of “ with a Benchmark Replacement” for.~~ Any such ~~Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (a)(3) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in~~ amendment with respect of ~~any to a~~ Benchmark setting Transition Event will become effective at ~~or after~~ 5:00 p.m. ~~(New York City time)~~ on the fifth (5<sup>th</sup>) Business Day after the ~~date notice of such Benchmark Replacement is provided~~ Administrative Agent has posted such proposed amendment to ~~the~~ all affected Lenders



~~without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document~~ and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such ~~Benchmark Replacement~~ amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 8.19(a) will occur prior to the applicable Benchmark Transition Start Date.

~~(ii) — Notwithstanding anything to the contrary herein or in any other Loan Document, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that this clause (ii) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may elect or not elect to do so in its sole discretion.~~

(b) ~~Benchmark Replacement~~ **Conforming Changes.** In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make ~~Benchmark Replacement~~ Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such ~~Benchmark Replacement~~ Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) **Notices; Standards for Decisions and Determinations.** The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any ~~occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt in Election, as applicable, and its related Benchmark Replacement Date,~~ and (B) the implementation of any Benchmark Replacement, (C) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement ~~Conforming Changes,~~ (D). The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 8.19(d) ~~below and (E) the commencement or conclusion of any Benchmark Unavailability Period.~~ Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 8.19(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 8.19(c).

(d) **Unavailability of Tenor of Benchmark.** Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR ~~or USD-LIBOR~~ Reference Rate) and either (1) any tenor for such

Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be ~~no longer~~ representative, then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will ~~no longer~~not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) **Benchmark Unavailability Period.** Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of ~~Eurodollar Rate~~SOFR Advances to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Advances and (B) any outstanding affected SOFR Advances will be deemed to have been converted to Base Rate Advances at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

~~(f) — London Interbank Offered Rate Benchmark Transition Event. On March 5, 2021, the IBA, the administrator of the London interbank offered rate, and the FCA, the regulatory supervisor of the IBA, made the Announcements that the final publication or representativeness date for the London interbank offered rate for: (I) Dollars for 1-week and 2-month tenor settings will be December 31, 2021 and (II) Dollars for overnight, 1-month, 3-month, 6-month and 12-month tenor settings will be June 30, 2023. No successor administrator for the IBA was identified in such Announcements. The parties hereto agree and acknowledge that the Announcements resulted in the occurrence of a Benchmark Transition Event with respect to the London interbank offered rate for Dollars and that any obligation of the Administrative Agent to notify any parties of any such Benchmark Transition Event pursuant to Section 8.19(e) shall be deemed satisfied.~~

~~(g) — Certain Defined Terms. As used in this Section titled “Benchmark Replacement Setting”:~~

~~“Available Tenor” means, as of any date of determination and with respect to the then current Benchmark, as applicable, (x) if the then current Benchmark is a term rate, any tenor for such Benchmark or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then removed from the definition of “Interest Period” pursuant to Section 8.19(d).~~

~~“Benchmark” means, initially, USD LIBOR; provided that if a Benchmark Transition Event, a Term SOFR Transition Event, or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to USD LIBOR or the then current Benchmark, then~~

~~“Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 8.19(a).~~

~~“Benchmark Replacement” means, for any Available Tenor,~~

~~(a) — with respect to any Benchmark Transition Event or Early Opt in Election, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:~~

~~(1) — the sum of: (A) Term SOFR and (B) the related Benchmark Replacement Adjustment provided, that, if the Borrower has provided a notification to the Administrative Agent in writing on or prior to such Benchmark Replacement Date that the Borrower has a Hedge Agreement in place with respect to any of the Advances as of the date of such notice (which such notification the Administrative Agent shall be entitled to rely upon and shall have no duty or obligation to ascertain the correctness or completeness of), then the Administrative Agent, in its sole discretion, may decide not to determine the Benchmark Replacement pursuant to this clause (a)(1) for such Benchmark Transition Event or Early Opt in Election, as applicable;~~

~~(2) — the sum of: (A) Daily Simple SOFR and (B) the related Benchmark Replacement Adjustment;~~

~~(3) — the sum of: (A) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then current Benchmark for Dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment; or~~

~~(b) — with respect to any Term SOFR Transition Event, the sum of (i) Term SOFR and (ii) the related Benchmark Replacement Adjustment;~~

~~provided that, (i) in the case of clause (a)(1), if the Administrative Agent decides that Term SOFR is not administratively feasible for the Administrative Agent, then Term SOFR will be deemed unable to be determined for purposes of this definition and (ii) in the case of clause (a)(1) or clause (b) of this definition, the applicable Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (a)(1), (a)(2) or (a)(3) or clause (b) of this definition would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.~~

~~“Benchmark Replacement Adjustment” means, with respect to any replacement of the then current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:~~

~~(1) — for purposes of clauses (a)(1) and (a)(2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent:~~

~~(a) — the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement;~~

~~(b) — the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Available Tenor of such Benchmark;~~

~~(2) — for purposes of clause (a)(3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities; and~~

~~(3) — for purposes of clause (b) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of USD LIBOR with a SOFR-based rate;~~

~~provided that, (x) in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion and (y) if the then-current Benchmark is a term rate, more than one tenor of such Benchmark is available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement that will replace such Benchmark in accordance with Section 8.19(a) will not be a term rate, the Available Tenor of such Benchmark for purposes of this definition of “Benchmark Replacement Adjustment” shall be deemed to be, with respect to each Unadjusted Benchmark Replacement having a payment period for interest calculated with reference thereto, the Available Tenor that has approximately the same length (disregarding business day adjustments) as such payment period.~~

~~“**Benchmark Replacement Conforming Changes**” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is~~

~~not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).~~

~~“**Benchmark Replacement Date**” means the earliest to occur of the following events with respect to the then-current Benchmark:~~

- ~~(1) — in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);~~
- ~~(2) — in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein;~~
- ~~(3) — in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the Administrative Agent has provided the Term SOFR Notice to the Lenders and the Borrower pursuant to Section 8.19(a)(ii); or~~
- ~~(4) — in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.~~

~~For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).~~

~~“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark:~~

- ~~(1) — a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);~~
- ~~(2) — a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution~~

~~authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or~~

- ~~(3) — a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.~~

~~For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).~~

~~“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.19 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.19.~~

~~“**Corresponding Tenor**” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business-day adjustment) as such Available Tenor.~~

~~“**Daily Simple SOFR**” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.~~

~~“**Early Opt-in Election**” means, if the then-current Benchmark is USD LIBOR, the occurrence of:~~

- ~~(1) — a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and~~
- ~~(2) — the joint election by the Administrative Agent and the Borrower to trigger a fallback from USD LIBOR and the provision by the Administrative Agent of written notice of such election to the Lenders.~~



~~“**Floor**” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Eurodollar Rate or USD LIBOR, as applicable.~~

~~“**Hedge Agreement**” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.~~

~~“**ISDA Definitions**” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.~~

~~“**Reference Time**” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two (2) London Banking Days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by the Administrative Agent in its reasonable discretion.~~

~~“**Relevant Governmental Body**” means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.~~

~~“**SOFR**” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.~~

~~“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).~~

~~“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.~~

~~“**Term SOFR**” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.~~

~~“**Term SOFR Notice**” means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.~~

~~“**Term SOFR Transition Event**” means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration~~

~~of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt in Election, as applicable, has previously occurred resulting in the replacement of the then current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.19 with a Benchmark Replacement the Unadjusted Benchmark Replacement component of which is not Term SOFR.~~

~~“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.~~

~~“USD LIBOR” means the London interbank offered rate for Dollars.~~

## **SECTION 8.20      *Certain ERISA Matters.***

(a) Each Lender (x) represents and warrants, as of the date such person became a Lender party hereto, to, and (y) covenants, from the date such person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

- (i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Advances, the Commitments or this Agreement,
- (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement,
- (iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Advances, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14



and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement, or

- (iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such person became a Lender party hereto, to, and (y) covenants, from the date such person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent, Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

[Remainder of page intentionally left blank.]

**EXHIBIT A**  
**(to the Credit Agreement)**

**FORM OF NOTICE OF BORROWING**

Canadian Imperial Bank of Commerce, as Administrative Agent  
for the Lenders party  
to the Credit Agreement  
referred to below

595 Bay Street, 5th Floor  
Toronto, Ontario, Canada, M5G 2C2  
Fax: 866-580-0016  
Tel: 416-780-5094  
Email: Leanne.third@cibc.ca

June [ ], 2021

Ladies and Gentlemen:

The undersigned, Kentucky Power Company, refers to the Credit Agreement, to be dated as of June 17, 2021 (as amended or modified from time to time, the “*Credit Agreement*,” the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders party thereto and Canadian Imperial Bank of Commerce, as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the “*Proposed Borrowing*”) as required by Section 2.02(a) of the Credit Agreement:

- (i) The Business Day of the Proposed Borrowing is June [ ], 2021.
- (ii) The aggregate amount of the Proposed Borrowing is \$150,000,000.
- (iii) The initial Interest Period to be applicable to the Proposed Borrowing is [ ] months.
- (iv) The location and number of the account of the Borrower to which the funds from the Proposed Borrowing are to be disbursed:

Name and Address of Bank: [ ]  
Account Description: [ ]  
Account Number: [ ]  
ABA Routing Number: [ ]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

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(A) the representations and warranties contained in Section 4.01 of the Credit Agreement are true and correct in all material respects on and as of the date hereof, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on the date hereof; and

(B) no event has occurred and is continuing, or would result from the Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

KENTUCKY POWER COMPANY

By \_\_\_\_\_  
Name:  
Title:

**EXHIBIT B  
(to the Credit Agreement)**

**FORM OF ASSIGNMENT AND ASSUMPTION**

This Assignment and Assumption (the “*Assignment and Assumption*”) is dated as of the Effective Date set forth below and is entered into by and between [the][each]<sup>1</sup> Assignor identified in item 1 below ([the][each, an] “*Assignor*”) and [the][each]<sup>2</sup> Assignee identified in item 2 below ([the][each, an] “*Assignee*”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]<sup>3</sup> hereunder are several and not joint.]<sup>4</sup> Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “*Credit Agreement*”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the Credit Agreement, and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: \_\_\_\_\_

- <sup>1</sup> For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
- <sup>2</sup> For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
- <sup>3</sup> Select as appropriate.
- <sup>4</sup> Include bracketed language if there are either multiple Assignors or multiple Assignees.

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\_\_\_\_\_

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: \_\_\_\_\_

\_\_\_\_\_

[for each Assignee, indicate [Affiliate][Approved Fund] of [identify Lender]

3. Borrower: Kentucky Power Company
4. Administrative Agent: Canadian Imperial Bank of Commerce, as the Administrative Agent under the Credit Agreement
5. Credit Agreement: The \$150,000,000 Credit Agreement dated as of June 17, 2021 among Kentucky Power Company, as the Borrower, the Lenders parties thereto, and Canadian Imperial Bank of Commerce, as Administrative Agent

6. Assigned Interest[s]:

Assignor[s] <sub>5</sub>	Assignee[s] <sub>6</sub>	Aggregate Amount of Commitment/Advances for all Lenders <sup>7</sup>	Amount of Commitment/Advances Assigned <sup>8</sup>	Percentage Assigned of Commitment/Advances <sup>8</sup>	CUSIP Number
		\$	\$	%	
		\$	\$	%	
		\$	\$	%	

[7. Trade Date: \_\_\_\_\_]<sup>9</sup>

<sup>5</sup> List each Assignor, as appropriate.

<sup>6</sup> List each Assignee, as appropriate.

<sup>7</sup> Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

<sup>8</sup> Set forth, to at least 9 decimals, as a percentage of the Commitment/Advances of all Lenders thereunder.

<sup>9</sup> To be completed if the Assignor and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

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Effective Date: \_\_\_\_\_, 20\_\_ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]<sup>10</sup>

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ASSIGNEE[S]<sup>11</sup>

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

<sup>10</sup> \_\_\_\_\_  
Add additional signature blocks as needed.

<sup>11</sup> \_\_\_\_\_  
Add additional signature blocks as needed.

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[Consented to and]<sup>12</sup> Accepted:

CANADIAN IMPERIAL BANK OF COMMERCE, as  
Administrative Agent

By \_\_\_\_\_  
Title:

[Consented to:]

[KENTUCKY POWER COMPANY

By \_\_\_\_\_  
Title:]<sup>13</sup>

<sup>12</sup> To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

<sup>13</sup> To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

## ANNEX 1

\$150,000,000 Credit Agreement dated as of June 17, 2021 among Kentucky Power Company, as the Borrower, the Lenders parties thereto, and Canadian Imperial Bank of Commerce, as Administrative Agent

### STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. *Representations and Warranties.*

- 1.1. Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.
- 1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 8.07(b)(iii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 8.07(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to clauses (i) and (ii) of Section 5.01(i) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit



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analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender and (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto.

2. **Payments.** From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.
3. **General Provisions.** This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by fax shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

## EXHIBIT B-1

### FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of June 17, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), Canadian Imperial Bank of Commerce, as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.13 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Advance(s) (as well as any Note(s) evidencing such Advance(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_, 20[ ]

## EXHIBIT B-2

### FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of June 17, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), Canadian Imperial Bank of Commerce, as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.13 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

## EXHIBIT B-3

### FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of June 17, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), Canadian Imperial Bank of Commerce, as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.13 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_, 20[ ]

## EXHIBIT B-4

### FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of June 17, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), Canadian Imperial Bank of Commerce, as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.13 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Advance(s) (as well as any Note(s) evidencing such Advance(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Advance(s) (as well as any Note(s) evidencing such Advance(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_, 20[ ]

## **EXHIBIT C**

### **Form of Opinion of Counsel to the Borrower**

**EXHIBIT D**  
**FORM OF REQUEST FOR FACILITY INCREASE**

\_\_\_\_\_, 20\_\_

Canadian Imperial Bank of Commerce,  
as Administrative Agent

595 Bay Street, 5th Floor  
Toronto, Ontario, Canada, M5G 2C2  
Fax: 866-580-0016  
Tel: 416-780-5094  
Email: Leanne.third@cibc.ca

Re: Credit Agreement dated as of June 17, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), Canadian Imperial Bank of Commerce, as Administrative Agent (“*Administrative Agent*”), and each lender from time to time party thereto (the “*Lenders*”). Capitalized terms not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

Pursuant to Section 2.17 of the Credit Agreement, the Borrower hereby requests that the aggregate commitment under the Credit Agreement be increased by an amount of \$\_\_\_\_\_, the total Facility amount shall be \$\_\_\_\_\_ after giving effect to the full amount of such requested increase, such increase to be effective as of \_\_\_\_\_, 20\_\_. The Borrower hereby acknowledges that in the event the Administrative Agent is unable to secure commitments from existing Lenders or new lenders for the entire amount of the increase requested hereby on or prior to \_\_\_\_\_, 20\_\_ [insert the 60th day after the date of this request], then this request shall be deemed rescinded with respect to commitments not secured on and as of such date.

As of the date of this Request for Facility Increase: (a) the representations and warranties of the Borrower are true and correct as if made on and as of this date, except to the extent such representations and warranties expressly relate to an earlier date in which case such representations and warranties shall be true and correct as of such earlier date; and (b) no Default or Event of Default has occurred and is continuing.

Sincerely,

EXHIBIT D

KENTUCKY POWER COMPANY

By \_\_\_\_\_  
Name:  
Title:



[CANADIAN IMPERIAL BANK OF COMMERCE LETTERHEAD]

**EXHIBIT E**  
**FORM OF CONFIRMATION OF FACILITY INCREASE**

\_\_\_\_\_, 20\_\_

Kentucky Power Company,  
as Borrower

[\_\_\_\_\_]   
 [\_\_\_\_\_]

Attention: 595 Bay Street, 5th Floor  
Toronto, Ontario, Canada, M5G 2C2  
Fax: 866-580-0016  
Tel: 416-780-5094  
Email: Leanne.third@cibc.ca

Re: Credit Agreement dated as of June 17, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), Canadian Imperial Bank of Commerce, as Administrative Agent (“*Administrative Agent*”), and each lender from time to time party thereto (the “*Lenders*”). Capitalized terms not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

Ladies and Gentlemen:

This Confirmation of Facility Increase is delivered pursuant to Section 2.17 of the Credit Agreement.

The undersigned confirms receipt of the Notice of Facility Increase, dated \_\_\_\_\_, 20\_\_.

As of \_\_\_\_\_, 20\_\_, the total Facility amount will be increased to \$\_\_\_\_\_, with the Commitment of each Lender as follows:

<u>Lender</u>	<u>Commitment</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Facility amount	\$ _____

Sincerely,

Canadian Imperial Bank of Commerce, as Administrative  
Agent

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT F

### FORM OF LENDER COMMITMENT INCREASE AGREEMENT

This LENDER COMMITMENT INCREASE AGREEMENT (this “*Agreement*”) is made as of \_\_\_\_\_, 20\_\_.

WHEREAS, reference is hereby made to the Credit Agreement dated as of June 17, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), Canadian Imperial Bank of Commerce, as Administrative Agent (the “*Administrative Agent*”) and each lender from time to time party thereto (the “*Lenders*”). Capitalized terms not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

WHEREAS, pursuant to Section 2.17 of the Credit Agreement, the Borrower delivered a Request for Facility Increase to the Administrative Agent, dated \_\_\_\_\_, 20\_\_;

WHEREAS, pursuant to Section 2.17 of the Credit Agreement, the Administrative Agent will deliver a Confirmation of Commitment Increase (the “*Confirmation of Commitment Increase*”) pursuant to which \_\_\_\_\_ (“*Existing Lender*”) will be listed as having a \$\_\_\_\_\_ Commitment under the Credit Agreement, an increase of \$\_\_\_\_\_ over its existing Commitment (such increase amount, the “*Commitment Increase*”); and

WHEREAS, Existing Lender, Borrower and Agent desire to enter into this Agreement pursuant to which Existing Lender will increase its Commitment under, the Credit Agreement in an amount equal to the Commitment Increase;

NOW, THEREFORE, in consideration of the mutual promises herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

1. Existing Lender hereby:

- (a) confirms that it has received a copy of the Credit Agreement and the other Loan Documents, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement;
- (b) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other Loan Document; and
- (c) attaches (or has delivered to the Administrative Agent) completed and signed copies of any forms that may be required by the United States Internal Revenue Service in order to certify Existing Lender's exemption from United States withholding taxes with respect to any payments or distributions made or to be made to Existing Lender in respect of the Advances or under the Credit Agreement or such other documents as are

necessary to indicate that all such payments or distributions are subject to such taxes at a rate reduced by an applicable tax treaty;

2. The Commitment Increase of Existing Lender shall become effective upon the satisfaction of the following conditions:
  - (a) the execution of this Agreement by each of the parties hereto;
  - (b) the receipt by the Administrative Agent of the amount listed in the funding notice delivered to Existing Lender, such amount representing the Existing Lender's pro rata share of the outstanding Advances under the Credit Agreement; and
  - (c) the Administrative Agent shall have delivered the Confirmation of Facility Increase to the Borrower and the Lenders.
3. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, THE COUNTY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT IN THE COURTS OF ANY JURISDICTION.
4. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax shall be effective as delivery of a manually executed counterpart of this Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.  
SIGNATURE PAGE FOLLOWS.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers thereunto duly authorized as of the date specified thereon.

[ \_\_\_\_\_ ], as Existing Lender

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

KENTUCKY POWER COMPANY

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

•

CANADIAN IMPERIAL BANK OF  
COMMERCE,  
as Administrative Agent

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT G

### FORM OF NEW LENDER JOINDER AGREEMENT

This NEW LENDER JOINDER AGREEMENT (this “*Agreement*”) is made as of \_\_\_\_\_, 20\_\_.

WHEREAS, reference is hereby made to the Credit Agreement dated as of June 17, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Kentucky Power Company (the “*Borrower*”), Canadian Imperial Bank of Commerce, as Administrative Agent (the “*Administrative Agent*”) and each lender from time to time party thereto (the “*Lenders*”). Capitalized terms not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

WHEREAS, pursuant to Section 2.17 of the Credit Agreement, the Borrower delivered a Request for Facility Increase to the Administrative Agent, dated \_\_\_\_\_, 20\_\_;

WHEREAS, pursuant to Section 2.17 of the Credit Agreement, the Administrative Agent will deliver a Confirmation of Commitment Increase (the “*Confirmation of Commitment Increase*”) pursuant to which \_\_\_\_\_ (“*New Lender*”) will be listed as having a \$ \_\_\_\_\_<sup>1</sup> Commitment under the Credit Agreement; and

WHEREAS, New Lender, Borrower and the Administrative Agent desire to enter into this Agreement pursuant to which New Lender will become a party to, and a Lender under, the Credit Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

- 1. New Lender hereby:
  - (a) confirms that it has received a copy of the Credit Agreement and the other Loan Documents, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement;
  - (b) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other Loan Document;
  - (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto;

<sup>1</sup> Such amount to be not less than \$5,000,000

- (d) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender;

- (e) if New Lender is organized under the laws of a jurisdiction outside the United States, attaches (or has delivered to the Administrative Agent) completed and signed copies of any forms that may be required by the United States Internal Revenue Service in order to certify New Lender's exemption from United States withholding taxes with respect to any payments or distributions made or to be made to New Lender in respect of the Advances or under the Credit Agreement or such other documents as are necessary to indicate that all such payments or distributions are subject to such taxes at a rate reduced by an applicable tax treaty; and

- (f) provides the following notice information for the purpose of Section 8.02 of the Credit Agreement:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Tel. No.: \_\_\_\_\_  
Fax No.: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

- 2. New Lender shall become a party to the Credit Agreement and the other Loan Documents, and shall have the rights and obligations of a Lender thereunder, upon the satisfaction of the following conditions:

- (a) the execution of this Agreement by each of the parties hereto;
- (b) the receipt by the Administrative Agent of the amount listed in the funding notice delivered to New Lender, such amount representing the New Lender's pro rata share of the outstanding Advances under the Credit Agreement; and
- (c) the Administrative Agent shall have delivered the Confirmation of Commitment Increase to the Borrower, the Lenders and New Lender.

- 3. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, THE COUNTY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH

NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT IN THE COURTS OF ANY JURISDICTION.

- 4. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax shall be effective as delivery of a manually executed counterpart of this Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.  
SIGNATURE PAGE FOLLOWS.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers thereunto duly authorized as of the date specified thereon.

[ \_\_\_\_\_ ], as New Lender

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

KENTUCKY POWER COMPANY

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

•

CANADIAN IMPERIAL BANK OF  
COMMERCE,  
as Administrative Agent

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Schedule I**  
**Schedule of Initial Lenders**

<b>Lender Name</b>	<b>Commitment</b>
Canadian Imperial Bank of Commerce	\$60,000,000
PNC Bank, National Association	\$45,000,000
CoBank ACB	\$45,000,000
<b>Total</b>	<b>\$150,000,000</b>

**Schedule 4.01(m)**

**Significant Subsidiaries**

None.

**Exhibit B**

**Opinion**

[See attached]



An **AEP** Company

**BOUNDLESS ENERGY™**

To each of the Lenders party to the  
Credit Agreement referred to below  
and to Canadian Imperial Bank of Commerce, New York Branch, as  
Administrative Agent thereunder

May 26, 2023

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 2(a)(iii) of the Second Amendment to Credit Agreement, dated as of May 26, 2023 (the “**Amendment**”) to the Credit Agreement, dated as of June 18, 2021 (the “**Credit Agreement**”) among Kentucky Power Company (the “**Borrower**”), the Lenders party thereto and, Canadian Imperial Bank of Commerce, New York Branch, as Administrative Agent. Terms defined in the Amendment and Credit Agreement are used herein as therein defined.

I am a Senior Counsel for American Electric Power Service Corporation, an affiliate of the Borrower, and have acted as counsel to the Borrower in connection with the preparation, execution and delivery of the Amendment. I am generally familiar with the Borrower’s corporate history, properties, operations and charter (including amendments, restatements and supplements thereto).

In connection with this opinion, I, or attorneys over whom I exercise supervision, have examined:

- (1) The Credit Agreement and any promissory note issued by the Borrower on the date hereof pursuant to Section 2.06(d) of the Agreement (collectively, the “Loan Documents”).
- (2) The Amendment.
- (3) The documents furnished by the Borrower pursuant to Section 2 of the Amendment.
- (4) The articles of incorporation of the Borrower and all amendments thereto.
- (5) The by-laws of the Borrower and all amendments thereto.
- (6) A certificate of the Secretary of State of Kentucky, dated May 25, 2023, attesting to the continued existence and good standing of the Borrower in that State

In addition, I, or attorneys over whom I exercise supervision, have examined the originals, or copies certified to my satisfaction, of such other corporate records of the Borrower, certificates of public officials and of officers of the Borrower, and agreements, instruments and other documents, as I have deemed necessary as a basis for the opinions expressed below.

In my examination, I, or attorneys over whom I exercise supervision, have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies. In making our examination of documents and instruments executed or to be executed by persons other than the Borrower, I, or attorneys over whom I exercise supervision, have assumed that each such other person had the requisite power and authority to enter into and perform fully its obligations thereunder, the due authorization by each such other person for the execution, delivery and performance thereof and the due execution and delivery thereof by or on behalf of such person of each such document and instrument. In the case of any such person that is not a natural person, I, or attorneys over whom I exercise supervision, have also assumed, insofar as it is relevant to the opinions set forth below, that each such other person is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was created and is duly qualified and in good standing in each other jurisdiction where the failure to be so qualified could reasonably be expected to have a material effect upon its ability to execute, deliver and/or perform its obligations under any such document or instrument. I, or attorneys over whom I exercise supervision, have further assumed that each document, instrument, agreement, record and certificate reviewed by us for purposes of rendering the opinions expressed below has not been amended by any oral agreement, conduct or course of dealing between the parties thereto.

As to questions of fact material to the opinions expressed herein, I have relied upon certificates and representations of officers of the Borrower (including but not limited to those contained in the Amendment and certificates delivered upon the execution and delivery of the Amendment) and of appropriate public officials, without independent verification of such matters except as otherwise described herein.

Whenever my opinions herein with respect to the existence or absence of facts are stated to be to my knowledge or awareness, it is intended to signify that no information has come to my attention or the attention of other counsel working under my direction in connection with the preparation of this opinion letter that would give me or them actual knowledge of the existence or absence of such facts. However, except to the extent expressly set forth herein, neither I nor they have undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to my or their knowledge of the existence or absence of such facts should be assumed.

I am a member of the Bar of the States of New York and Ohio and do not purport to be expert on the laws of any jurisdiction other than the laws of the States of New York and Ohio and the Federal laws of the United States and, for purposes of this opinion only, the Commonwealth of Kentucky. My opinions expressed below are limited to the law of the Commonwealth of Kentucky and the States of New York and Ohio and the Federal law of the United States.

Based upon the foregoing and upon such investigation as I have deemed necessary, and subject to the limitations, qualifications and assumptions set forth herein, I am of the following opinion:

1. The Borrower (a) is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky; (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property which it operates as lessee and to conduct the business in which it is currently engaged and in which it proposes to be engaged after the date hereof; (c) is duly qualified as a foreign corporation and is in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except any such jurisdiction where the failure to so qualify could not, in the aggregate, reasonably be expected to result in a Material Adverse Change; (d) owns or possesses all material licenses and permits necessary for the operation by it of its business as currently conducted; and (e) is in compliance with all Requirements of Law, except as disclosed in the Second Amendment Disclosure Documents referenced in Section 2(f) of the Amendment or to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. The term “**Requirements of Law**” means the laws of the Commonwealth of Kentucky, the laws of the State of New York and the laws, rules and regulations of the United States of America (including, without limitation, ERISA and Environmental Laws) and orders of any governmental authority applicable to the Borrower.
2. The Borrower has the corporate power and authority, and the legal right, to execute and deliver the Amendment and to perform its obligations under the Amendment and each Loan Document, and to borrow under the Credit Agreement. The Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of the Amendment and each Loan Document and the incurrence of Advances on the terms and conditions of the Credit Agreement, and the Amendment and each Loan Document has been duly executed and delivered by the Borrower. The Amendment and each Loan Document constitutes the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.
3. The execution, delivery and performance of the Amendment and each Loan Document and the Advances made under the Credit Agreement will not violate any Requirements of Law, the Borrower's certificate of incorporation or by-laws, or any material contractual restriction binding on or affecting the Borrower or any of its properties.
4. No approval or authorization or other action by, and no notice to or filing with, any governmental agency or regulatory body or other third person is required in connection with the due execution and delivery of the Amendment or any Loan Document and the performance, validity and enforceability of the Amendment and any Loan Document, except for the authorization of the Kentucky Public

Service Commission, which authorization has been obtained and is in full force and effect on the date hereof.

5. Except as described in Section 4.01(e) of the Credit Agreement, no action, suit, investigation, litigation, or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any court, government agency or arbitrator is pending or, to my knowledge, threatened, that is reasonably likely to have a Material Adverse Effect.
6. Neither the Borrower nor any of its Significant Subsidiaries is an “investment company”, or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended (the “*Act*”). Neither the making of any Advances, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated by the Credit Agreement will violate any provision of the Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

The opinion set forth above in the last sentence of paragraph 2 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor’s rights generally and to general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law.)

I express no opinion as to (i) Section 8.05 of the Credit Agreement; (ii) the effect of the law of any jurisdiction (other than the Commonwealth of Kentucky and the State of New York) wherein any Lender may be located which limits the rates of interest which may be charged or collected by such Lender; and (iii) whether a Federal or state court outside of the Commonwealth of Kentucky or the States of New York or Ohio would give effect to the choice of New York law provided for in the Amendment and Credit Agreement.

This opinion has been rendered solely for your benefit in connection with the Amendment and the transactions contemplated thereby and may not be used, circulated, quoted, relied upon or otherwise referred to by any other Person (other than your respective counsel, auditors and any regulatory agency having jurisdiction over you or as otherwise required pursuant to legal process or other requirements of law) for any other purpose without my prior written consent; provided that any Person that becomes a Lender after the date hereof may rely on the opinions expressed in this opinion letter as though addressed to such Person. I undertake no responsibility to update or supplement this opinion in response to changes in law or future events or circumstances.

Very truly yours,

William E. Johnson  
Counsel for Kentucky Power Company



KENTUCKY POWER COMPANY

\$25,000,000 5.29% Senior Notes, Series J, due 2028

Stated Maturity: June 13, 2028

Interest Rate: 5.29%

Principal Amount: \$25,000,000

Issue Date: June 13, 2023

KENTUCKY POWER COMPANY, a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein referred to as the “Company”, which term includes any successor corporation thereto) for value received, hereby promises to pay to AMERICAN ELECTRIC POWER COMPANY, INC. or permitted registered assigns, the principal amount specified above (the “Principal Amount”) on the stated maturity specified above (the “Stated Maturity”), and to pay interest on said Principal Amount from the original issue date specified above or from the most recent interest payment date (each such date, an “Interest Payment Date”) to which interest has been paid or duly provided for, quarterly in arrears on March 12, June 12, September 12 and December 12 in each year, beginning September 12, 2023, at the interest rate per annum specified above, until the Principal Amount shall have been paid or duly provided for. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

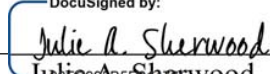
If any Interest Payment Date, any redemption date or the Stated Maturity is not a Business Day, then payment of the amounts due on this Note on such date will be made on the next succeeding Business Day, and no interest shall accrue on such amounts for the period from and after such Interest Payment Date, redemption date or Stated Maturity, as the case may be, with the same force and effect as if made on such date.

This Note may be prepaid at any time without penalty.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, or otherwise in respect hereof, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

IN WITNESS WHEREOF, the Company has caused this Note to be executed as of the issue date written above.

KENTUCKY POWER COMPANY

DocuSigned by:  
  
By: Julie A. Sherwood  
Title: Treasurer

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s)  
unto

(PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF ASSIGNEE)

\_\_\_\_\_  
\_\_\_\_\_

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF

ASSIGNEE) the within Note and all rights thereunder, hereby

irrevocably constituting and appointing such person attorney to

transfer such Note on the books of the Issuer, with full

power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.



**Certificate Of Completion**

Envelope Id: F90758491A3A498A9B1C5D4F071BB72F	Status: Completed
Subject: Complete with DocuSign: Kentucky Power Intercompany Note	
Source Envelope:	
Document Pages: 2	Signatures: 1
Certificate Pages: 3	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Disabled	Molly A. Behre
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	700 Morrison Road
	Gahanna, OH 43230
	mabehre@aep.com
	IP Address: 167.239.221.101

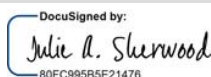
**Record Tracking**

Status: Original	Holder: Molly A. Behre	Location: DocuSign
6/13/2023 11:30:14 AM	mabehre@aep.com	

**Signer Events**

Julie A. Sherwood  
 jasherwood@aep.com  
 Senior Vice President  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
80FC995B5E21476...  
 Signature Adoption: Pre-selected Style  
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Sent: 6/13/2023 11:33:42 AM  
 Viewed: 6/13/2023 11:34:32 AM  
 Signed: 6/13/2023 11:35:26 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 12/21/2016 10:45:21 AM  
 ID: 203d5f30-6928-4fb3-a813-cbe74859090f

**In Person Signer Events**

**Signature**

**Timestamp**

**Editor Delivery Events**

**Status**

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**Agent Delivery Events**

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**Status**

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**Certified Delivery Events**

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**Timestamp**

**Carbon Copy Events**

**Status**

**Timestamp**

Franz D. Messner  
 fdmessner@aep.com  
 Managing Director, Corporate Finance  
 Indiana Michigan Power Company  
 Security Level: Email, Account Authentication (None)  
**Electronic Record and Signature Disclosure:**  
 Accepted: 5/2/2023 7:38:22 AM  
 ID: 97dd6fc1-c945-446f-9e73-ed587e1ee784

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Sent: 6/13/2023 11:33:42 AM

William E. Johnson  
 wejohnson@aep.com  
 Assistant Secretary  
 Security Level: Email, Account Authentication (None)  
**Electronic Record and Signature Disclosure:**  
 Accepted: 4/28/2023 9:09:06 AM  
 ID: 1e9d9332-089e-474e-a014-09c34e6af5f2

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<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	6/13/2023 11:33:43 AM
Certified Delivered	Security Checked	6/13/2023 11:34:32 AM
Signing Complete	Security Checked	6/13/2023 11:35:26 AM
Completed	Security Checked	6/13/2023 11:35:26 AM
<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
<b>Electronic Record and Signature Disclosure</b>		

Electronic Record and Signature Disclosure created on: 5/30/2014 9:32:06 AM  
Parties agreed to: Julie A. Sherwood, Franz D. Messner, William E. Johnson

**ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

Please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

# Kentucky Power Company

## 2021 Annual Report

Audited Financial Statements



An **AEP** Company

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BOUNDLESS ENERGY<sup>SM</sup>

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**GLOSSARY OF TERMS**

**When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.**

<b>Term</b>	<b>Meaning</b>
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority-owned consolidated subsidiaries and consolidated affiliates.
AEP Credit	AEP Credit, Inc., a consolidated VIE of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP East Companies	APCo, I&M, KGPCo, KPCo, OPCo and WPCo.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AEPSC	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AEPTCo	AEP Transmission Company, LLC, a wholly-owned subsidiary of AEP Transmission Holdco, is an intermediate holding company that owns the State Transcos.
AFUDC	Allowance for Equity Funds Used During Construction.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
ASU	Accounting Standards Update.
COVID-19	Coronavirus 2019, a highly infectious respiratory disease. In March 2020, the World Health Organization declared COVID-19 a worldwide pandemic.
CWIP	Construction Work in Progress.
EIS	Energy Insurance Services, Inc., a nonaffiliated captive insurance company and consolidated VIE of AEP.
ESP	Electric Security Plans, a PUCO requirement for electric utilities to adjust their rates by filing with the PUCO.
Excess ADIT	Excess accumulated deferred income taxes.
FAC	Fuel Adjustment Clause.
FASB	Financial Accounting Standards Board.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.
FTR	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.
IRS	Internal Revenue Service.
ITC	Investment Tax Credit.
KGPCo	Kingsport Power Company, an AEP electric utility subsidiary.
KPCo	Kentucky Power Company, an AEP electric utility subsidiary.
KPSC	Kentucky Public Service Commission.
KTCO	AEP Kentucky Transmission Company, Inc., a wholly-owned AEPTCo transmission subsidiary.
Liberty	Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corporation.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatt-hour.
NO <sub>x</sub>	Nitrogen oxide.
OATT	Open Access Transmission Tariff.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.



Term	Meaning
OPEB	Other Postretirement Benefits.
Operating Agreement	Agreement, dated January 1, 1997, as amended, by and among PSO and SWEPCo governing generating capacity allocation, energy pricing, and revenues and costs of third-party sales. AEPSC acts as the agent.
OTC	Over-the-counter.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PCA	Power Coordination Agreement among APCo, I&M, KPCo and WPCo.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PUCO	Public Utilities Commission of Ohio.
Risk Management Contracts	Trading and non-trading derivatives, including those derivatives designated as cash flow and fair value hedges.
Rockport Plant	A generation plant, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana. AEGCo and I&M jointly-own Unit 1. In 1989, AEGCo and I&M entered into a sale-and-leaseback transaction with Wilmington Trust Company, an unrelated, unconsolidated trustee for Rockport Plant, Unit 2.
ROE	Return on Equity.
RTO	Regional Transmission Organization, responsible for moving electricity over large interstate areas.
SIA	System Integration Agreement, effective June 15, 2000, as amended, provides contractual basis for coordinated planning, operation and maintenance of the power supply sources of the combined AEP.
SPP	Southwest Power Pool regional transmission organization.
SSO	Standard service offer.
SWEPCo	Southwestern Electric Power Company, an AEP electric utility subsidiary.
TA	Transmission Agreement, effective November 2010, among APCo, I&M, KGPCo, KPCo, OPCo and WPCo with AEPSC as agent.
Tax Reform	On December 22, 2017, President Trump signed into law legislation referred to as the “Tax Cuts and Jobs Act” (the TCJA). The TCJA includes significant changes to the Internal Revenue Code of 1986, including a reduction in the corporate federal income tax rate from 35% to 21% effective January 1, 2018.
UPA	Unit Power Agreement.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
VIE	Variable Interest Entity.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.
WVPSC	West Virginia Public Service Commission.



## **Report of Independent Auditors**

To the Management and Board of Directors of Kentucky Power Company

### ***Opinion***

We have audited the accompanying financial statements of Kentucky Power Company (the “Company”), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, of comprehensive income (loss), of changes in common shareholder's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors’ Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*PricewaterhouseCoopers LLP*

Columbus, Ohio  
February 24, 2022

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF INCOME**  
For the Years Ended December 31, 2021 and 2020  
(in thousands)

	<b>Years Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Electric Generation, Transmission and Distribution	\$ 634,765	\$ 537,031
Sales to AEP Affiliates	10,542	11,997
Other Revenues	1,076	895
<b>TOTAL REVENUES</b>	<b>646,383</b>	<b>549,923</b>
<b>EXPENSES</b>		
Fuel and Other Consumables Used for Electric Generation	85,207	76,453
Purchased Electricity for Resale	81,820	37,393
Purchased Electricity from AEP Affiliates	93,365	74,055
Other Operation	126,479	100,944
Maintenance	64,353	61,895
Depreciation and Amortization	115,097	101,285
Taxes Other Than Income Taxes	27,745	28,023
<b>TOTAL EXPENSES</b>	<b>594,066</b>	<b>480,048</b>
<b>OPERATING INCOME</b>	<b>52,317</b>	<b>69,875</b>
<b>Other Income (Expense):</b>		
Interest Income	19	70
Allowance for Equity Funds Used During Construction	1,822	1,170
Non-Service Cost Components of Net Periodic Benefit Cost	4,141	4,056
Interest Expense	(35,628)	(38,197)
<b>INCOME BEFORE INCOME TAX BENEFIT</b>	<b>22,671</b>	<b>36,974</b>
Income Tax Benefit	(27,479)	(4,043)
<b>NET INCOME</b>	<b>\$ 50,150</b>	<b>\$ 41,017</b>

*The common stock of KPSCo is wholly-owned by Parent.*

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**For the Years Ended December 31, 2021 and 2020**  
**(in thousands)**

	<b>Years Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Net Income	\$ 50,150	\$ 41,017
<b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES</b>		
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(36) and \$(28) in 2021 and 2020, Respectively	(137)	(107)
Pension and OPEB Funded Status, Net of Tax of \$268 and \$52 in 2021 and 2020, Respectively	1,008	195
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>871</b>	<b>88</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 51,021</b>	<b>\$ 41,105</b>

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF CHANGES IN COMMON SHAREHOLDER'S EQUITY**  
**For the Years Ended December 31, 2021 and 2020**  
**(in thousands)**

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total</u>
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2019</b>	\$ 50,450	\$ 526,135	\$ 204,806	\$ 790	\$ 782,181
ASU 2016-13 Adoption			48		48
Net Income			41,017		41,017
Other Comprehensive Income				88	88
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2020</b>	50,450	526,135	245,871	878	823,334
Net Income			50,150		50,150
Other Comprehensive Income				871	871
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2021</b>	<u>\$ 50,450</u>	<u>\$ 526,135</u>	<u>\$ 296,021</u>	<u>\$ 1,749</u>	<u>\$ 874,355</u>

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**BALANCE SHEETS**  
**ASSETS**  
**December 31, 2021 and 2020**  
**(in thousands)**

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 763	\$ 1,533
Accounts Receivable:		
Customers	16,281	10,485
Affiliated Companies	25,578	21,019
Accrued Unbilled Revenues	16,647	18,918
Miscellaneous	57	80
Allowance for Uncollectible Accounts	(3)	(87)
Total Accounts Receivable	<u>58,560</u>	<u>50,415</u>
Fuel	10,090	22,487
Materials and Supplies	20,515	19,861
Risk Management Assets	5,986	3,152
Regulatory Asset for Under-Recovered Fuel Costs	8,216	—
Margin Deposits	14,229	132
Prepayments and Other Current Assets	3,490	3,370
<b>TOTAL CURRENT ASSETS</b>	<u>121,849</u>	<u>100,950</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Electric:		
Generation	1,231,494	1,231,387
Transmission	760,359	703,309
Distribution	1,017,406	955,501
Other Property, Plant and Equipment	137,554	120,965
Construction Work in Progress	95,093	83,008
<b>Total Property, Plant and Equipment</b>	<u>3,241,906</u>	<u>3,094,170</u>
Accumulated Depreciation and Amortization	1,104,492	1,052,273
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT – NET</b>	<u>2,137,414</u>	<u>2,041,897</u>
<b>OTHER NONCURRENT ASSETS</b>		
Regulatory Assets	476,457	450,145
Long-term Risk Management Assets	—	23
Employee Benefit and Pension Assets	60,333	41,062
Operating Lease Assets	10,748	11,928
Deferred Charges and Other Noncurrent Assets	33,848	33,585
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<u>581,386</u>	<u>536,743</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,840,649</u>	<u>\$ 2,679,590</u>

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**BALANCE SHEETS**  
**LIABILITIES AND COMMON SHAREHOLDER'S EQUITY**  
**December 31, 2021 and 2020**  
**(dollars in thousands)**

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>CURRENT LIABILITIES</b>		
Advances from Affiliates	\$ 47,895	\$ 65,647
Accounts Payable:		
General	52,837	47,157
Affiliated Companies	42,223	24,862
Long-term Debt Due Within One Year – Nonaffiliated	200,000	40,000
Risk Management Liabilities	51	213
Customer Deposits	32,432	30,774
Accrued Taxes	45,243	36,191
Accrued Interest	5,685	6,399
Obligations Under Operating Leases	2,173	2,296
Regulatory Liability for Over-Recovered Fuel Costs	—	313
Other Current Liabilities	21,384	26,767
<b>TOTAL CURRENT LIABILITIES</b>	<b>449,923</b>	<b>280,619</b>
<b>NONCURRENT LIABILITIES</b>		
Long-term Debt – Nonaffiliated	903,105	952,650
Long-term Risk Management Liabilities	—	19
Deferred Income Taxes	437,152	446,054
Regulatory Liabilities and Deferred Investment Tax Credits	140,506	133,243
Asset Retirement Obligations	16,399	21,544
Employee Benefits and Pension Obligations	8,064	7,970
Obligations Under Operating Leases	8,614	9,672
Deferred Credits and Other Noncurrent Liabilities	2,531	4,485
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,516,371</b>	<b>1,575,637</b>
<b>TOTAL LIABILITIES</b>	<b>1,966,294</b>	<b>1,856,256</b>
Rate Matters (Note 4)		
Commitments and Contingencies (Note 6)		
<b>COMMON SHAREHOLDER'S EQUITY</b>		
Common Stock – Par Value – \$50 Per Share:		
Authorized – 2,000,000 Shares		
Outstanding – 1,009,000 Shares	50,450	50,450
Paid-in Capital	526,135	526,135
Retained Earnings	296,021	245,871
Accumulated Other Comprehensive Income (Loss)	1,749	878
<b>TOTAL COMMON SHAREHOLDER'S EQUITY</b>	<b>874,355</b>	<b>823,334</b>
<b>TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY</b>	<b>\$ 2,840,649</b>	<b>\$ 2,679,590</b>

*See Notes to Financial Statements beginning on page 11.*



**KENTUCKY POWER COMPANY**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2021 and 2020**  
**(in thousands)**

	<b>Years Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
<b>Net Income</b>	\$ 50,150	\$ 41,017
<b>Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:</b>		
Depreciation and Amortization	115,097	101,285
Deferred Income Taxes	(24,509)	5,367
Allowance for Equity Funds Used During Construction	(1,822)	(1,170)
Mark-to-Market of Risk Management Contracts	(2,992)	2,479
Pension Contributions to Qualified Plan Trust	—	(2,775)
Deferred Fuel Over/Under-Recovery, Net	(8,529)	91
Change in Regulatory Assets	(56,447)	(44,116)
Asset Retirement Obligation	(2,174)	(18,734)
Change in Other Noncurrent Assets	(11,846)	(10,394)
Change in Other Noncurrent Liabilities	2,979	(109)
<b>Changes in Certain Components of Working Capital:</b>		
Accounts Receivable, Net	(7,482)	(1,001)
Fuel, Materials and Supplies	11,771	5,657
Margin Deposits	(14,097)	468
Accounts Payable	13,013	(1,527)
Accrued Taxes, Net	8,628	4,820
Other Current Assets	384	(28)
Other Current Liabilities	(3,522)	(4,499)
<b>Net Cash Flows from Operating Activities</b>	<b>68,602</b>	<b>76,831</b>
<b>INVESTING ACTIVITIES</b>		
Construction Expenditures	(164,912)	(153,845)
Proceeds from Sales of Assets	1,075	825
Other Investing Activities	2,995	294
<b>Net Cash Flows Used for Investing Activities</b>	<b>(160,842)</b>	<b>(152,726)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of Long-term Debt - Nonaffiliated	149,974	124,619
Change in Advances from Affiliates, Net	(17,752)	(47,528)
Retirement of Long-term Debt - Nonaffiliated	(40,000)	—
Principal Payments for Finance Lease Obligations	(920)	(808)
Other Financing Activities	168	296
<b>Net Cash Flows from Financing Activities</b>	<b>91,470</b>	<b>76,579</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(770)</b>	<b>684</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>1,533</b>	<b>849</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 763</b>	<b>\$ 1,533</b>
<b>SUPPLEMENTARY INFORMATION</b>		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 37,378	\$ 38,505
Net Cash Paid (Received) for Income Taxes	(4,123)	(11,989)
Noncash Acquisitions Under Finance Leases	331	940
Construction Expenditures Included in Current Liabilities as of December 31,	28,280	19,358

*See Notes to Financial Statements beginning on page 11.*

**INDEX OF NOTES TO FINANCIAL STATEMENTS**

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## **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **ORGANIZATION**

As a public utility, KPCo engages in the generation and purchase of electric power, and the subsequent sale, transmission and distribution of that power to approximately 165,000 retail customers in its service territory in eastern Kentucky. KPCo also sells power at wholesale to municipalities.

Under a unit power agreement with AEGCo, an affiliated company, KPCo purchases 393 MWs of Rockport Plant capacity which is 30% of AEGCo's 50% share of the 2,620 MW Rockport Plant. The UPA expires in December 2022. KPCo pays a demand charge for the right to receive the power, which is payable even if the power is not taken.

To minimize the credit requirements and operating constraints when operating within PJM, participating AEP companies, including KPCo, agreed to a netting of certain payment obligations incurred by the participating AEP companies against certain balances due to such AEP companies and to hold PJM harmless from actions that any one or more AEP companies may take with respect to PJM.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Rates and Service Regulation***

KPCo's rates are regulated by the FERC and the KPSC. The FERC also regulates KPCo's affiliated transactions, including AEPSC intercompany service billings which are generally at cost, under the 2005 Public Utility Holding Company Act and the Federal Power Act. The FERC also has jurisdiction over certain issuances and acquisitions of securities of public utility subsidiaries, the acquisition or sale of certain utility assets and mergers with another electric utility or holding company. For non-power goods and services, the FERC requires a nonregulated affiliate to bill an affiliated public utility company at no more than market while a public utility must bill the higher of cost or market to a nonregulated affiliate. The KPSC also regulates certain intercompany transactions under its affiliate statutes. Both the FERC and state regulatory commissions are permitted to review and audit the relevant books and records of companies within a public utility holding company system.

The FERC regulates wholesale power markets, wholesale power transactions and wholesale transmission operations and rates. KPCo's wholesale power transactions are generally market-based. Wholesale power transactions are cost-based regulated when KPCo negotiates and files a cost-based contract with the FERC or the FERC determines that KPCo has "market power" in the region where the transaction occurs. KPCo has entered into wholesale power supply contracts with various municipalities that are FERC-regulated, cost-based contracts. These contracts are generally formula rate mechanisms, which are trued-up to actual costs annually.

The KPSC regulates all of the distribution operations and rates and retail transmission rates on a cost basis. The KPSC also regulates retail generation/power supply operations and rates.

In addition, the FERC regulates the SIA and the Transmission Agreement, which allocate shared system costs and revenues among the utility subsidiaries that are parties to each agreement. The FERC also regulates the PCA. See Note 13 - Related Party Transactions for additional information.

#### ***Accounting for the Effects of Cost-Based Regulation***

As a rate-regulated electric public utility company, KPCo's financial statements reflect the actions of regulators that result in the recognition of certain revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with accounting guidance for "Regulated Operations," KPCo records regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

### ***Use of Estimates***

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include but are not limited to inventory valuation, allowance for doubtful accounts, long-lived asset impairment, unbilled electricity revenue, valuation of long-term energy contracts, the effects of regulation, long-lived asset recovery, storm costs, the effects of contingencies and certain assumptions made in accounting for pension and postretirement benefits. The estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could ultimately differ from those estimates.

### ***Cash and Cash Equivalents***

Cash and Cash Equivalents include temporary cash investments with original maturities of three months or less.

### ***Inventory***

Fossil fuel inventories and materials and supplies inventories are carried at average cost.

### ***Accounts Receivable***

Customer accounts receivable primarily include receivables from wholesale and retail energy customers, receivables from energy contract counterparties related to risk management activities and customer receivables primarily related to other revenue-generating activities.

Revenue is recognized from electric power sales when power is delivered to customers. To the extent that deliveries have occurred but a bill has not been issued, KPCo accrues and recognizes, as Accrued Unbilled Revenues on the balance sheets, an estimate of the revenues for energy delivered since the last billing.

AEP Credit factors accounts receivable on a daily basis, excluding receivables from risk management activities, for KPCo. See "Securitized Accounts Receivables - AEP Credit" section of Note 12 for additional information.

### ***Allowance for Uncollectible Accounts***

Under an affiliated receivables sales arrangement, KPCo sells, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit. KPCo is charged a fee for each sale that is based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience from previous purchases of KPCo's customer accounts receivable. No allowance for uncollectible accounts is recognized within KPCo's financial statements for customer accounts receivable sold to AEP Credit, and any bad debt stemming from these receivables would be recognized by AEP Credit. KPCo terminated selling accounts receivable to AEP Credit in the first quarter of 2022, based on the pending sale to Liberty. As a result of the termination, in the first quarter of 2022, KPCo will record an allowance for uncollectible accounts on its balance sheet for those receivables no longer sold to AEP Credit. For accounts receivables relating to risk management activities, accounts receivables are reviewed for bad debt reserves at a specific counterparty level basis. For miscellaneous accounts receivable, bad debt expense is recorded based upon a 12-month rolling average of bad debt write-offs in proportion to gross accounts receivable, unless specifically identified. In addition to these processes, management contemplates available current information, as well as any reasonable and supportable forecast information, to determine if allowances for uncollectible accounts should be further adjusted in accordance with the accounting guidance for "Credit Losses." Management's assessments contemplate expected losses over the life of the accounts receivable.

***Concentrations of Credit Risk and Significant Customers***

KPCo had a significant customer which accounts for the following percentages of Total Revenues for the years ended December 31 and Accounts Receivable – Customers as of December 31:

<b>Significant Customer of KPCo: Marathon Petroleum Company</b>	<b>2021</b>	<b>2020</b>
Percentage of Total Revenues	12 %	12 %
Percentage of Accounts Receivable – Customers	45 %	46 %

Management monitors credit levels and the financial condition of KPCo’s customers on a continuous basis to minimize credit risk. The KPSC allows recovery in rates for a reasonable level of bad debt costs. Management believes adequate provision for credit loss has been made in the accompanying financial statements.

***Property, Plant and Equipment***

Electric utility property, plant and equipment are stated at original cost. Additions, major replacements and betterments are added to the plant accounts. Under the group composite method of depreciation, continuous interim routine replacements of items such as boiler tubes, pumps, motors, etc. result in original cost retirements, less salvage, being charged to accumulated depreciation. The group composite method of depreciation assumes that on average, asset components are retired at the end of their useful lives and thus there is no gain or loss. The equipment in each primary electric plant account is identified as a separate group. The depreciation rates that are established take into account the past history of interim capital replacements and the amount of removal cost incurred and salvage received. These rates and the related lives are subject to periodic review. Removal costs accrued are typically recorded as regulatory liabilities when the revenue received for removal costs accrued exceeds actual removal costs incurred. The asset removal costs liability is relieved as removal costs are incurred. A regulatory asset balance will occur if actual removal costs incurred exceed accumulated removal costs accrued.

The costs of labor, materials and overhead incurred to operate and maintain plant and equipment are included in operating expenses.

Long-lived assets are required to be tested for impairment when it is determined that the carrying value of the assets may no longer be recoverable or when the assets meet the held-for-sale criteria under the accounting guidance for “Impairment or Disposal of Long-Lived Assets.” When it becomes probable that an asset in-service or an asset under construction will be abandoned and regulatory cost recovery has been disallowed or is not probable, the cost of that asset shall be removed from plant-in-service or CWIP and charged to expense.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, as opposed to a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and are used as the basis for the measurement, if available. In the absence of quoted prices for identical or similar assets in active markets, fair value is estimated using various internal and external valuation methods including cash flow analysis and appraisals.

***Allowance for Funds Used During Construction***

AFUDC represents the estimated cost of borrowed and equity funds used to finance construction projects that is capitalized and recovered through depreciation over the service life of regulated electric utility plant. KPCo records the equity component of AFUDC in Allowance for Equity Funds Used During Construction and the debt component of AFUDC as a reduction to Interest Expense.

***Valuation of Nonderivative Financial Instruments***

The book values of Cash and Cash Equivalents, Advances from Affiliates, Accounts Receivable and Accounts Payable approximate fair value because of the short-term maturity of these instruments.

### ***Fair Value Measurements of Assets and Liabilities***

The accounting guidance for “Fair Value Measurements and Disclosures” establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

For commercial activities, exchange-traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange-traded derivatives where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket-based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

AEP utilizes its trustee’s external pricing service to estimate the fair value of the underlying investments held in the benefit plan trusts. AEP’s investment managers review and validate the prices utilized by the trustee to determine fair value. AEP’s management performs its own valuation testing to verify the fair values of the securities. AEP receives audit reports of the trustee’s operating controls and valuation processes.

Assets in the benefits trusts are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and equity securities. They are valued based on observable inputs primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments. Investments classified as Other are valued using Net Asset Value as a practical expedient. Items classified as Other are primarily cash equivalent funds, common collective trusts, commingled funds, structured products, private equity, real estate, infrastructure and alternative credit investments. These investments do not have a readily determinable fair value or they contain redemption restrictions which may include the right to suspend redemptions under certain circumstances. Redemption restrictions may also prevent certain investments from being redeemed at the reporting date for the underlying value.

### ***Deferred Fuel Costs***

The cost of fuel and related emission allowances and emission control chemicals/consumables is charged to Fuel and Other Consumables Used for Electric Generation expense when the fuel is burned or the allowance or consumable is utilized. Fuel cost over-recoveries (the excess of fuel-related revenues over applicable fuel costs incurred) are generally deferred as current regulatory liabilities and under-recoveries (the excess of applicable fuel costs incurred over fuel-related revenues) are generally deferred as current regulatory assets. Fuel cost over-recovery and under-recovery balances are classified as noncurrent when there is a commission-approved plan to delay refunds or recoveries beyond a one year period. These deferrals are amortized when refunded or when billed to customers in later months with the KPSC's review and approval. The amount of an over-recovery or under-recovery can also be affected by actions of the KPSC. On a routine basis, the KPSC reviews and/or audits KPCo's fuel procurement policies and practices, the fuel cost calculations and FAC deferrals. FAC deferrals are adjusted when costs are no longer probable of recovery or when refunds of fuel reserves are probable. Changes in fuel costs, including purchased power, are reflected in rates in a timely manner through the FAC. A portion of margins from off-system sales are given to customers through the FAC.

### ***Revenue Recognition***

#### *Regulatory Accounting*

KPCo's financial statements reflect the actions of regulators that can result in the recognition of revenues and expenses in different time periods than enterprises that are not rate-regulated. Regulatory assets (deferred expenses or alternative revenues recognized in accordance with the guidance for "Regulated Operations") and regulatory liabilities (deferred revenue reductions or refunds) are recorded to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching revenue with its passage to customers in cost-based regulated rates.

When regulatory assets are probable of recovery through regulated rates, KPCo records them as assets on its balance sheets. Regulatory assets are reviewed for probability of recovery at each balance sheet date or whenever new events occur. Examples of new events include the issuance of a regulatory commission order or passage of new legislation. If it is determined that recovery of a regulatory asset is no longer probable, KPCo derecognizes that regulatory asset as a charge against income.

#### *Electricity Supply and Delivery Activities*

KPCo recognizes revenues from customers for retail and wholesale electricity sales and electricity transmission and distribution delivery services. KPCo recognizes such revenues on the statements of income as the performance obligations of delivering energy to customers are satisfied. Recognized revenues include unbilled as well as-billed amounts. Wholesale transmission revenue is based on a FERC-approved formula rate filing made for each calendar year using estimated costs. Revenues initially recognized per the annual rate filing are compared to actual costs, resulting in the subsequent recognition of an over or under-recovered amount, with interest, that is refunded or recovered, respectively, in a future year's rates. The annual true-up meets the definition of alternative revenues in accordance with the accounting guidance for "Regulated Operations", and are recognized by KPCo in the second quarter of each calendar year following the filing of annual FERC report. Any portion of the true-up applicable to an affiliated company is recorded as Accounts Receivable - Affiliated Companies or Accounts Payable - Affiliated Companies on the balance sheets. Any portion of the true-ups applicable to third-parties is recorded as Regulatory Assets or Regulatory Liabilities on the balance sheets. See Note 16 - Revenue from Contracts with Customers for additional information.

### *Gross versus Net Presentation of Certain Electricity Supply and Delivery Activities*

The power produced at KPCo's generation plants is sold to PJM. KPCo also purchases power from PJM to supply power to its customers. Generally, these power sales and purchases are reported on a net basis in revenues on the statements of income. However, purchases of power in excess of sales to PJM, on an hourly net basis, used to serve retail load are recorded gross as Purchased Electricity for Resale on the statements of income.

Physical energy purchases arising from non-derivative contracts are accounted for on a gross basis in Purchased Electricity for Resale on the statements of income. Energy purchases arising from non-trading derivative contracts are recorded based on the transaction's facts and circumstances. Purchases under non-trading derivatives used to serve accrual based obligations are recorded in Purchased Electricity for Resale on the statements of income. All other non-trading derivative purchases are recorded net in revenues.

In general, KPCo records expenses when purchased electricity is received and when expenses are incurred, with the exception of certain power purchase contracts that are derivatives and accounted for using MTM accounting. KPCo defers the unrealized MTM amounts as regulatory assets (for losses) and regulatory liabilities (for gains).

### *Energy Marketing and Risk Management Activities*

KPCo engages in power marketing as a major power producer and participant in electricity markets. KPCo also engages in power, capacity, coal, natural gas and, to a lesser extent, heating oil, gasoline and other commodity risk management activities focused on markets where the AEP System owns assets and on adjacent markets. These activities include the purchase-and-sale of energy under forward contracts at fixed and variable prices. These contracts include physical transactions, exchange-traded futures, and to a lesser extent, OTC swaps and options. Certain energy marketing and risk management transactions are with RTOs.

KPCo recognizes revenues from marketing and risk management transactions that are not derivatives as the performance obligation of delivering the commodity is satisfied. Expenses from marketing and risk management transactions that are not derivatives are also recognized upon delivery of the commodity.

KPCo uses MTM accounting for marketing and risk management transactions that are derivatives unless the derivative is designated in a qualifying cash flow hedge relationship or elected normal under the normal purchase normal sale election. Unrealized MTM gains and losses are included on KPCo's balance sheets as Risk Management Assets or Liabilities, as appropriate, and on KPCo's statements of income in Total Revenues. Realized gains and losses on marketing and risk management transactions are included in revenues or expenses based on the transaction's facts and circumstances. However, in regulated jurisdictions subject to cost-based regulation, unrealized MTM amounts and some realized gains and losses are deferred as regulatory assets (for losses) and regulatory liabilities (for gains).

Certain qualifying marketing and risk management derivative transactions are designated as hedges of variability in future cash flows as a result of forecasted transactions (cash flow hedge). In the event KPCo designates a cash flow hedge, the cash flow hedge's gain or loss is initially recorded as a component of AOCI. When the forecasted transaction is realized and affects net income, KPCo subsequently reclassifies the gain or loss on the hedge from AOCI into revenues or expenses within the same financial statement line item as the forecasted transaction on the statements of income. See "Accounting for Cash Flow Hedging Strategies" section of Note 8.

### *Maintenance*

Maintenance costs are expensed as incurred. If it becomes probable that KPCo will recover specifically-incurred costs through future rates, a regulatory asset is established to match the expensing of those maintenance costs with their recovery in cost-based regulated revenues.



### ***Income Taxes and Investment Tax Credits***

KPCo uses the liability method of accounting for income taxes. Under the liability method, deferred income taxes are provided for all temporary differences between the book and tax basis of assets and liabilities which will result in a future tax consequence. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

When the flow-through method of accounting for temporary differences is reflected in regulated revenues (that is, when deferred taxes are not included in the cost-of-service for determining regulated rates for electricity), deferred income taxes are recorded and related regulatory assets and liabilities are established to match the regulated revenues and tax expense.

KPCo applies the deferral methodology for the recognition of ITC. Deferred ITC is amortized to income tax expense over the life of the asset. Amortization of deferred ITC begins when the asset is placed in-service, except where regulatory commissions reflect ITC in the rate-making process, then amortization begins when the cash tax benefit is recognized.

KPCo accounts for uncertain tax positions in accordance with the accounting guidance for "Income Taxes." KPCo classifies interest expense or income related to uncertain tax positions as interest expense or income as appropriate and classifies penalties as Other Operation expense. KPCo's uncertain tax positions are immaterial to the financial statements.

### ***Excise Taxes***

As an agent for some state and local governments, KPCo collects from customers certain excise taxes levied by those state or local governments on customers. KPCo does not recognize these taxes as revenue or expense.

### ***Debt***

Gains and losses from the reacquisition of debt used to finance regulated electric utility plants are deferred and amortized over the remaining term of the reacquired debt in accordance with their rate-making treatment unless the debt is refinanced. If the reacquired debt is refinanced, the reacquisition costs are generally deferred and amortized over the term of the replacement debt consistent with its recovery in rates.

Debt discount or premium and debt issuance expenses are deferred and amortized generally utilizing the straight-line method over the term of the related debt. The straight-line method approximates the effective interest method and is consistent with the treatment in rates for regulated operations. The net amortization expense is included in Interest Expense on the statements of income.

### ***Pension and OPEB Plans***

KPCo participates in an AEP sponsored qualified pension plan and two unfunded non-qualified pension plans. Substantially all of KPCo's employees are covered by the qualified plan or both the qualified and non-qualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees. KPCo accounts for its participation in the AEP sponsored pension and OPEB plans using multiple-employer accounting. See Note 7 - Benefit Plans for additional information including significant accounting policies associated with the plans.

***Investments Held in Trust for Future Liabilities***

AEP has several trust funds with significant investments intended to provide for future payments of pension and OPEB benefits. All of the trust funds' investments are diversified and managed in compliance with all laws and regulations. The investment strategy for the trust funds is to use a diversified portfolio of investments to achieve an acceptable rate of return while managing the investment risk of the assets relative to the associated liabilities. To minimize investment risk, the trust funds are broadly diversified among classes of assets, investment strategies and investment managers. Management regularly reviews the actual asset allocations and periodically rebalances the investments to targeted allocations when appropriate. Investment policies and guidelines allow investment managers in approved strategies to use financial derivatives to obtain or manage market exposures and to hedge assets and liabilities. The investments are reported at fair value under the "Fair Value Measurements and Disclosures" accounting guidance.

***Benefit Plans***

All benefit plan assets are invested in accordance with each plan's investment policy. The investment policy outlines the investment objectives, strategies and target asset allocations by plan.

The investment philosophies for AEP's benefit plans support the allocation of assets to minimize risks and optimize net returns. Strategies used include:

- Maintaining a long-term investment horizon.
- Diversifying assets to help control volatility of returns at acceptable levels.
- Managing fees, transaction costs and tax liabilities to maximize investment earnings.
- Using active management of investments where appropriate risk/return opportunities exist.
- Keeping portfolio structure style-neutral to limit volatility compared to applicable benchmarks.
- Using alternative asset classes such as real estate and private equity to maximize return and provide additional portfolio diversification.

The objective of the investment policy for the pension fund is to maintain the funded status of the plan while providing for growth in the plan assets to offset the growth in the plan liabilities. The current target asset allocations are as follows:

<b>Pension Plan Assets</b>	<b>Target</b>
Equity	25 %
Fixed Income	59 %
Other Investments	15 %
Cash and Cash Equivalents	1 %
<b>OPEB Plans Assets</b>	<b>Target</b>
Equity	59 %
Fixed Income	40 %
Cash and Cash Equivalents	1 %

The investment policy for each benefit plan contains various investment limitations. The investment policies establish concentration limits for securities and prohibit the purchase of securities issued by AEP (with the exception of proportionate and immaterial holdings of AEP securities in passive index strategies or certain commingled funds). However, the investment policies do not preclude the benefit trust funds from receiving contributions in the form of AEP securities, provided that the AEP securities acquired by each plan may not exceed the limitations imposed by law.

For equity investments, the concentration limits are generally as follows:

- No security in excess of 5% of all equities.
- Cash equivalents must be less than 10% of an investment manager's equity portfolio.
- No individual stock may be more than 10% and 7% for pension and OPEB investments, respectively, of each manager's equity portfolio.
- No securities may be bought or sold on margin or other use of leverage.

For fixed income investments, each investment manager's portfolio is compared to investment grade, diversified long and intermediate benchmark indices.

A portion of the pension assets is invested in real estate funds to provide diversification, add return and hedge against inflation. Real estate properties are illiquid, difficult to value and not actively traded. The pension plan uses external real estate investment managers to invest in commingled funds that hold real estate properties. To mitigate investment risk in the real estate portfolio, commingled real estate funds are used to ensure that holdings are diversified by region, property type and risk classification. Real estate holdings include core, value-added and opportunistic classifications.

A portion of the pension assets is invested in private equity. Private equity investments add return and provide diversification and typically require a long-term time horizon to evaluate investment performance. Private equity is classified as an alternative investment because it is illiquid, difficult to value and not actively traded. The pension plan uses limited partnerships to invest across the private equity investment spectrum. The private equity holdings are with multiple general partners who help monitor the investments and provide investment selection expertise. The holdings are currently comprised of venture capital, buyout and hybrid debt and equity investments.

AEP participates in a securities lending program with BNY Mellon to provide incremental income on idle assets and to provide income to offset custody fees and other administrative expenses. AEP lends securities to borrowers approved by BNY Mellon in exchange for collateral. All loans are collateralized by at least 102% of the loaned asset's market value and the collateral is invested. The difference between the rebate owed to the borrower and the collateral rate of return determines the earnings on the loaned security. The securities lending program's objective is to provide modest incremental income with a limited increase in risk. As of December 31, 2021 and 2020, the fair value of securities on loan as part of the program was \$136.7 million and \$177.1 million, respectively. Cash and securities obtained as collateral exceeded the fair value of the securities loaned as of December 31, 2021 and 2020.

Trust owned life insurance (TOLI) underwritten by The Prudential Insurance Company is held in the OPEB plan trusts. The strategy for holding life insurance contracts in the taxable Voluntary Employees' Beneficiary Association trust is to minimize taxes paid on the asset growth in the trust. Earnings on plan assets are tax-deferred within the TOLI contract and can be tax-free if held until claims are paid. Life insurance proceeds remain in the trust and are used to fund future retiree medical benefit liabilities. With consideration to other investments held in the trust, the cash value of the TOLI contracts is invested in two diversified funds. A portion is invested in a commingled fund with underlying investments in stocks that are actively traded on major international equity exchanges. The other portion of the TOLI cash value is invested in a diversified, commingled fixed income fund with underlying investments in government bonds, corporate bonds and asset-backed securities.

Cash and cash equivalents are held in each trust to provide liquidity and meet short-term cash needs. Cash equivalent funds are used to provide diversification and preserve principal. The underlying holdings in the cash funds are investment grade money market instruments including commercial paper, certificates of deposit, treasury bills and other types of investment grade short-term debt securities. The cash funds are valued each business day and provide daily liquidity.

***Comprehensive Income (Loss)***

Comprehensive income (loss) is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) has two components: net income (loss) and other comprehensive income (loss).

***Earnings Per Share (EPS)***

KPCo is a wholly-owned subsidiary of AEP. Therefore, KPCo is not required to report EPS.

***Supplementary Income Statement Information***

The following table provides the components of Depreciation and Amortization for the years ended December 31, 2021 and 2020:

<b>Depreciation and Amortization</b>	<b>Years Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
Depreciation and Amortization of Property, Plant and Equipment	\$ 102,390	\$ 95,472
Amortization of Regulatory Assets and Liabilities	12,707	5,813
<b>Total Depreciation and Amortization</b>	<b>\$ 115,097</b>	<b>\$ 101,285</b>

***Disposition of KPCo and KTCo***

In October 2021, AEP entered into a Stock Purchase Agreement to sell KPCo and KTCo to Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corp. (Liberty), for approximately a \$2.85 billion enterprise value. The sale is subject to regulatory approvals from the FERC and KPSC. Clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and clearance from the Committee on Foreign Investment in the United States has been received.

KPCo currently operates and owns a 50% interest in the 1,560 MW coal-fired Mitchell Power Plant (Mitchell Plant) with the remaining 50% owned by WPCo. The Stock Purchase Agreement is further contingent upon the issuance by the KPSC, WVPSC and FERC of orders regarding a new proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement between KPCo and WPCo pursuant to which WPCo would replace KPCo as the operator of the Mitchell Plant and KPCo employees at the Mitchell Plant would become employees of WPCo. Under the proposed Ownership Agreement, WPCo is obligated to purchase KPCo’s 50% interest in the Mitchell Plant on December 31, 2028 unless KPCo and WPCo have agreed to retire the Mitchell Plant earlier or, absent such agreement, if WPCo elects prior to December 31, 2027 to retire the Mitchell Plant on December 31, 2028. The Ownership Agreement provides that the purchase price for KPCo’s 50% ownership interest in the Mitchell Plant will be determined through the mutual agreement of WPCo and KPCo (subject to approval from the KPSC and WVPSC) or through a fair market valuation determination conducted by independent appraisals, with offsets for estimated decommissioning costs and the cost of ELG investments made by WPCo, if KPCo and WPCo are unable to reach agreement as to the purchase price.

In November 2021, AEP made filings with the KPSC, WVPSC, and FERC seeking approval of the new proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement. Subsequently, the KPSC and WVPSC intervened in the FERC proceeding and have recommended that FERC dismiss or reject AEP’s request, or defer ruling on AEP’s request until both the retail commissions have rendered decisions. In February 2022, AEP filed a motion to withdraw its filing with the FERC, noting that AEP intends to re-file its

request after the KPSC and WVPSC have reviewed the agreements. In the WVPSC proceeding, intervenor testimony is expected in March 2022 and a hearing is scheduled to occur in April 2022.

In December 2022, Liberty, KPCo and KTCO sought approval from the FERC under Section 203 of the Federal Power Act for the sale. In February 2022 several intervenors in the case filed protests related to whether the sale will negatively impact the wholesale transmission and generation rates of applicants. An order from the FERC is expected in the matter in April 2022.

In January 2022, intervenor testimony was filed with the KPSC, recommending the KPSC either reject the new proposed Mitchell Plant Ownership Agreement or approve the agreement with certain modifications including a revision to the buyout provision that would set WPCo's Mitchell Plant purchase price at the greater of fair market value or net book value. The intervenor testimony also recommends the KPSC reject the proposed Mitchell Plant Operations and Maintenance Agreement, which the testimony stated should be modified to remove references to the Mitchell Plant Ownership Agreement. In February 2022, AEP filed rebuttal testimony with the KPSC opposing the intervenor testimony filed in January 2022. AEP's rebuttal testimony also discusses an alternative proposal to the fair market value provision included in the proposed Mitchell Plant Ownership Agreement. Under the alternative proposal, KPCo's and WPCo's interest in the Mitchell Plant would be divided by unit if the plant is not retired before the end of 2028 and a mutual agreement cannot be reached on a buyout price. Under the alternative proposal, mutual agreement on the buyout price or unit disposition would need to be finalized by May 2025, with a division of plant ownership by unit effective January 1, 2029, unless otherwise agreed. A hearing on the Mitchell Plant agreements is scheduled with the KPSC in March 2022.

In January 2022, KPCo and Liberty filed a joint application requesting the KPSC authorize the transfer of ownership of KPCo to Liberty. In February 2022, certain intervenors filed testimony recommending that the KPSC not approve the transfer of ownership. If, however, the KPSC does approve the transfer, these intervenors recommend that the KPSC require AEP to compensate KPCo customers \$578 million for alleged future increased costs and higher rates that the intervenors claim will exist under Liberty's ownership. AEP disagrees with the recommendation and will file rebuttal testimony in March 2022. Intervenors also recommended imposing certain conditions on Liberty, including conditions related to recovering certain costs, inter-company agreement filing requirements, KPCo's capital structure and future generation resource planning processes and analyses. In addition, certain intervenors argue that the commission should not approve the new proposed Mitchell Plant Ownership Agreement and Mitchell Plant Operations and Maintenance Agreement, and that deciding the request to transfer ownership of KPCo should be separated from approval of the Mitchell agreements even though such approval is a condition to the transaction closing. AEP also disagrees with this argument. A hearing is scheduled with the KPSC in March 2022 and a final order is expected in the second quarter of 2022.

The sale is expected to close in the second quarter of 2022 with Liberty acquiring the assets and assuming the liabilities of KPCo and KTCO, excluding pension and other post-retirement benefit plan assets and liabilities. AEP expects to provide customary transition services to Liberty for a period of time after closing of the transaction.

### ***Subsequent Events***

Management reviewed subsequent events through February 24, 2022, the date that KPCo's 2021 annual report was available to be issued.

## **2. NEW ACCOUNTING STANDARDS**

During the FASB's standard-setting process and upon issuance of final standards, management reviews the new accounting literature to determine its relevance, if any, to KPCo's business. There are no new standards expected to have a material impact on KPCo's financial statements.

### 3. COMPREHENSIVE INCOME

#### *Presentation of Comprehensive Income*

The following tables provide the components of changes in AOCI and details of reclassifications from AOCI for the years ended December 31, 2021 and 2020. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 7 - Benefit Plans for additional details.

For the Year Ended December 31, 2021	Pension and OPEB		Total
	Amortization of Deferred Costs	Changes in Funded Status	
<b>Balance in AOCI as of December 31, 2020</b>	\$ 3,027	\$ (2,149)	\$ 878
Change in Fair Value Recognized in AOCI	—	1,008	1,008
Amount of (Gain) Loss Reclassified from AOCI		(in thousands)	
Amortization of Prior Service Cost (Credit)	(235)	—	(235)
Amortization of Actuarial (Gains) Losses	62	—	62
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(173)	—	(173)
Income Tax (Expense) Benefit	(36)	—	(36)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(137)	—	(137)
Net Current Period Other Comprehensive Income (Loss)	(137)	1,008	871
<b>Balance in AOCI as of December 31, 2021</b>	<b>\$ 2,890</b>	<b>\$ (1,141)</b>	<b>\$ 1,749</b>

For the Year Ended December 31, 2020	Pension and OPEB		Total
	Amortization of Deferred Costs	Changes in Funded Status	
<b>Balance in AOCI as of December 31, 2019</b>	\$ 3,134	\$ (2,344)	\$ 790
Change in Fair Value Recognized in AOCI	—	195	195
Amount of (Gain) Loss Reclassified from AOCI		(in thousands)	
Amortization of Prior Service Cost (Credit)	(228)	—	(228)
Amortization of Actuarial (Gains) Losses	93	—	93
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(135)	—	(135)
Income Tax (Expense) Benefit	(28)	—	(28)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(107)	—	(107)
Net Current Period Other Comprehensive Income (Loss)	(107)	195	88
<b>Balance in AOCI as of December 31, 2020</b>	<b>\$ 3,027</b>	<b>\$ (2,149)</b>	<b>\$ 878</b>

#### 4. RATE MATTERS

KPCo is involved in rate and regulatory proceedings at the FERC and the KPSC. Rate matters can have a material impact on net income, cash flows and possibly financial condition. KPCo's recent significant rate orders and pending rate filings are addressed in this note.

##### *Mitchell Plant*

KPCo and WPCo each own a 50% interest in the Mitchell Plant. In December 2020 and February 2021, WPCo and KPCo filed requests with the WVPSC and KPSC, respectively, to obtain the regulatory approvals necessary to implement CCR and ELG compliance plans and seek recovery of the estimated \$132 million investment for the Mitchell Plant that would allow the plant to continue operating beyond 2028. Within those requests, WPCo and KPCo also filed a \$25 million alternative to implement only the CCR-related investments with the WVPSC and KPSC, respectively, which would allow the Mitchell Plant to continue operating only through 2028.

In July 2021, the KPSC issued an order approving the CCR only alternative and rejecting the full CCR and ELG compliance plan. In August 2021, the WVPSC approved the full CCR and ELG compliance plan for the WPCo share of the Mitchell Plant. In September 2021, WPCo submitted a filing with the WVPSC to reopen the CCR/ELG case that was approved by the WVPSC in August 2021. Due to the rejection by the KPSC of the KPCo share of the ELG investments, WPCo requested the WVPSC consider approving the construction and recovery of all ELG costs at the plant. In October 2021, the WVPSC affirmed its August 2021 order approving the construction of CCR/ELG investments and directed WPCo to proceed with CCR/ELG compliance plans that would allow the plant to continue operating beyond 2028. The WVPSC's order further states WPCo will not share capacity and energy from the plant with KPCo customers if those customers are not paying for ELG compliance costs, or for any new capital investment or continuing operations costs incurred, to allow the plant to operate beyond 2028 or prevent downgrades prior to 2028. The WVPSC also ordered that WPCo will be given the opportunity to recover, from its customers, the new capital and operating costs arising solely from the WVPSC's directive to operate the plant beyond 2028 if the WVPSC finds that the costs are reasonable and prudently incurred. In October and November 2021, intervenors filed petitions for reconsideration at the WVPSC requesting clarification on certain aspects of the order, primarily the jurisdictional allocation of future operating expenses and plant costs.

In November 2021, AEP made filings with the KPSC, WVPSC and FERC seeking approval for a new proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement between KPCo and WPCo pursuant to which WPCo would replace KPCo as the operator of the Mitchell Plant. Subsequently, the KPSC and WVPSC intervened in the FERC proceeding and have recommended that the FERC dismiss or reject AEP's request, or defer ruling on AEP's request until both the retail commissions have rendered decisions. In February 2022, AEP filed a motion to withdraw its filing with the FERC, noting that AEP intends to re-file its request after the KPSC and WVPSC have reviewed the agreements. In the WVPSC proceeding, intervenor testimony is expected in March 2022 and a hearing is scheduled to occur in April 2022.

In January 2022, intervenor testimony was filed with the KPSC, recommending the KPSC either reject the new proposed Mitchell Plant Ownership Agreement or approve the agreement with certain modifications including a revision to the buyout provision that would set WPCo's Mitchell Plant purchase price at the greater of fair market value or net book value. The intervenor testimony also recommends the KPSC reject the proposed Mitchell Plant Operations and Maintenance Agreement, which the testimony stated should be modified to remove references to the Mitchell Plant Ownership Agreement. In February 2022, AEP filed rebuttal testimony with the KPSC opposing the intervenor testimony filed in January 2022. AEP's rebuttal testimony also discusses an alternative proposal to the fair market value provision included in the proposed Mitchell Plant Ownership Agreement. Under the alternative proposal, KPCo's and WPCo's interest in the Mitchell Plant would be divided by unit if the plant is not retired before the end of 2028 and a mutual agreement cannot be reached on a buyout price. Under the alternative proposal, mutual agreement on the buyout price or unit disposition would need to be finalized by May 2025, with a division of plant ownership by unit effective January 1, 2029, unless otherwise agreed. A hearing on the Mitchell Plant agreements is scheduled with the KPSC in March 2022. See "Disposition of KPCo and KTCo" section of Note 1 for additional information.



As of December 31, 2021, KPCo's share of the Mitchell Plant's ELG investment balance in CWIP was \$3.3 million. As of December 31, 2021, the net book value of KPCo's share of the Mitchell Plant, before cost of removal including CWIP and inventory, was \$586.1 million.

If any of the ELG costs are not approved for recovery and/or the retirement date of the Mitchell Plant is accelerated to 2028 without commensurate cost recovery, it would reduce future net income and cash flows and impact financial condition.

## 5. EFFECTS OF REGULATION

### Regulatory Assets and Liabilities

Regulatory assets and liabilities are comprised of the following items:

Regulatory Assets:	December 31,		Remaining Recovery Period
	2021	2020	
	(in thousands)		
<b>Current Regulatory Assets</b>			
Under-recovered Fuel Costs - does not earn a return	\$ 8,216	\$ —	1 year
<b>Total Current Regulatory Assets</b>	<b>\$ 8,216</b>	<b>\$ —</b>	
<b>Noncurrent Regulatory Assets</b>			
<b>Regulatory assets pending final regulatory approval:</b>			
<u>Regulatory Assets Currently Earning a Return</u>			
Kentucky Deferred Purchased Power Expenses	\$ 47,528	\$ 41,267	
<b>Total Regulatory Assets Currently Earning a Return</b>	<b>47,528</b>	<b>41,267</b>	
<u>Regulatory Assets Currently Not Earning a Return</u>			
Storm Related Costs (a)	56,506	10,708	
Other Regulatory Assets Pending Final Regulatory Approval	893	2,065	
<b>Total Regulatory Assets Currently Not Earning a Return</b>	<b>57,399</b>	<b>12,773</b>	
<b>Total Regulatory Assets Pending Final Regulatory Approval</b>	<b>104,927</b>	<b>54,040</b>	
<b>Regulatory assets approved for recovery:</b>			
<u>Regulatory Assets Currently Earning a Return</u>			
Plant Retirement Costs	193,229	203,967	19 years
Plant Retirement Costs - Asset Retirement Obligation Costs	109,577	107,136	19 years
Plant Retirement Costs - Materials and Supplies	3,016	3,016	19 years
Other Regulatory Assets Approved for Recovery	928	926	various
<b>Total Regulatory Assets Currently Earning a Return</b>	<b>306,750</b>	<b>315,045</b>	
<u>Regulatory Assets Currently Not Earning a Return</u>			
Fuel and Purchased Power Rider	28,727	22,470	2 years
Pension and OPEB Funded Status	12,236	29,050	12 years
Environmental Costs	5,920	6,146	2 years
Plant Retirement Costs - Asset Retirement Obligation Costs	4,721	9,917	19 years
Postemployment Benefits	3,410	3,437	3 years
Storm Related Costs	2,167	4,233	2 years
Other Regulatory Assets Approved for Recovery	7,599	5,807	various
<b>Total Regulatory Assets Currently Not Earning a Return</b>	<b>64,780</b>	<b>81,060</b>	
<b>Total Regulatory Assets Approved for Recovery</b>	<b>371,530</b>	<b>396,105</b>	
<b>Total Noncurrent Regulatory Assets</b>	<b>\$ 476,457</b>	<b>\$ 450,145</b>	

(a) KPCo will seek recovery of these costs during the next base rate case.

Regulatory Liabilities:	December 31,		Remaining Refund Period
	2021	2020	
<b>Current Regulatory Liability</b>			
Over-recovered Fuel Costs - does not pay a return	\$ —	\$ 313	
<b>Total Current Regulatory Liabilities</b>	<b>\$ —</b>	<b>\$ 313</b>	
<b>Noncurrent Regulatory Liabilities</b>			
<b>Deferred Investment Tax Credits</b>			
<b>Regulatory liabilities pending final regulatory determination:</b>			
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Other Regulatory Liabilities Pending Final Regulatory Determination	\$ 2,098	\$ 1,332	
<b>Total Regulatory Liabilities Pending Final Regulatory Determination</b>	<b>2,098</b>	<b>1,332</b>	
<b>Regulatory liabilities approved for payment:</b>			
<u>Regulatory Liabilities Currently Paying a Return</u>			
Asset Removal Costs	57,793	39,729	(a)
<b>Total Regulatory Liabilities Currently Paying a Return</b>	<b>57,793</b>	<b>39,729</b>	
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Unrealized Gain on Forward Commitments	3,199	356	3 years
PJM Transmission Enhancement Refund	2,644	2,636	4 years
Other Regulatory Liabilities Approved for Payment	1,559	602	various
<b>Total Regulatory Liabilities Currently Not Paying a Return</b>	<b>7,402</b>	<b>3,594</b>	
<u>Income Tax Related Regulatory Liabilities (b)</u>			
Excess ADIT Associated with Certain Depreciable Property	120,620	125,876	(c)
Excess ADIT that is Not Subject to Rate Normalization Requirements	81,377	118,165	2 years
Income Taxes Subject to Flow Through	(128,784)	(155,453)	22 years
<b>Total Income Tax Related Regulatory Liabilities</b>	<b>73,213</b>	<b>88,588</b>	
<b>Total Regulatory Liabilities Approved for Payment</b>	<b>138,408</b>	<b>131,911</b>	
<b>Total Noncurrent Regulatory Liabilities and Deferred Investment Tax Credits</b>	<b>\$ 140,506</b>	<b>\$ 133,243</b>	

- (a) Relieved as removal costs are incurred.  
(b) Predominately pays a return due to the inclusion of Excess ADIT in rate base.  
(c) Refunded using Average Rate Assumption Method.

## 6. COMMITMENTS, GUARANTEES AND CONTINGENCIES

KPCo is subject to certain claims and legal actions arising in its ordinary course of business. In addition, KPCo’s business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation against KPCo cannot be predicted. Management accrues contingent liabilities only when management concludes that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum possible loss exposure. Circumstances change over time and actual results may vary significantly from estimates.

For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements.

### COMMITMENTS

KPCo has substantial commitments to support its business. KPCo purchases fuel, energy and capacity contracts as part of its normal course of business. Certain contracts contain penalty provisions for early termination.

In accordance with the accounting guidance for “Commitments”, the following table summarizes KPCo’s actual contractual commitments as of December 31, 2021:

<b>Contractual Commitments</b>	<b>Less Than 1 Year</b>	<b>2-3 Years</b>	<b>4-5 Years</b>	<b>After 5 Years</b>	<b>Total</b>
			<b>(in thousands)</b>		
Fuel Purchase Contracts (a)(b)	\$ 57,981	\$ 48,538	\$ 11,985	\$ 26,466	\$ 144,970
Energy and Capacity Purchase Contracts	58,141	—	—	—	58,141
<b>Total</b>	<u>\$ 116,122</u>	<u>\$ 48,538</u>	<u>\$ 11,985</u>	<u>\$ 26,466</u>	<u>\$ 203,111</u>

- (a) Represents contractual commitments to purchase coal, natural gas and other consumables as fuel for electric generation along with related transportation of the fuel.
- (b) In the first quarter of 2022, KPCo entered into new fuel purchase contracts related to coal procurement. The new commitments were as follows: \$14.1 million in less than 1 year, \$45.8 million in 2-3 years and \$31.9 million in 4-5 years. These commitments are not included in the tables above.

### GUARANTEES

Liabilities for guarantees are recorded in accordance with the accounting guidance for “Guarantees.” There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third-parties unless specified below.

#### *Indemnifications and Other Guarantees*

##### *Contracts*

KPCo enters into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of December 31, 2021, there were no material liabilities recorded for any indemnifications.

AEPSC conducts power purchase-and-sale activity on behalf of APCo, I&M, KPCo and WPCo, who are jointly and severally liable for activity conducted on their behalf.

### *Lease Obligations*

KPCo leases certain equipment under master lease agreements. See “Master Lease Agreements” section of Note 11 for additional information.

## **CONTINGENCIES**

### ***Insurance and Potential Losses***

KPCo maintains insurance coverage normal and customary for an electric utility, subject to various deductibles. KPCo also maintains property and casualty insurance that may cover certain physical damage or third-party injuries caused by cyber security incidents. Insurance coverage includes all risks of physical loss or damage to assets, subject to insurance policy conditions and exclusions. Covered property generally includes power plants, substations, facilities and inventories. Excluded property generally includes transmission and distribution lines, poles and towers. The insurance programs also generally provide coverage against loss arising from certain claims made by third-parties and are in excess of KPCo’s retentions. Coverage is generally provided by a combination of the protected cell of EIS and/or various industry mutual and/or commercial insurance carriers.

Some potential losses or liabilities may not be insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities, including, but not limited to, liabilities relating to a cyber security incident. Future losses or liabilities, if they occur, which are not completely insured, unless recovered from customers, could reduce future net income and cash flows and impact financial condition.

### ***The Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation***

By-products from the generation of electricity include materials such as ash, slag and sludge. Coal combustion by-products, which constitute the overwhelming percentage of these materials, are typically treated and deposited in captive disposal facilities or are beneficially utilized. In addition, the generation plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls and other hazardous and non-hazardous materials. KPCo currently incurs costs to dispose of these substances safely.

Superfund addresses clean-up of hazardous substances that are released to the environment. The Federal EPA administers the clean-up programs. Several states enacted similar laws. As of December 31, 2021, there is one site for which KPCo has received an information request which could lead to a Potentially Responsible Party designation. In the instance where KPCo has been named a defendant, disposal or recycling activities were in accordance with the then-applicable laws and regulations. Superfund does not recognize compliance as a defense, but imposes strict liability on parties who fall within its broad statutory categories. Liability has been resolved for a number of sites with no significant effect on net income.

Management evaluates the potential liability for each site separately, but several general statements can be made about potential future liability. Allegations that materials were disposed at a particular site are often unsubstantiated and the quantity of materials deposited at a site can be small and often non-hazardous. Although Superfund liability has been interpreted by the courts as joint and several, typically many parties are named for each site and several of the parties are financially sound enterprises. As of December 31, 2021, management’s estimates do not anticipate material clean-up costs for the identified site.

***Claims Challenging Transition of American Electric Power System Retirement Plan to Cash Balance Formula***

Four participants in The American Electric Power System Retirement Plan (the Plan) filed a class action complaint in December 2021 in the U.S. District Court for the Southern District of Ohio against AEPSC and the Plan. When the Plan's benefit formula was changed in the year 2000, AEP provided a special provision for employees hired before January 1, 2001, allowing them to continue benefit accruals under the then benefit formula for a full 10 years alongside of the new cash balance benefit formula then being implemented. Employees who were hired on or after January 1, 2001 accrued benefits only under the new cash balance benefit formula. The Plaintiffs assert a number of claims on behalf of themselves and the purported class, including that: (a) the Plan violates the requirements under the Employee Retirement Income Security Act (ERISA) intended to preclude back-loading the accrual of benefits to the end of a participant's career, (b) the Plan violates the age discrimination prohibitions of ERISA and the Age Discrimination in Employment Act and (c) AEP failed to provide required notice regarding the changes to the Plan. Among other relief, the Complaint seeks reformation of the Plan to provide additional benefits and the recovery of plan benefits for former employees under such reformed plan. The Plaintiffs previously had submitted claims for additional plan benefits to AEP, which were denied. On February 15, 2022, AEPSC and the Plan filed a motion to dismiss the complaint for failure to state a claim. AEP will continue to defend against the claims. Management is unable to determine a range of potential losses that is reasonably possible of occurring.

## 7. BENEFIT PLANS

For a discussion of investment strategy, investment limitations, target asset allocations and the classification of investments within the fair value hierarchy, see “Fair Value Measurements of Assets and Liabilities” and “Investments Held in Trust for Future Liabilities” sections of Note 1.

KPCo participates in an AEP sponsored qualified pension plan and two unfunded non-qualified pension plans. Substantially all of KPCo’s employees are covered by the qualified plan or both the qualified and non-qualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

KPCo recognizes its funded status associated with defined benefit pension and OPEB plans on its balance sheets. Disclosures about the plans are required by the “Compensation - Retirement Benefits” accounting guidance. KPCo recognizes an asset for a plan’s overfunded status or a liability for a plan’s underfunded status and recognizes, as a component of other comprehensive income, the changes in the funded status of the plan that arise during the year that are not recognized as a component of net periodic benefit cost. KPCo records a regulatory asset instead of other comprehensive income for qualifying benefit costs of regulated operations that for rate-making purposes are deferred for future recovery. The cumulative funded status adjustment is equal to the remaining unrecognized deferrals for unamortized actuarial losses or gains, prior service costs and transition obligations, such that remaining deferred costs result in an AOCI equity reduction or regulatory asset and deferred gains result in an AOCI equity addition or regulatory liability.

### *Actuarial Assumptions for Benefit Obligations*

The weighted-average assumptions used in the measurement of benefit obligations are shown in the following table:

Assumptions	Pension Plans		OPEB	
	December 31,			
	2021	2020	2021	2020
Discount Rate	2.90 %	2.50 %	2.90 %	2.55 %
Interest Crediting Rate	4.00 %	4.00 %	NA	NA
Rate of Compensation Increase	4.90 % (a)	4.80 % (a)	NA	NA

- (a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.  
NA Not applicable.

A duration-based method is used to determine the discount rate for the plans. A hypothetical portfolio of high quality corporate bonds is constructed with cash flows matching the benefit plan liability. The composite yield on the hypothetical bond portfolio is used as the discount rate for the plan.

For 2021, the rate of compensation increase assumed varies with the age of the employee, ranging from 3% per year to 11.5% per year, with an average increase of 4.9%.

**Actuarial Assumptions for Net Periodic Benefit Costs**

The weighted-average assumptions used in the measurement of benefit costs are shown in the following table:

<b>Assumptions</b>	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>Year Ended December 31,</b>			
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Discount Rate	2.50 %	3.25 %	2.55 %	3.30 %
Interest Crediting Rate	4.00 %	4.00 %	NA	NA
Expected Return on Plan Assets	4.75 %	5.75 %	4.75 %	5.50 %
Rate of Compensation Increase	4.90 % (a)	4.80 % (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

The expected return on plan assets was determined by evaluating historical returns, the current investment climate (yield on fixed income securities and other recent investment market indicators), rate of inflation, third-party forecasts and current prospects for economic growth.

The health care trend rate assumptions used for OPEB plans measurement purposes are shown below:

<b>Health Care Trend Rates</b>	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
Initial	6.25 %	6.50 %
Ultimate	4.50 %	4.50 %
Year Ultimate Reached	2029	2029

**Significant Concentrations of Risk within Plan Assets**

In addition to establishing the target asset allocation of plan assets, the investment policy also places restrictions on securities to limit significant concentrations within plan assets. The investment policy establishes guidelines that govern maximum market exposure, security restrictions, prohibited asset classes, prohibited types of transactions, minimum credit quality, average portfolio credit quality, portfolio duration and concentration limits. The guidelines were established to mitigate the risk of loss due to significant concentrations in any investment. The plans are monitored to control security diversification and ensure compliance with the investment policy. As of December 31, 2021, the assets were invested in compliance with all investment limits. See "Investments Held in Trust for Future Liabilities" section of Note 1 for limit details.



**Benefit Plan Obligations, Plan Assets and Funded Status**

For the year ended December 31, 2021, the pension plans had an actuarial gain primarily due to an increase in the discount rate, partially offset by less favorable demographic experience than expected, resulting from the updated census information as of January 1, 2021. For the year ended December 31, 2021, the OPEB plans had an actuarial gain primarily due to an increase in the discount rate and an update of the projected reimbursements from the Employer Group Waiver Program under Medicare Part D. For the year ended December 31, 2020, the pension plans had an actuarial loss primarily due to a decrease in the discount rate, partially offset by a decrease in the assumed rate used to convert account balances to annuities. For the year ended December 31, 2020, the OPEB plans had an actuarial loss primarily due to a decrease in the discount rate and an update to the health care trend assumption, partially offset by updated projected per capita claims costs due to rate negotiations for Medicare advantage premium rates. The following table provides a reconciliation of the changes in the plans' benefit obligations, fair value of plan assets and funded status. The benefit obligation for the defined benefit pension and OPEB plans are the projected benefit obligation and the accumulated benefit obligation, respectively.

	Pension Plans		OPEB	
	2021	2020	2021	2020
	(in thousands)			
<b>Change in Benefit Obligation</b>				
Benefit Obligation as of January 1,	\$ 198,433	\$ 188,085	\$ 45,058	\$ 45,550
Service Cost	3,477	3,119	283	299
Interest Cost	4,840	5,971	1,096	1,493
Actuarial (Gain) Loss	(9,831)	13,995	(5,851)	2,110
Plan Amendments	—	—	(216)	(470)
Benefit Payments	(12,720)	(12,737)	(5,156)	(5,514)
Participant Contributions	—	—	1,708	1,579
Medicare Subsidy	—	—	10	11
<b>Benefit Obligation as of December 31,</b>	<b>\$ 184,199</b>	<b>\$ 198,433</b>	<b>\$ 36,932</b>	<b>\$ 45,058</b>
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as of January 1,	\$ 208,552	\$ 186,407	\$ 75,920	\$ 68,972
Actual Gain on Plan Assets	8,095	32,107	4,960	10,882
Company Contributions	5	2,775	1	1
Participant Contributions	—	—	1,708	1,579
Benefit Payments	(12,720)	(12,737)	(5,156)	(5,514)
<b>Fair Value of Plan Assets as of December 31,</b>	<b>\$ 203,932</b>	<b>\$ 208,552</b>	<b>\$ 77,433</b>	<b>\$ 75,920</b>
<b>Funded Status as of December 31,</b>	<b>\$ 19,733</b>	<b>\$ 10,119</b>	<b>\$ 40,501</b>	<b>\$ 30,862</b>

**Amounts Recognized on the Balance Sheets**

	Pension Plans		OPEB	
	2021	2020	2021	2020
	December 31, (in thousands)			
Employee Benefits and Pension Assets – Prepaid Benefit Costs	\$ 19,832	\$ 10,200	\$ 40,501	\$ 30,862
Other Current Liabilities – Accrued Short-term Benefit Liability	(3)	(1)	—	—
Employee Benefits and Pension Obligations – Accrued Long-term Benefit Liability	(96)	(80)	—	—
<b>Funded Status</b>	<b>\$ 19,733</b>	<b>\$ 10,119</b>	<b>\$ 40,501</b>	<b>\$ 30,862</b>

**Amounts Included in Regulatory Assets, Deferred Income Taxes and AOCI**

The following table shows the components of the plans included in Regulatory Assets, Deferred Income Taxes and AOCI:

<b>Components</b>	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>December 31,</b>			
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>			
Net Actuarial (Gain) Loss	\$ 22,630	\$ 35,498	\$ (6,622)	\$ 710
Prior Service Credit	—	—	(5,987)	(8,270)
<b>Recorded as</b>				
Regulatory Assets	\$ 21,923	\$ 34,593	\$ (9,687)	\$ (5,543)
Deferred Income Taxes	148	190	(614)	(424)
Net of Tax AOCI	559	715	(2,308)	(1,593)

Components of the change in amounts included in Regulatory Assets, Deferred Income Taxes and AOCI were as follows:

<b>Components</b>	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>			
Actuarial Gain During the Year	\$ (9,345)	\$ (8,220)	\$ (7,332)	\$ (5,034)
Amortization of Actuarial Loss	(3,523)	(3,292)	—	(239)
Prior Service Credit	—	—	(216)	(461)
Amortization of Prior Service Credit	—	—	2,499	2,452
<b>Change for the Year Ended December 31,</b>	<b>\$ (12,868)</b>	<b>\$ (11,512)</b>	<b>\$ (5,049)</b>	<b>\$ (3,282)</b>

**Determination of Pension Expense**

The determination of pension expense or income is based on a market-related valuation of assets which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return.

**Pension and OPEB Assets**

The fair value tables within Pension and OPEB Assets present the classification of assets for AEP within the fair value hierarchy. All Level 1, 2, 3 and Other amounts can be allocated to KPCo using the percentages below:

<b>Pension Plan</b>		<b>OPEB</b>	
<b>December 31,</b>			
<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
3.8 %	3.8 %	3.8 %	3.9 %

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2021:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities (a):						
Domestic	\$ 388.9	\$ —	\$ —	\$ —	\$ 388.9	7.2 %
International	465.7	—	—	—	465.7	8.7 %
Common Collective Trusts (c)	—	—	—	463.9	463.9	8.7 %
Subtotal – Equities	854.6	—	—	463.9	1,318.5	24.6 %
Fixed Income (a):						
United States Government and Agency Securities	0.1	1,557.6	—	—	1,557.7	29.1 %
Corporate Debt	—	1,295.9	—	—	1,295.9	24.2 %
Foreign Debt	—	259.4	—	—	259.4	4.8 %
State and Local Government	—	57.1	—	—	57.1	1.1 %
Other – Asset Backed	—	1.3	—	—	1.3	— %
Subtotal – Fixed Income	0.1	3,171.3	—	—	3,171.4	59.2 %
Infrastructure (c)	—	—	—	92.1	92.1	1.7 %
Real Estate (c)	—	—	—	232.6	232.6	4.4 %
Alternative Investments (c)	—	—	—	448.8	448.8	8.4 %
Cash and Cash Equivalents (c)	—	64.3	—	53.4	117.7	2.2 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	(28.2)	(28.2)	(0.5)%
<b>Total</b>	<b>\$ 854.7</b>	<b>\$ 3,235.6</b>	<b>\$ —</b>	<b>\$ 1,262.6</b>	<b>\$ 5,352.9</b>	<b>100.0 %</b>

- (a) Includes investment securities loaned to borrowers under the securities lending program. See the “Investments Held in Trust for Future Liabilities” section of Note 1 for additional information.
- (b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2021:

Asset Class	Level 1	Level 2	Level 3 (in millions)	Other	Total	Year End Allocation
Equities:						
Domestic	\$ 474.0	\$ —	\$ —	\$ —	\$ 474.0	23.2 %
International	296.3	—	—	—	296.3	14.5 %
Common Collective Trusts (b)	—	—	—	265.0	265.0	13.0 %
Subtotal – Equities	770.3	—	—	265.0	1,035.3	50.7 %
Fixed Income:						
Common Collective Trust Debt (b)	—	—	—	167.7	167.7	8.2 %
United States Government and Agency Securities	—	222.4	—	—	222.4	10.9 %
Corporate Debt	—	233.2	—	—	233.2	11.4 %
Foreign Debt	—	39.8	—	—	39.8	2.0 %
State and Local Government	91.9	13.6	—	—	105.5	5.1 %
Subtotal – Fixed Income	91.9	509.0	—	167.7	768.6	37.6 %
Trust Owned Life Insurance:						
International Equities	—	23.4	—	—	23.4	1.1 %
United States Bonds	—	171.3	—	—	171.3	8.4 %
Subtotal – Trust Owned Life Insurance	—	194.7	—	—	194.7	9.5 %
Cash and Cash Equivalents (b)	33.0	—	—	6.7	39.7	1.9 %
Other – Pending Transactions and Accrued Income (a)	—	—	—	6.0	6.0	0.3 %
<b>Total</b>	<b>\$ 895.2</b>	<b>\$ 703.7</b>	<b>\$ —</b>	<b>\$ 445.4</b>	<b>\$ 2,044.3</b>	<b>100.0 %</b>

(a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

(b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2020:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
			(in millions)			
Equities (a):						
Domestic	\$ 542.3	\$ —	\$ —	\$ —	\$ 542.3	9.7 %
International	676.3	—	—	—	676.3	12.2 %
Common Collective Trusts (c)	—	—	—	650.0	650.0	11.7 %
Subtotal – Equities	1,218.6	—	—	650.0	1,868.6	33.6 %
Fixed Income (a):						
United States Government and Agency Securities	(1.4)	1,134.1	—	—	1,132.7	20.4 %
Corporate Debt	—	1,425.0	—	—	1,425.0	25.6 %
Foreign Debt	—	214.0	—	—	214.0	3.9 %
State and Local Government	—	56.0	—	—	56.0	1.0 %
Other – Asset Backed	—	0.8	—	—	0.8	— %
Subtotal – Fixed Income	(1.4)	2,829.9	—	—	2,828.5	50.9 %
Infrastructure (c)	—	—	—	91.1	91.1	1.6 %
Real Estate (c)	—	—	—	231.6	231.6	4.2 %
Alternative Investments (c)	—	—	—	431.8	431.8	7.8 %
Cash and Cash Equivalents (c)	—	49.3	—	58.2	107.5	1.9 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	(2.5)	(2.5)	— %
<b>Total</b>	<b>\$ 1,217.2</b>	<b>\$ 2,879.2</b>	<b>\$ —</b>	<b>\$ 1,460.2</b>	<b>\$ 5,556.6</b>	<b>100.0 %</b>

- (a) Includes investment securities loaned to borrowers under the securities lending program. See the “Investments Held in Trust for Future Liabilities” section of Note 1 for additional information.
- (b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2020:

Asset Class	Level 1	Level 2	Level 3 (in millions)	Other	Total	Year End Allocation
Equities:						
Domestic	\$ 399.9	\$ —	\$ —	\$ —	\$ 399.9	20.6 %
International	290.7	—	—	—	290.7	14.9 %
Common Collective Trusts (b)	—	—	—	264.7	264.7	13.6 %
Subtotal – Equities	690.6	—	—	264.7	955.3	49.1 %
Fixed Income:						
Common Collective Trust – Debt (b)	—	—	—	186.4	186.4	9.6 %
United States Government and Agency Securities	(0.2)	199.7	—	—	199.5	10.2 %
Corporate Debt	—	248.7	—	—	248.7	12.8 %
Foreign Debt	—	34.9	—	—	34.9	1.8 %
State and Local Government	73.9	13.1	—	—	87.0	4.5 %
Subtotal – Fixed Income	73.7	496.4	—	186.4	756.5	38.9 %
Trust Owned Life Insurance:						
International Equities	—	64.8	—	—	64.8	3.3 %
United States Bonds	—	135.9	—	—	135.9	7.0 %
Subtotal – Trust Owned Life Insurance	—	200.7	—	—	200.7	10.3 %
Cash and Cash Equivalents (b)	26.3	—	—	5.7	32.0	1.6 %
Other – Pending Transactions and Accrued Income (a)	—	—	—	2.2	2.2	0.1 %
<b>Total</b>	<b>\$ 790.6</b>	<b>\$ 697.1</b>	<b>\$ —</b>	<b>\$ 459.0</b>	<b>\$ 1,946.7</b>	<b>100.0 %</b>

(a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

(b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.

### ***Accumulated Benefit Obligation***

The accumulated benefit obligation for the pension plans is as follows:

	December 31,	
	2021	2020
	(in thousands)	
Qualified Pension Plan	\$ 177,132	\$ 191,045
Nonqualified Pension Plan	34	19
<b>Total Accumulated Benefit Obligation</b>	<b>\$ 177,166</b>	<b>\$ 191,064</b>

***Obligations in Excess of Fair Values***

The tables below show the underfunded pension plans that had obligations in excess of plan assets.

***Projected Benefit Obligation***

	<b>Underfunded Pension Plans</b>	
	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
Projected Benefit Obligation	\$ 98	\$ 81
Fair Value of Plan Assets	—	—
<b>Underfunded Projected Benefit Obligation</b>	<b>\$ (98)</b>	<b>\$ (81)</b>

***Accumulated Benefit Obligation***

	<b>Underfunded Pension Plans</b>	
	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
Accumulated Benefit Obligation	\$ 34	\$ 19
Fair Value of Plan Assets	—	—
<b>Underfunded Accumulated Benefit Obligation</b>	<b>\$ (34)</b>	<b>\$ (19)</b>

***Estimated Future Benefit Payments and Contributions***

KPCo expects contributions and payments for the Pension and OPEB plans of \$3.5 million and \$51 thousand, respectively, during 2022. The estimated contributions to the pension trust are at least the minimum amount required by the Employee Retirement Income Security Act and additional discretionary contributions may also be made to maintain the funded status of the plan.

The table below reflects the total benefits expected to be paid from the plan or from KPCo's assets. The payments include the participants' contributions to the plan for their share of the cost. Future benefit payments are dependent on the number of employees retiring, whether the retiring employees elect to receive pension benefits as annuities or as lump sum distributions, future integration of the benefit plans with changes to Medicare and other legislation, future levels of interest rates and variances in actuarial results. The estimated payments for pension benefits and OPEB are as follows:

	<b>Estimated Payments</b>	
	<b>Pension Plans</b>	<b>OPEB</b>
	<b>(in thousands)</b>	
2022	\$ 12,638	\$ 5,002
2023	13,228	4,550
2024	12,520	4,530
2025	12,409	4,459
2026	13,188	4,362
Years 2027 to 2031, in Total	59,324	20,286

**Components of Net Periodic Benefit Cost**

The following table provides the components of net periodic benefit cost (credit):

	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>Years Ended December 31,</b>			
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>			
Service Cost	\$ 3,477	\$ 3,119	\$ 283	\$ 299
Interest Cost	4,840	5,971	1,096	1,493
Expected Return on Plan Assets	(8,583)	(9,891)	(3,479)	(3,763)
Amortization of Prior Service Credit	—	—	(2,499)	(2,452)
Amortization of Net Actuarial Loss	3,523	3,292	—	239
<b>Net Periodic Benefit Cost (Credit)</b>	<b>3,257</b>	<b>2,491</b>	<b>(4,599)</b>	<b>(4,184)</b>
Capitalized Portion	(1,582)	(1,371)	(129)	(131)
<b>Net Periodic Benefit Cost (Credit) Recognized in Expense</b>	<b>\$ 1,675</b>	<b>\$ 1,120</b>	<b>\$ (4,728)</b>	<b>\$ (4,315)</b>

**American Electric Power System Retirement Savings Plan**

KPCo participates in an AEP sponsored defined contribution retirement savings plan, the American Electric Power System Retirement Savings Plan, for substantially all employees. This qualified plan offers participants an opportunity to contribute a portion of their pay, includes features under Section 401(k) of the Internal Revenue Code and provides for matching contributions. The matching contributions to the plan are 100% of the first 1% of eligible employee contributions and 70% of the next 5% of contributions. The cost for matching contributions totaled \$2.3 million in 2021 and \$2.3 million in 2020.



## 8. DERIVATIVES AND HEDGING

### OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS

AEPSC is agent for and transacts on behalf of KPCo.

KPCo is exposed to certain market risks as a major power producer and participant in the electricity, natural gas, coal and emission allowance markets. These risks include commodity price risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact KPCo due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

### STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES

#### *Risk Management Strategies*

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, KPCo primarily employs risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for “Derivatives and Hedging.” Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

KPCo utilizes power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. KPCo utilizes interest rate derivative contracts in order to manage the interest rate exposure associated with its commodity portfolio. For disclosure purposes, such risks are grouped as “Commodity,” as these risks are related to energy risk management activities. KPCo may also utilize derivative contracts to manage interest rate risk associated with debt financing. For disclosure purposes, these risks are grouped as “Interest Rate.” The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with the established risk management policies as approved by the Finance Committee of the Board of Directors.

The following table represents the gross notional volume of KPCo’s outstanding derivative contracts:

Primary Risk Exposure	December 31,		Unit of Measure
	2021	2020	
	(in thousands)		
Commodity:			
Power	6,927	8,249	MWhs
Heating Oil and Gasoline	305	270	Gallons

### ***Cash Flow Hedging Strategies***

KPCo utilizes cash flow hedges on certain derivative transactions for the purchase-and-sale of power (“Commodity”) in order to manage the variable price risk related to forecasted purchases-and-sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. KPCo does not hedge all commodity price risk.

KPCo may utilize a variety of interest rate derivative transactions in order to manage interest rate risk exposure. KPCo may also utilize interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. KPCo does not hedge all interest rate exposure.

### **ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON KPCo’s FINANCIAL STATEMENTS**

The accounting guidance for “Derivatives and Hedging” requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes and assumptions. In order to determine the relevant fair values of the derivative instruments, KPCo applies valuation adjustments for discounting, liquidity and credit quality.

Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract’s term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management’s estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for “Derivatives and Hedging,” KPCo reflects the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, KPCo is required to post or receive cash collateral based on third-party contractual agreements and risk profiles. For the December 31, 2021 and 2020 balance sheets, KPCo netted \$95 thousand and \$96 thousand, respectively, of cash collateral received from third-parties against short-term and long-term risk management assets and \$0 and \$0, respectively, of cash collateral paid to third-parties against short-term and long-term risk management liabilities.

The following tables represent the gross fair value of KPCo’s derivative activity on the balance sheets:

Balance Sheet Location	December 31, 2021		
	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
	(in thousands)		
Current Risk Management Assets	\$ 7,488	\$ (1,502)	\$ 5,986
Long-term Risk Management Assets	46	(46)	—
<b>Total Assets</b>	<u>7,534</u>	<u>(1,548)</u>	<u>5,986</u>
Current Risk Management Liabilities	1,458	(1,407)	51
Long-term Risk Management Liabilities	46	(46)	—
<b>Total Liabilities</b>	<u>1,504</u>	<u>(1,453)</u>	<u>51</u>
<b>Total MTM Derivative Contract Net Assets (Liabilities)</b>	<u>\$ 6,030</u>	<u>\$ (95)</u>	<u>\$ 5,935</u>

Balance Sheet Location	December 31, 2020		
	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
	(in thousands)		
Current Risk Management Assets	\$ 6,751	\$ (3,599)	\$ 3,152
Long-term Risk Management Assets	139	(116)	23
<b>Total Assets</b>	<u>6,890</u>	<u>(3,715)</u>	<u>3,175</u>
Current Risk Management Liabilities	3,746	(3,533)	213
Long-term Risk Management Liabilities	105	(86)	19
<b>Total Liabilities</b>	<u>3,851</u>	<u>(3,619)</u>	<u>232</u>
<b>Total MTM Derivative Net Assets (Liabilities)</b>	<u>\$ 3,039</u>	<u>\$ (96)</u>	<u>\$ 2,943</u>

- (a) Derivative instruments within this category are disclosed as gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for “Derivatives and Hedging.”
- (b) Amounts include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for “Derivatives and Hedging.”
- (c) All derivative contracts subject to a master netting arrangement or similar agreement are offset in the statement of financial position.

The table below presents KPCo’s amount of gain (loss) recognized on risk management contracts:

Location of Gain (Loss)	Years Ended December 31,	
	2021	2020
	(in thousands)	
Electric Generation, Transmission and Distribution Revenues	\$ (12)	\$ 182
Purchased Electricity for Resale	118	103
Other Operation	90	(61)
Maintenance	116	(98)
Regulatory Assets (a)	(1,077)	437
Regulatory Liabilities (a)	11,192	7,642
<b>Total Gain on Risk Management Contracts</b>	<u>\$ 10,427</u>	<u>\$ 8,205</u>

- (a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment recorded as either current or noncurrent on the balance sheets.

Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for “Derivatives and Hedging.” Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on KPCo's statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on KPCo's statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same line item on the statements of income as that of the associated risk being hedged. However, unrealized and some realized gains and losses for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains), in accordance with the accounting guidance for "Regulated Operations."

### ***Accounting for Cash Flow Hedging Strategies***

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), KPCo initially reports the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income (Loss) on the balance sheets until the period the hedged item affects Net Income.

Realized gains and losses on derivative contracts for the purchase-and-sale of power designated as cash flow hedges are included in Total Revenues or Purchased Electricity for Resale on KPCo's statements of income or in Regulatory Assets or Regulatory Liabilities on KPCo's balance sheets, depending on the specific nature of the risk being hedged. During the years ended 2021 and 2020 KPCo did not apply cash flow hedging to outstanding power derivatives.

KPCo reclassifies gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income (Loss) on its balance sheets into Interest Expense on its statements of income in those periods in which hedged interest payments occur. During the years ended 2021 and 2020, KPCo did not apply cash flow hedging to outstanding interest rate derivatives.

There was no impact of cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on KPCo's balance sheets as of December 31, 2021 and 2020.

The actual amounts that KPCo reclassifies from Accumulated Other Comprehensive Income (Loss) to Net Income can differ due to market price changes. As of December 31, 2021, KPCo is not hedging (with contracts subject to the accounting guidance for "Derivatives and Hedging") its exposure to variability in future cash flows related to forecasted transactions.

### ***Credit Risk***

Management mitigates credit risk in KPCo's wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses credit agency ratings and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

Master agreements are typically used to facilitate the netting of cash flows associated with a single counterparty and may include collateral requirements. Collateral requirements in the form of cash, letters of credit, surety bonds and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. Some master agreements include margining, which requires a counterparty to post cash or letters of credit in the event exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP's credit policy. In addition,

### ***Collateral Triggering Events***

#### *Credit Downgrade Triggers*

A limited number of derivative contracts include collateral triggering events, which include a requirement to maintain certain credit ratings. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these collateral triggering events in contracts. KPCo has not experienced a downgrade below a specified credit rating threshold that would require the posting of additional collateral. As of December 31, 2021 and 2020, KPCo did not have derivative contracts with collateral triggering events in a net liability position.

#### *Cross-Default Triggers*

In addition, a majority of KPCo's non-exchange-traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third-party obligation that is \$50 million or greater. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-default provisions in the contracts. The following table represents: (a) the fair value of these derivative liabilities subject to cross-default provisions prior to consideration of contractual netting arrangements, (b) the amount this exposure has been reduced by cash collateral posted and (c) if a cross-default provision would have been triggered, the settlement amount that would be required after considering contractual netting arrangements:

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
Liabilities for Contracts with Cross Default Provisions Prior to Contractual Netting Arrangements	\$ 89	\$ 154
Additional Settlement Liability if Cross Default Provision is Triggered	51	16

**9. FAIR VALUE MEASUREMENTS**

*Fair Value Measurements of Long-term Debt*

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of KPCo’s Long-term Debt are summarized in the following table:

	<b>December 31,</b>			
	<b>2021</b>		<b>2020</b>	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
	<b>(in thousands)</b>			
Long-term Debt	\$ 1,103,105	\$ 1,224,664	\$ 992,650	\$ 1,166,298

**Fair Value Measurements of Financial Assets and Liabilities**

For a discussion of fair value accounting and the classification of assets and liabilities within the fair value hierarchy, see the “Fair Value Measurements of Assets and Liabilities” section of Note 1.

The following tables set forth, by level within the fair value hierarchy, KPCo’s financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for “Fair Value Measurements and Disclosures,” financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management’s valuation techniques.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis  
December 31, 2021**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Risk Management Assets</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 1,096	\$ 6,439	\$ (1,549)	\$ 5,986
<b>Liabilities:</b>					
<b>Risk Management Liabilities</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 937	\$ 568	\$ (1,454)	\$ 51

**Assets and Liabilities Measured at Fair Value on a Recurring Basis  
December 31, 2020**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Risk Management Assets</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 3,669	\$ 3,204	\$ (3,698)	\$ 3,175
<b>Liabilities:</b>					
<b>Risk Management Liabilities</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 3,655	\$ 179	\$ (3,602)	\$ 232

(a) Amounts in “Other” column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for “Derivatives and Hedging.”

(b) Substantially comprised of power contracts.

The following tables set forth a reconciliation of changes in the fair value of net trading derivatives classified as Level 3 in the fair value hierarchy:

<b>Year Ended December 31, 2021</b>	<b>Net Risk Management Assets (Liabilities) (in thousands)</b>	
<b>Balance as of December 31, 2020</b>	\$	3,025
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)		1,858
Settlements		(4,950)
Transfers out of Level 3 (c)		8
Changes in Fair Value Allocated to Regulated Jurisdictions (d)		5,930
<b>Balance as of December 31, 2021</b>	<b>\$</b>	<b>5,871</b>

<b>Year Ended December 31, 2020</b>	<b>Net Risk Management Assets (Liabilities) (in thousands)</b>	
<b>Balance as of December 31, 2019</b>	\$	5,702
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)		4,084
Settlements		(9,900)
Transfers out of Level 3 (c)		130
Changes in Fair Value Allocated to Regulated Jurisdictions (d)		3,009
<b>Balance as of December 31, 2020</b>	<b>\$</b>	<b>3,025</b>

- (a) Included in revenues on KPCo's statements of income.
- (b) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.
- (c) Transfers are recognized based on their value at the beginning of the period that the transfer occurred.
- (d) Relates to the net gains (losses) of those contracts that are not reflected on KPCo's statements of income. These changes in fair value are recorded as regulatory liabilities for net gains and as regulatory assets for net losses.



The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions as of December 31, 2021 and 2020:

**Significant Unobservable Inputs  
December 31, 2021**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average (b)
	Assets	Liabilities			Low	High	
	(in thousands)						
Energy Contracts	\$ —	\$ 51	Discounted Cash Flow	Forward Market Price	\$ 32.20	\$ 56.54	\$ 44.77
FTRs	6,439	517	Discounted Cash Flow	Forward Market Price	(1.44)	22.19	1.74
<b>Total</b>	<b>\$ 6,439</b>	<b>\$ 568</b>					

**Significant Unobservable Inputs  
December 31, 2020**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average (b)
	Assets	Liabilities			Low	High	
	(in thousands)						
Energy Contracts	\$ 190	\$ 121	Discounted Cash Flow	Forward Market Price	\$ 10.84	\$ 41.09	\$ 25.08
FTRs	3,014	58	Discounted Cash Flow	Forward Market Price	0.17	4.18	1.03
<b>Total</b>	<b>\$ 3,204</b>	<b>\$ 179</b>					

(a) Represents market prices in dollars per MWh.

(b) The weighted-average is the product of the forward market price of the underlying commodity and volume weighted by term.

The following table provides the measurement uncertainty of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs as of December 31, 2021 and 2020:

**Uncertainty of Fair Value Measurements**

Significant Unobservable Input	Position	Change in Input	Impact on Fair Value Measurement
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

## 10. INCOME TAXES

### Income Tax Benefit

The details of KPSCo's Income Tax Benefit are as follows:

	<b>Years Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
<b>Federal:</b>		
Current	\$ (2,970)	\$ (9,655)
Deferred	(20,143)	8,830
<b>Total Federal</b>	<u>(23,113)</u>	<u>(825)</u>
<b>State and Local:</b>		
Current	—	245
Deferred	(4,366)	(3,463)
<b>Total State and Local</b>	<u>(4,366)</u>	<u>(3,218)</u>
<b>Income Tax Benefit</b>	<u>\$ (27,479)</u>	<u>\$ (4,043)</u>

The following is a reconciliation between the federal income taxes computed by multiplying pretax income by the federal statutory tax rate and the income taxes reported:

	<b>Years Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
Net Income	\$ 50,150	\$ 41,017
Income Tax Benefit	(27,479)	(4,043)
<b>Pretax Income</b>	<u>\$ 22,671</u>	<u>\$ 36,974</u>
Income Taxes on Pretax Income at Statutory Rate (21%)	\$ 4,761	\$ 7,765
Increase (Decrease) in Income Taxes Resulting from the Following Items:		
Depreciation	1,891	1,738
State and Local Income Taxes, Net	(3,449)	(2,542)
Removal Costs	(2,154)	(1,885)
Tax Adjustments (a)	3,098	—
Tax Reform Excess ADIT Reversal (b)	(31,174)	(8,293)
Other	(452)	(826)
<b>Income Tax Benefit</b>	<u>\$ (27,479)</u>	<u>\$ (4,043)</u>
<b>Effective Income Tax Rate</b>	(121.2)%	(10.9)%

- (a) Represents the correction of an adjustment related to Deferred Income Taxes and Income Tax Benefit. Management concluded the misstatement and subsequent correction was not material to prior or current period financial statements.
- (b) In January 2021, as part of the 2020 Kentucky Base Rate Case, the KPSC issued an order that shortened the previously authorized refund period for Excess ADIT that is not subject to normalization requirements from 18 years to 3 years.

***Net Deferred Tax Liability***

The following table shows elements of KPCo's net deferred tax liability and significant temporary differences:

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
Deferred Tax Assets	\$ 94,062	\$ 101,993
Deferred Tax Liabilities	(531,214)	(548,047)
<b>Net Deferred Tax Liabilities</b>	<b><u>\$ (437,152)</u></b>	<b><u>\$ (446,054)</u></b>
Property Related Temporary Differences	\$ (310,721)	\$ (300,947)
Amounts Due to Customers for Future Income Taxes	51,754	62,526
Deferred State Income Taxes	(92,617)	(120,361)
Regulatory Assets	(101,155)	(92,015)
Net Operating Loss Carryforward	17,475	7,795
All Other, Net	(1,888)	(3,052)
<b>Net Deferred Tax Liabilities</b>	<b><u>\$ (437,152)</u></b>	<b><u>\$ (446,054)</u></b>

***Federal Income Tax Audit Status***

The statute of limitations for the IRS to examine KPCo and other AEP subsidiaries originally filed federal return has expired for tax years 2016 and earlier. In the third quarter of 2019, KPCo and other AEP subsidiaries elected to amend the 2014 through 2017 federal returns. In the first quarter of 2020, the IRS notified KPCo and other AEP subsidiaries that it was beginning an examination of these amended returns, including the net operating losses carryback to 2015 that originated in the 2017 return. As of December 31, 2021, the IRS has not issued any proposed adjustments. KPCo and other AEP subsidiaries have agreed to extend the statute of limitations on the 2017 tax return to December 31, 2022 to allow time for the audit to be completed and the Congressional Joint Committee on Taxation to approve the associated refund claim.

***Net Income Tax Operating Loss Carryforward***

KPCo has state net income tax operating loss carryforwards of \$222 million and \$159 million in 2021 and 2020, respectively. As a result, KPCo recognized deferred state income tax benefits in 2021 and 2020 of \$11 million and \$10 million, respectively. Management anticipates future taxable income will be sufficient to realize the state net income tax operating loss tax benefits before the state carryforward begins expiring in 2035.

## 11. LEASES

KPCo leases property, plant and equipment including, but not limited to, fleet, information technology and real estate leases. These leases require payments of non-lease components, including related property taxes, operating and maintenance costs. KPCo does not separate non-lease components from associated lease components. Many of these leases have purchase or renewal options. Leases not renewed are often replaced by other leases. Options to renew or purchase a lease are included in the measurement of lease assets and liabilities if it is reasonably certain that KPCo will exercise the option.

Lease obligations are measured using the discount rate implicit in the lease when that rate is readily determinable. KPCo has visibility into the rate implicit in the lease when assets are leased from selected financial institutions under master leasing agreements. When the implicit rate is not readily determinable, KPCo measures its lease obligation using its estimated secured incremental borrowing rate. Incremental borrowing rates are comprised of an underlying risk-free rate and a secured credit spread relative to the lessee on a matched maturity basis.

Operating lease rentals and finance lease amortization costs are generally charged to Other Operation and Maintenance expense in accordance with rate-making treatment for regulated operations. Interest on finance lease liabilities is generally charged to Interest Expense. Lease costs associated with capital projects are included in Property, Plant and Equipment on the balance sheets. For regulated operations with finance leases, a finance lease asset and offsetting liability are recorded at the present value of the remaining lease payments for each reporting period. Finance leases for nonregulated property are accounted for as if the assets were owned and financed. The components of rental costs were as follows:

Lease Rental Costs	Years Ended December 31,	
	2021	2020
	(in thousands)	
Operating Lease Cost	\$ 3,100	\$ 2,660
Finance Lease Cost:		
Amortization of Finance Leases	920	808
Interest on Finance Leases	125	138
<b>Total Lease Rental Costs (a)</b>	<b>\$ 4,145</b>	<b>\$ 3,606</b>

(a) Excludes variable and short-term lease costs, which were immaterial.

Supplemental information related to leases are shown in the tables below.

Lease Type	Weighted-Average Remaining Lease Term (years):		Weighted-Average Discount Rate	
	December 31,			
	2021	2020	2021	2020
Operating Leases	6.05	6.45	3.33 %	3.44 %
Finance Leases	4.68	5.00	4.00 %	4.08 %



Future minimum lease payments consisted of the following as of December 31, 2021:

<u>Future Minimum Lease Payments</u>	<u>Finance Leases</u>	<u>Operating Leases</u>
	<u>(in thousands)</u>	
2022	\$ 890	\$ 2,507
2023	715	2,247
2024	598	2,015
2025	331	1,643
2026	245	1,195
After 2026	365	2,332
<b>Total Future Minimum Lease Payments</b>	<u>3,144</u>	<u>11,939</u>
Less: Imputed Interest	289	1,152
<b>Estimated Present Value of Future Minimum Lease Payments</b>	<u>\$ 2,855</u>	<u>\$ 10,787</u>

### ***Master Lease Agreements***

KPCo leases certain equipment under master lease agreements. Under the lease agreements, the lessor is guaranteed a residual value up to a stated percentage of the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, KPCo is committed to pay the difference between the actual fair value and the residual value guarantee. Historically, at the end of the lease term the fair value has been in excess of the amount guaranteed. As of December 31, 2021, the maximum potential loss for these lease agreements was \$1.7 million assuming the fair value of the equipment is zero at the end of the lease term.

### ***Lessor Activity***

KPCo's lessor activity was immaterial as of and for the twelve months ended December 31, 2021 and December 31, 2020, respectively.

## 12. FINANCING ACTIVITIES

### Long-term Debt

The following table details long-term debt outstanding:

Type of Debt	Maturity	Weighted-Average Interest Rate as of December 31, 2021	Interest Rate Ranges as of December 31,		Outstanding as of December 31,	
			2021	2020	2021	2020
(in thousands)						
Senior Unsecured Notes	2021-2047	4.54%	3.13%-8.13%	3.13%-8.13%	\$ 688,400	\$ 728,166
Pollution Control Bonds	2023 (a)	2.35%	2.35%	2.35%	64,823	64,734
Other Long-term Debt	2022-2023	1.01%	0.76%-1.61%	0.81%-1.60%	349,882	199,750
<b>Total Long-term Debt Outstanding</b>					<u>\$ 1,103,105</u>	<u>\$ 992,650</u>

(a) KPCo's Pollution Control Bond is subject to redemption earlier than the maturity date.

As of December 31, 2021, outstanding long-term debt was payable as follows:

	2022	2023	2024	2025	2026	After 2026	Total
(in thousands)							
Principal Amount	\$ 200,000	\$ 215,000	\$ 65,000	\$ —	\$ 200,000	\$ 425,000	\$1,105,000
Debt Issuance Costs							(1,895)
<b>Total Long-term Debt Outstanding</b>							<u>\$1,103,105</u>

### Dividend Restrictions

KPCo pays dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of KPCo to transfer funds to Parent in the form of dividends.

All of the dividends declared by KPCo are subject to a Federal Power Act restriction that prohibits the payment of dividends out of capital accounts without regulatory approval; payment of dividends is allowed out of retained earnings only.

KPCo has credit agreements that contain a covenant that limit its debt to capitalization ratio to 67.5%. As of December 31, 2021, KPCo did not exceed its debt to capitalization limit. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.

The most restrictive dividend limitation for KPCo is through the Federal Power Act. As of December 31, 2021, the maximum amount of restricted net assets of KPCo that may not be distributed to Parent in the form of a loan, advance or dividend was \$578.3 million.

The Federal Power Act restriction does not limit the ability of KPCo to pay dividends out of retained earnings. The credit agreement covenant restrictions can limit the ability of KPCo to pay dividends out of retained earnings. As of December 31, 2021, there were no restrictions on KPCo's ability to pay dividends out of retained earnings.

**Corporate Borrowing Program – AEP System**

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP's subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP's utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of the AEP System Utility Money Pool agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of December 31, 2021 and 2020 are included in Advances from Affiliates on KPCo's balance sheets. KPCo's Utility Money Pool activity and corresponding authorized borrowing limits are described in the following table:

<b>Years Ended December 31,</b>	<b>Maximum Borrowings from the Utility Money Pool</b>	<b>Maximum Loans to the Utility Money Pool</b>	<b>Average Borrowings from the Utility Money Pool</b>	<b>Average Loans to the Utility Money Pool</b>	<b>Borrowings from the Utility Money Pool as of December 31,</b>	<b>Authorized Short-Term Borrowing Limit</b>
	(in thousands)					
2021	\$ 121,608	\$ 43,730	\$ 46,522	\$ 22,427	\$ 47,895	\$ 180,000
2020	126,742	6,572	50,064	5,020	65,647	180,000

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:

<b>Years Ended December 31,</b>	<b>Maximum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Maximum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Average Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Average Interest Rate for Funds Loaned to the Utility Money Pool</b>
2021	0.48 %	0.02 %	0.34 %	0.03 %	0.31 %	0.33 %
2020	2.70 %	0.27 %	2.08 %	1.80 %	1.18 %	1.81 %

Interest expense and interest income related to the Utility Money Pool are included in Interest Expense and Interest Income, respectively, on KPCo's statements of income. For amounts borrowed from and advances to the Utility Money Pool, KPCo incurred the following amounts of interest expense and earned the following amounts of interest income:

	<b>Years Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	(in thousands)	
Interest Expense	\$ 166	\$ 676
Interest Income	6	48

**Securitized Accounts Receivables – AEP Credit**

Under an affiliated receivables sales arrangement, KPCo sells, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit. KPCo is charged a fee for each sale that is based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience from previous purchases of KPCo's customer accounts receivable. No allowance for uncollectible accounts is recognized within KPCo's financial statements for customer accounts receivable sold to AEP Credit, and any bad debt stemming from these receivables would be recognized by AEP Credit. The costs of customer accounts receivable sold are reported in Other Operation expense on KPCo's statements of income. KPCo manages and services its accounts receivable sold.

AEP Credit's receivables securitization agreement provides a commitment of \$750 million from bank conduits to purchase receivables and was amended in September 2021 to include a \$125 million and a \$625 million facility, which expire in September 2023 and 2024, respectively. As of December 31, 2021, KPCo was in compliance with all requirements under the agreement.



KPCo's amounts of accounts receivable and accrued unbilled revenues under the sale of receivables agreement were \$53.3 million and \$54.8 million as of December 31, 2021 and 2020, respectively.

The fees paid by KPCo to AEP Credit for customer accounts receivable sold were \$1.9 million and \$7.1 million for the years ended December 31, 2021 and 2020, respectively. In 2020, an increase in allowance for doubtful accounts was recognized by AEP Credit in response to the anticipated impact of COVID-19 on the collectability of accounts receivable, which caused an increase in fees paid by KPCo. In 2021, due to higher than expected collections of accounts receivables, allowance for doubtful accounts was adjusted resulting in the issuance of credits to offset the higher fees previously paid and to lower subsequent fees paid. KPCo terminated selling accounts receivable to AEP Credit in the first quarter of 2022, based on the pending sale to Liberty. As a result of the termination, in the first quarter of 2022, KPCo will record an allowance for uncollectible accounts on its balance sheet for those receivables no longer sold to AEP Credit.

KPCo's proceeds on the sale of receivables to AEP Credit were \$595 million and \$501.9 million for the years ended December 31, 2021 and 2020, respectively.

### 13. RELATED PARTY TRANSACTIONS

For other related party transactions, also see “AEP System Tax Allocation Agreement” section of Note 10 in addition to “Corporate Borrowing Program – AEP System” and “Securitized Accounts Receivables – AEP Credit” sections of Note 12.

#### *Power Coordination Agreement*

Effective January 1, 2014, the FERC approved the PCA. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. The PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo, PSO, SWEPCo and WPCo. Certain power and natural gas risk management activities for APCo, I&M, KPCo and WPCo are allocated based on the four member companies’ respective equity positions, while power and natural gas risk management activities for PSO and SWEPCo are allocated based on the Operating Agreement.

#### *System Integration Agreement*

Under the SIA, AEPSC allocates physical and financial revenues and expenses from transactions with neighboring utilities, power marketers and other power and natural gas risk management activities based upon the location of such activity. Margins resulting from trading and marketing activities originating in PJM generally accrue to the benefit of APCo, I&M, KPCo and WPCo, while trading and marketing activities originating in SPP generally accrue to the benefit of PSO and SWEPCo. Margins resulting from other transactions are allocated among APCo, I&M, KPCo, PSO, SWEPCo and WPCo based upon the equity positions of these companies.

#### *Affiliated Revenues and Purchases*

The table below shows the revenues derived from auction sales to affiliates, net transmission agreement sales and other revenues as follows:

Related Party Revenues	Years Ended December 31,	
	2021	2020
	(in thousands)	
Sales under Interconnection Agreement	\$ —	\$ 149
Auction Sales to OPCo (a)	—	975
Transmission Agreement Sales	8,991	9,367
Other Revenues	1,551	1,506
<b>Total Affiliated Revenues</b>	<b>\$ 10,542</b>	<b>\$ 11,997</b>

(a) Refer to the Ohio Auctions section below for further information regarding this amount.

The table below shows the purchased power expenses incurred for purchases from affiliates as follows:

Related Party Purchases	Years Ended December 31,	
	2021	2020
	(in thousands)	
Direct Purchases from AEGCo (a)	\$ 93,365	\$ 74,055
<b>Total Affiliated Purchases</b>	<b>\$ 93,365</b>	<b>\$ 74,055</b>

(a) Refer to the “Unit Power Agreements” section below for further information regarding this amount.

The above summarized related party revenues and expenses are reported in Sales to AEP Affiliates and Purchased Electricity from AEP Affiliates on KPCo’s statements of income.

### ***PJM Transmission Service Charges***

The AEP East Companies are parties to the TA, which defines how transmission costs through PJM OATT are allocated among the AEP East Companies on a 12-month average coincident peak basis. Additional costs for transmission services provided by AEPTCo and other transmission affiliates are billed to KPCo through the PJM OATT.

KPCo's net charges recorded as a result of the TA for the years ended December 31, 2021 and 2020 were \$57.1 million and \$48.1 million, respectively, and were recorded in Other Operation expenses on KPCo's statements of income.

### ***Ohio Auctions***

In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015. Certain affiliated entities, including KPCo, participate in the auction process and have been awarded tranches of OPCo's SSO load. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions.

### ***Unit Power Agreements***

#### ***UPA between AEGCo and I&M***

A UPA between AEGCo and I&M (the I&M Power Agreement) provides for the sale by AEGCo to I&M of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. Subsequently, I&M assigns 30% of the power to KPCo. I&M is obligated, whether or not power is available from AEGCo, to pay as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M) net of amounts received by AEGCo from any other sources, sufficient to enable AEGCo to pay all its operating and other expenses, including a rate of return on the common equity of AEGCo as approved by the FERC. The I&M Power Agreement will continue in effect until the debt obligations of AEGCo secured by the Rockport Plant have been satisfied and discharged (currently expected to be December 2028).

#### ***UPA between AEGCo and KPCo***

Pursuant to an assignment between I&M and KPCo and a UPA between AEGCo and KPCo, AEGCo sells KPCo 30% of the power (and the energy associated therewith) available to AEGCo from both units of the Rockport Plant. KPCo pays to AEGCo in consideration for the right to receive such power the same amounts which I&M would have paid AEGCo under the terms of the I&M Power Agreement for such entitlement. The KPCo UPA ends in December 2022.

### ***I&M Barging, Urea Transloading and Other Services***

I&M provides barging, urea transloading and other transportation services to affiliates. Urea is a chemical used to control NO<sub>x</sub> emissions at certain generation plants in the AEP System. KPCo recorded expenses of \$3.1 million and \$3.2 million in 2021 and 2020, respectively, for urea transloading provided by I&M. These expenses were recorded as fuel expenses or other operation expenses.

### ***Central Machine Shop***

APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. APCo defers the cost of performing these services on the balance sheet and then transfers the cost to the affiliate for reimbursement. KPCo recorded its assigned portion of these billings as capital or maintenance expenses depending on the nature of the services received. These billings are recoverable from customers. KPCo's billed amounts were \$973 thousand and \$854 thousand for the years ended December 31, 2021 and 2020, respectively.

***Sales and Purchases of Property***

KPCo had affiliated sales and purchases of electric property individually amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions. The table below shows the sales and purchases, recorded at net book value, as follows:

	<b>Years Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
Sales	\$ 431	\$ 825
Purchases	3,995	1,464

The amounts above are recorded in Property, Plant and Equipment on the balance sheets.

***Intercompany Billings***

KPCo performs certain utility services for other AEP subsidiaries when necessary or practical. The costs of these services are billed on a direct-charge basis, whenever possible, or on reasonable basis of proration for services that benefit multiple companies. The billings for services are made at cost and include no compensation for the use of equity capital.

#### **14. VARIABLE INTEREST ENTITIES**

The accounting guidance for “Variable Interest Entities” is a consolidation model that considers if a company has a variable interest in a VIE. A VIE is a legal entity that possesses any of the following conditions: the entity’s equity at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support, equity owners are unable to direct the activities that most significantly impact the legal entity’s economic performance (or they possess disproportionate voting rights in relation to the economic interest in the legal entity), or the equity owners lack the obligation to absorb the legal entity’s expected losses or the right to receive the legal entity’s expected residual returns. Entities are required to consolidate a VIE when it is determined that they have a controlling financial interest in a VIE and therefore, are the primary beneficiary of that VIE, as defined by the accounting guidance for “Variable Interest Entities.” In determining whether KPCo is the primary beneficiary of a VIE, management considers whether KPCo has the power to direct the most significant activities of the VIE and is obligated to absorb losses or receive the expected residual returns that are significant to the VIE. Management believes that significant assumptions and judgments were applied consistently. KPCo is not the primary beneficiary of any VIE and has not provided financial or other support to any VIE that was not previously contractually required.

AEPSC provides certain managerial and professional services to AEP’s subsidiaries. Parent is the sole equity owner of AEPSC. AEP management controls the activities of AEPSC. The costs of the services are based on a direct-charge or on a prorated basis and billed to the AEP subsidiary companies at AEPSC’s cost. AEP subsidiaries have not provided financial or other support outside the reimbursement of costs for services rendered. AEPSC finances its operations through cost reimbursement from other AEP subsidiaries. There are no other terms or arrangements between AEPSC and any of the AEP subsidiaries that could require additional financial support from an AEP subsidiary or expose them to losses outside of the normal course of business. AEPSC and its billings are subject to regulation by the FERC. AEP subsidiaries are exposed to losses to the extent they cannot recover the costs of AEPSC through their normal business operations. AEP subsidiaries are considered to have a significant interest in AEPSC due to their activity in AEPSC’s cost reimbursement structure. However, AEP subsidiaries do not have control over AEPSC. AEPSC is consolidated by AEP. In the event AEPSC would require financing or other support outside the cost reimbursement billings, this financing would be provided by AEP. KPCo’s total billings from AEPSC for the years ended December 31, 2021 and 2020 were \$75.2 million and \$70.4 million, respectively. The carrying amount of liabilities associated with AEPSC as of December 31, 2021 and 2020 were \$7.9 million and \$9.8 million, respectively. Management estimates the maximum exposure of loss to be equal to the amount of such liability.

AEGCo, a wholly-owned subsidiary of Parent, is consolidated by AEP. AEGCo owns a 50% ownership interest in Rockport Plant, Unit 1 and leases a 50% interest in Rockport Plant, Unit 2. AEGCo sells all the output from the Rockport Plant to I&M and KPCo. AEP has agreed to provide AEGCo with the funds necessary to satisfy all of the debt obligations of AEGCo. KPCo is considered to have a significant interest in AEGCo due to these transactions. KPCo is exposed to losses to the extent it cannot recover the costs of AEGCo through its normal business operations. Due to AEP management’s control over AEGCo, KPCo is not considered the primary beneficiary of AEGCo. In the event AEGCo would require financing or other support outside the billings to KPCo, this financing would be provided by AEP. Total billings from AEGCo for the years ended December 31, 2021 and 2020 were \$93.4 million and \$74.1 million, respectively. The carrying amount of liabilities associated with AEGCo as of December 31, 2021 and 2020 were \$7.9 million and \$4.4 million, respectively. Management estimates the maximum exposure of loss to be equal to the amount of such liability.

**15. PROPERTY, PLANT AND EQUIPMENT**

Property, Plant and Equipment is shown functionally on the face of KPCo's balance sheets. The following table includes KPCo's total plant balances as of December 31, 2021 and 2020:

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(in thousands)</b>	
Regulated Property, Plant and Equipment		
Generation	\$ 1,231,494	\$ 1,231,387
Transmission	760,359	703,309
Distribution	1,017,406	955,501
Other	129,250	112,532
CWIP	95,093	83,008
Less: Accumulated Depreciation	1,104,293	1,052,111
Total Regulated Property, Plant and Equipment - Net	<u>2,129,309</u>	<u>2,033,626</u>
Nonregulated Property, Plant and Equipment - Net	8,105	8,271
<b>Total Property, Plant and Equipment - Net</b>	<u><u>\$ 2,137,414</u></u>	<u><u>\$ 2,041,897</u></u>

**Depreciation**

KPCo provides for depreciation of Property, Plant and Equipment on a straight-line basis over the estimated useful lives of property, generally using composite rates by functional class. The following table provides total regulated annual composite depreciation rates and depreciable lives for KPCo. Nonregulated depreciation rate ranges and depreciable life ranges are not applicable or not meaningful for 2021 and 2020.

<b>Functional Class of Property</b>	<b>2021</b>		<b>2020</b>	
	<b>Annual Composite Depreciation Rate</b>	<b>Depreciable Life Ranges</b>	<b>Annual Composite Depreciation Rate</b>	<b>Depreciable Life Ranges</b>
		<b>(in years)</b>		<b>(in years)</b>
Generation	3.0%	69 - 73	2.8%	69 - 73
Transmission	2.6%	37 - 75	2.6%	37 - 75
Distribution	3.4%	11 - 75	3.4%	11 - 75
Other	9.5%	5 - 75	9.5%	5 - 75

The composite depreciation rate generally includes a component for non-asset retirement obligation (non-ARO) removal costs, which is credited to Accumulated Depreciation and Amortization on the balance sheets. Actual removal costs incurred are charged to Accumulated Depreciation and Amortization. Any excess of accrued non-ARO removal costs over actual removal costs incurred is reclassified from Accumulated Depreciation and Amortization and reflected as a regulatory liability.

**Asset Retirement Obligations (ARO)**

KPCo records ARO in accordance with the accounting guidance for “Asset Retirement and Environmental Obligations” for the retirement of ash disposal facilities and asbestos removal. KPCo has identified, but not recognized, ARO liabilities related to electric transmission and distribution assets, as a result of certain easements on property on which assets are owned. Generally, such easements are perpetual and require only the retirement and removal of assets upon the cessation of the property’s use. The retirement obligation is not estimable for such easements since KPCo plans to use its facilities indefinitely. The retirement obligation would only be recognized if and when KPCo abandons or ceases the use of specific easements, which is not expected.

The following is a reconciliation of the 2021 and 2020 aggregate carrying amounts of ARO for KPCo:

<u>Year</u>	<u>ARO as of January 1,</u>	<u>Accretion Expense</u>	<u>Liabilities Incurred</u>	<u>Liabilities Settled (a)</u>	<u>Revisions in Cash Flow Estimates (a)</u>	<u>ARO as of December 31,</u>
(in thousands)						
2021	\$ 24,565	\$ 968	\$ —	\$ (3,227)	\$ (4,609)	\$ 17,697
2020	43,588	1,691	77	(20,426)	(365)	24,565

(a) Primarily related to ash pond closure and asbestos abatement.

**Allowance for Funds Used During Construction**

KPCo’s amounts of allowance for equity and borrowed funds used during construction are summarized in the following table:

	<b>Years Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	(in thousands)	
Allowance for Equity Funds Used During Construction	\$ 1,822	\$ 1,170
Allowance for Borrowed Funds Used During Construction	936	1,099

**Jointly-owned Electric Facilities**

KPCo, jointly with WPCo, owns Unit 1 and Unit 2 of the Mitchell Generating Station. KPCo and WPCo each have a 50% ownership of Unit 1 and Unit 2 of the Mitchell Generating Station. Using its own financing, each participating company is obligated to pay its share of the costs in the same proportion as its ownership interest. KPCo’s proportionate share of the operating costs associated with this facility is included in its statements of income and the investment and accumulated depreciation are reflected in its balance sheets under Property, Plant and Equipment as follows:

	<u>Fuel Type</u>	<u>Percent of Ownership</u>	<u>Utility Plant in Service</u>	<u>Construction Work in Progress</u>	<u>Accumulated Depreciation</u>
(in thousands)					
<b>KPCo’s Share as of December 31, 2021</b>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,049,434	\$ 12,040	\$ 493,124
<b>KPCo’s Share as of December 31, 2020</b>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,047,564	\$ 40,024	\$ 465,764

(a) Operated by KPCo. In November 2021, AEP made filings seeking approval for a new proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement between KPCo and WPCo pursuant to which WPCo would replace KPCo as the operator of the Mitchell Plant. See Note 4 - Rate Matters for additional information.

## 16. REVENUE FROM CONTRACTS WITH CUSTOMERS

### *Disaggregated Revenues from Contracts with Customers*

The table below represents KPSCo's revenues from contracts with customers, net of respective provisions for refund, by type of revenue:

	Years Ended December 31,	
	2021	2020
	(in thousands)	
<b>Retail Revenues:</b>		
Residential Revenues	\$ 282,900	\$ 236,325
Commercial Revenues	160,183	138,813
Industrial Revenues	142,217	121,907
Other Retail Revenues	2,029	1,889
<b>Total Retail Revenues</b>	<u>587,329</u>	<u>498,934</u>
<b>Wholesale Revenues:</b>		
Generation Revenues (a)	29,523	13,787
Transmission Revenues (b)	22,052	22,864
<b>Total Wholesale Revenues</b>	<u>51,575</u>	<u>36,651</u>
Other Revenues from Contracts with Customers (a)	<u>8,659</u>	<u>13,153</u>
<b>Total Revenues from Contracts with Customers</b>	<u>647,563</u>	<u>548,738</u>
<b>Other Revenues:</b>		
Alternative Revenues (a)	(1,180)	1,185
<b>Total Other Revenues</b>	<u>(1,180)</u>	<u>1,185</u>
<b>Total Revenues</b>	<u>\$ 646,383</u>	<u>\$ 549,923</u>

(a) Amounts included affiliate and nonaffiliated revenues.

(b) Amounts included affiliate and nonaffiliated revenues. The affiliated revenues were \$9 million and \$10.6 million for years ended December 31, 2021 and 2020, respectively.

### *Performance Obligations*

KPSCo has performance obligations as part of its normal course of business. A performance obligation is a promise to transfer a distinct good or service, or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to a customer. The invoice practical expedient within the accounting guidance for "Revenue from Contracts with Customers" allows for the recognition of revenue from performance obligations in the amount of consideration to which there is a right to invoice the customer and when the amount for which there is a right to invoice corresponds directly to the value transferred to the customer.

The purpose of the invoice practical expedient is to depict an entity's measure of progress toward completion of the performance obligation within a contract and can only be applied to performance obligations that are satisfied over time and when the invoice is representative of services provided to date. KPSCo elected to apply the invoice practical expedient to recognize revenue for performance obligations satisfied over time as the invoices from the respective revenue streams are representative of services or goods provided to date to the customer. Performance obligations for KPSCo are summarized as follows:

#### *Retail Revenues*

KPSCo has performance obligations to generate, transmit and distribute electricity for sale to rate-regulated retail customers. The performance obligation to deliver electricity is satisfied over time as the customer simultaneously receives and consumes the benefits provided. Revenues are variable as they are subject to the customer's usage requirements.



Rate-regulated retail customers typically have the right to discontinue receiving service at will, therefore the contracts between KPCo and their customers for rate-regulated services are generally limited to the services requested and received to date for such arrangements. Retail customers are generally billed on a monthly basis, and payment is typically due within 15 to 20 days after the issuance of the invoice.

#### *Wholesale Revenues - Generation*

KPCo has performance obligations to sell electricity to wholesale customers from generation assets in PJM. The performance obligation to deliver electricity from generation assets is satisfied over time as the customer simultaneously receives and consumes the benefits provided. Wholesale generation revenues are variable as they are subject to the customer's usage requirements.

KPCo also has performance obligations to stand ready in order to promote grid reliability. Stand ready services are sold into PJM's Reliability Pricing Model (RPM) capacity market. RPM entails a base auction and at least three incremental auctions for a specific PJM delivery year, with the incremental auctions spanning three years. The performance obligation to stand ready is satisfied over time and the consideration for which is variable until the occurrence of the final incremental auction, at which point the performance obligation becomes fixed.

Payments from the RTO for stand ready services are typically received within one week from the issuance of the invoice, which is typically issued weekly. Gross margin resulting from generation sales are primarily subject to margin sharing agreements with customers, where the revenues are reflected gross in the disaggregated revenues table above.

#### *Wholesale Revenues - Transmission*

KPCo has performance obligations to transmit electricity to wholesale customers through assets owned and operated by KPCo and other AEP subsidiaries. The performance obligation to provide transmission services in PJM encompass a time frame greater than a year, where the performance obligation within PJM is partially fixed for a period of one year or less. Payments from the RTO for transmission services are typically received within one week from the issuance of the invoice, which is issued weekly for PJM.

KPCo collects revenues through transmission formula rates. The FERC-approved rates establish the annual transmission revenue requirement (ATRR) and transmission service rates for transmission owners. The formula rates establish rates for a one year period and also include a true-up calculation for the prior year's billings, allowing for over/under-recovery of the transmission owner's ATRR. The annual true-ups meet the definition of alternative revenues in accordance with the accounting guidance for "Regulated Operations," and are therefore presented as such in the disaggregated revenues table above.

The AEP East Companies are parties to the TA, which defines how transmission costs are allocated among the AEP East Companies on a 12-month average coincident peak basis. AEPTCo is a load serving entity within PJM providing transmission services to affiliates in accordance with the OATT and TA. Affiliate revenues as a result of the TA are reflected as Transmission Revenues in the disaggregated revenues table above.

#### *Fixed Performance Obligations*

The following table represents KPCo's remaining fixed performance obligations satisfied over time as of December 31, 2021. Fixed performance obligations primarily include wholesale transmission services, electricity sales for fixed amounts of energy and stand ready services into PJM's RPM market. The amounts shown in the table below include affiliated and nonaffiliated revenues.

<u>2022</u>	<u>2023-2024</u>	<u>2025-2026</u>	<u>After 2026</u>	<u>Total</u>
(in thousands)				
\$ 36,211	\$ 2,870	\$ 2,870	\$ 1,435	\$ 43,386

### ***Contract Assets and Liabilities***

Contract assets are recognized when KPCo has a right to consideration that is conditional upon the occurrence of an event other than the passage of time, such as future performance under a contract. KPCo did not have material contract assets as of December 31, 2021 and 2020, respectively.

When KPCo receives consideration, or such consideration is unconditionally due from a customer prior to transferring goods or services to the customer under the terms of a sales contract, they recognize a contract liability on the balance sheet in the amount of that consideration. Revenue for such consideration is subsequently recognized in the period or periods in which the remaining performance obligations in the contract are satisfied. KPCo's contract liabilities typically arise from advanced payments of services provided primarily with respect to joint use agreements for utility poles. KPCo did not have material contract liabilities as of December 31, 2021 and 2020, respectively.

### ***Accounts Receivable from Contracts with Customers***

Accounts receivable from contracts with customers are presented on KPCo's balance sheets within the Accounts Receivable - Customers line item. KPCo's balances for receivables from contracts that are not recognized in accordance with the accounting guidance for "Revenue from Contracts with Customers" included in Accounts Receivable - Customers were not material as of December 31, 2021 and 2020, respectively. See "Securitized Accounts Receivable - AEP Credit" section of Note 12 for additional information.

The amount of affiliated accounts receivable from contracts with customers included in Accounts Receivable - Affiliated Companies on KPCo's balance sheets were \$9.1 million and \$8.3 million, respectively, as of December 31, 2021 and December 31, 2020.

### ***Contract Costs***

Contract costs to obtain or fulfill a contract are accounted for under the guidance for "Other Assets and Deferred Costs" and presented as a single asset and neither bifurcated nor reclassified between current and noncurrent assets on KPCo's balance sheets. Contract costs to acquire a contract are amortized in a manner consistent with the transfer of goods or services to the customer in Other Operation on KPCo's statements of income. KPCo did not have material contract costs as of December 31, 2021 and 2020, respectively.

# Kentucky Power Company

## 2022 Annual Report

Audited Financial Statements



An **AEP** Company

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BOUNDLESS ENERGY<sup>SM</sup>

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**GLOSSARY OF TERMS**

**When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.**

<b>Term</b>	<b>Meaning</b>
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority-owned consolidated subsidiaries and consolidated affiliates.
AEP Credit	AEP Credit, Inc., a consolidated VIE of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP East Companies	APCo, I&M, KGPCo, KPCCo, OPCo and WPCo.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AEPSC	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AEPTCo	AEP Transmission Company, LLC, a wholly-owned subsidiary of AEP Transmission Holdco, is an intermediate holding company that owns the State Transcos.
AFUDC	Allowance for Equity Funds Used During Construction.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
ASU	Accounting Standards Update.
CCR	Coal Combustion Residual.
COVID-19	Coronavirus 2019, a highly infectious respiratory disease. In March 2020, the World Health Organization declared COVID-19 a worldwide pandemic.
CWIP	Construction Work in Progress.
ELG	Effluent Limitation Guidelines.
EIS	Energy Insurance Services, Inc., a nonaffiliated captive insurance company and consolidated VIE of AEP.
Excess ADIT	Excess accumulated deferred income taxes.
FAC	Fuel Adjustment Clause.
FASB	Financial Accounting Standards Board.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.
FTR	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.
IRS	Internal Revenue Service.
ITC	Investment Tax Credit.
KGPCo	Kingsport Power Company, an AEP electric utility subsidiary.
KPCCo	Kentucky Power Company, an AEP electric utility subsidiary.
KPSC	Kentucky Public Service Commission.
KTCO	AEP Kentucky Transmission Company, Inc., a wholly-owned AEPTCo transmission subsidiary.
Liberty	Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corporation.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatt-hour.
NO <sub>x</sub>	Nitrogen oxide.
OATT	Open Access Transmission Tariff.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.

<b>Term</b>	<b>Meaning</b>
OPEB	Other Postretirement Benefits.
Operating Agreement	Agreement, dated January 1, 1997, as amended, by and among PSO and SWEPCo governing generating capacity allocation, energy pricing, and revenues and costs of third-party sales. AEPSC acts as the agent.
OTC	Over-the-counter.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PCA	Power Coordination Agreement among APCo, I&M, KPCo and WPCo.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PUCO	Public Utilities Commission of Ohio.
Risk Management Contracts	Trading and non-trading derivatives, including those derivatives designated as cash flow and fair value hedges.
Rockport Plant	A generation plant, jointly-owned by AEGCo and I&M, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana.
ROE	Return on Equity.
RPM	Reliability Pricing Model.
RTO	Regional Transmission Organization, responsible for moving electricity over large interstate areas.
SIA	System Integration Agreement, effective June 15, 2000, as amended, provides contractual basis for coordinated planning, operation and maintenance of the power supply sources of the combined AEP.
SPP	Southwest Power Pool regional transmission organization.
SWEPCo	Southwestern Electric Power Company, an AEP electric utility subsidiary.
TA	Transmission Agreement, effective November 2010, among APCo, I&M, KGPCo, KPCo, OPCo and WPCo with AEPSC as agent.
Tax Reform	On December 22, 2017, President Trump signed into law legislation referred to as the “Tax Cuts and Jobs Act” (the TCJA). The TCJA includes significant changes to the Internal Revenue Code of 1986, including a reduction in the corporate federal income tax rate from 35% to 21% effective January 1, 2018.
UPA	Unit Power Agreement.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
VIE	Variable Interest Entity.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.
WPSC	West Virginia Public Service Commission.



## **Report of Independent Auditors**

To the Management and Board of Directors of Kentucky Power Company

### ***Opinion***

We have audited the accompanying financial statements of Kentucky Power Company (the “Company”), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, of comprehensive income (loss), of changes in common shareholder's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors’ Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*PricewaterhouseCoopers LLP*

Columbus, Ohio  
February 23, 2023



**KENTUCKY POWER COMPANY**  
**STATEMENTS OF INCOME**  
**For the Years Ended December 31, 2022 and 2021**  
**(in thousands)**

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
Electric Generation, Transmission and Distribution	\$ 752,371	\$ 634,765
Sales to AEP Affiliates	19,251	10,542
Other Revenues	1,599	1,076
<b>TOTAL REVENUES</b>	<b>773,221</b>	<b>646,383</b>
<b>EXPENSES</b>		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	277,291	167,027
Purchased Electricity from AEP Affiliates	93,137	93,365
Other Operation	133,992	126,479
Maintenance	64,821	64,353
Depreciation and Amortization	123,238	115,097
Taxes Other Than Income Taxes	26,919	27,745
<b>TOTAL EXPENSES</b>	<b>719,398</b>	<b>594,066</b>
<b>OPERATING INCOME</b>	53,823	52,317
<b>Other Income (Expense):</b>		
Interest Income	134	19
Allowance for Equity Funds Used During Construction	1,192	1,822
Non-Service Cost Components of Net Periodic Benefit Cost	6,490	4,141
Interest Expense	(45,115)	(35,628)
<b>INCOME BEFORE INCOME TAX BENEFIT</b>	16,524	22,671
Income Tax Benefit	(31,028)	(27,479)
<b>NET INCOME</b>	<b>\$ 47,552</b>	<b>\$ 50,150</b>

*The common stock of KPSCo is wholly-owned by Parent.*

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**For the Years Ended December 31, 2022 and 2021**  
**(in thousands)**

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
Net Income	\$ 47,552	\$ 50,150
<b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES</b>		
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(21) and \$(36) in 2022 and 2021, Respectively	(79)	(137)
Pension and OPEB Funded Status, Net of Tax of \$0 and \$268 in 2022 and 2021, Respectively	—	1,008
Pension and OPEB Adjustment Related to Plant Transfers, Net of Tax of \$(444) and \$0 in 2022 and 2021, Respectively	(1,670)	—
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>(1,749)</b>	<b>871</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 45,803</b>	<b>\$ 51,021</b>

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF CHANGES IN COMMON SHAREHOLDER'S EQUITY**  
**For the Years Ended December 31, 2022 and 2021**  
**(in thousands)**

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total</u>
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2020</b>	\$ 50,450	\$ 526,135	\$ 245,871	\$ 878	\$ 823,334
Net Income			50,150		50,150
Other Comprehensive Income				871	871
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2021</b>	50,450	526,135	296,021	1,749	874,355
Capital Contribution from Parent		152			152
Net Income			47,552		47,552
Other Comprehensive Loss				(1,749)	(1,749)
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2022</b>	<u>\$ 50,450</u>	<u>\$ 526,287</u>	<u>\$ 343,573</u>	<u>\$ —</u>	<u>\$ 920,310</u>

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**BALANCE SHEETS**  
**ASSETS**  
**December 31, 2022 and 2021**  
**(in thousands)**

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,684	\$ 763
Accounts Receivable:		
Customers	63,432	16,281
Affiliated Companies	10,818	25,578
Accrued Unbilled Revenues	35,002	16,647
Miscellaneous	72	57
Allowance for Uncollectible Accounts	(1,013)	(3)
Total Accounts Receivable	<u>108,311</u>	<u>58,560</u>
Fuel	21,994	10,090
Materials and Supplies	26,182	20,515
Risk Management Assets	8,463	5,986
Regulatory Asset for Under-Recovered Fuel Costs	23,241	8,216
Margin Deposits	960	14,229
Prepayments and Other Current Assets	2,512	3,490
<b>TOTAL CURRENT ASSETS</b>	<u>194,347</u>	<u>121,849</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Electric:		
Generation	1,236,474	1,231,494
Transmission	801,838	760,359
Distribution	1,061,601	1,017,406
Other Property, Plant and Equipment	167,981	137,554
Construction Work in Progress	137,964	95,093
<b>Total Property, Plant and Equipment</b>	<u>3,405,858</u>	<u>3,241,906</u>
Accumulated Depreciation and Amortization	1,156,221	1,104,492
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT – NET</b>	<u>2,249,637</u>	<u>2,137,414</u>
<b>OTHER NONCURRENT ASSETS</b>		
Regulatory Assets	504,185	476,457
Employee Benefit and Pension Assets	20,531	60,333
Operating Lease Assets	528	10,748
Deferred Charges and Other Noncurrent Assets	37,877	33,848
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<u>563,121</u>	<u>581,386</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,007,105</u>	<u>\$ 2,840,649</u>

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**BALANCE SHEETS**  
**LIABILITIES AND COMMON SHAREHOLDER'S EQUITY**  
**December 31, 2022 and 2021**  
**(dollars in thousands)**

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>CURRENT LIABILITIES</b>		
Advances from Affiliates	\$ 94,428	\$ 47,895
Accounts Payable:		
General	56,969	52,837
Affiliated Companies	51,076	42,223
Long-term Debt Due Within One Year – Nonaffiliated	490,000	200,000
Risk Management Liabilities	—	51
Customer Deposits	38,784	32,432
Accrued Taxes	40,272	45,243
Accrued Interest	8,543	5,685
Obligations Under Operating Leases	128	2,173
Other Current Liabilities	17,284	21,384
<b>TOTAL CURRENT LIABILITIES</b>	<b>797,484</b>	<b>449,923</b>
<b>NONCURRENT LIABILITIES</b>		
Long-term Debt – Nonaffiliated	688,448	903,105
Deferred Income Taxes	456,217	437,152
Regulatory Liabilities	108,853	140,506
Asset Retirement Obligations	18,447	16,399
Employee Benefits and Pension Obligations	9,736	8,064
Obligations Under Operating Leases	450	8,614
Deferred Credits and Other Noncurrent Liabilities	7,160	2,531
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,289,311</b>	<b>1,516,371</b>
<b>TOTAL LIABILITIES</b>	<b>2,086,795</b>	<b>1,966,294</b>
Rate Matters (Note 4)		
Commitments and Contingencies (Note 6)		
<b>COMMON SHAREHOLDER'S EQUITY</b>		
Common Stock – Par Value – \$50 Per Share:		
Authorized – 2,000,000 Shares		
Outstanding – 1,009,000 Shares	50,450	50,450
Paid-in Capital	526,287	526,135
Retained Earnings	343,573	296,021
Accumulated Other Comprehensive Income (Loss)	—	1,749
<b>TOTAL COMMON SHAREHOLDER'S EQUITY</b>	<b>920,310</b>	<b>874,355</b>
<b>TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY</b>	<b>\$ 3,007,105</b>	<b>\$ 2,840,649</b>

*See Notes to Financial Statements beginning on page 11.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2022 and 2021**  
**(in thousands)**

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
<b>Net Income</b>	\$ 47,552	\$ 50,150
<b>Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:</b>		
Depreciation and Amortization	123,238	115,097
Deferred Income Taxes	(31,793)	(24,509)
Allowance for Equity Funds Used During Construction	(1,192)	(1,822)
Mark-to-Market of Risk Management Contracts	(2,542)	(2,992)
Pension and Postemployment Benefit Reserves	31,242	(1,343)
Deferred Fuel Over/Under-Recovery, Net	(15,025)	(8,529)
Change in Regulatory Assets	(28,263)	(56,447)
Asset Retirement Obligation	—	(2,174)
Change in Other Noncurrent Assets	(5,950)	(10,503)
Change in Other Noncurrent Liabilities	5,339	2,979
<b>Changes in Certain Components of Working Capital:</b>		
Accounts Receivable, Net	(49,138)	(7,482)
Fuel, Materials and Supplies	(17,492)	11,771
Margin Deposits	13,269	(14,097)
Accounts Payable	22,773	13,013
Accrued Taxes, Net	(4,843)	8,628
Other Current Assets	777	384
Other Current Liabilities	(3,198)	(3,522)
<b>Net Cash Flows from Operating Activities</b>	<b>84,754</b>	<b>68,602</b>
<b>INVESTING ACTIVITIES</b>		
Construction Expenditures	(210,346)	(164,912)
Proceeds from Sales of Assets	8,004	1,075
Other Investing Activities	685	2,995
<b>Net Cash Flows Used for Investing Activities</b>	<b>(201,657)</b>	<b>(160,842)</b>
<b>FINANCING ACTIVITIES</b>		
Capital Contribution from Parent	152	—
Issuance of Long-term Debt - Nonaffiliated	149,869	149,974
Change in Advances from Affiliates, Net	46,533	(17,752)
Retirement of Long-term Debt - Nonaffiliated	(75,000)	(40,000)
Principal Payments for Finance Lease Obligations	(2,735)	(920)
Other Financing Activities	5	168
<b>Net Cash Flows from Financing Activities</b>	<b>118,824</b>	<b>91,470</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,921</b>	<b>(770)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>763</b>	<b>1,533</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 2,684</b>	<b>\$ 763</b>
<b>SUPPLEMENTARY INFORMATION</b>		
Cash Paid for Interest, Net of Capitalized Amounts	\$ 41,512	\$ 37,378
Net Cash Paid (Received) for Income Taxes	2,489	(4,123)
Noncash Acquisitions Under Finance Leases	131	331
Construction Expenditures Included in Current Liabilities as of December 31,	18,898	28,280

*See Notes to Financial Statements beginning on page 11.*

**INDEX OF NOTES TO FINANCIAL STATEMENTS**

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## **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **ORGANIZATION**

As a public utility, KPCo engages in the generation and purchase of electric power, and the subsequent sale, transmission and distribution of that power to approximately 163,000 retail customers in its service territory in eastern Kentucky. KPCo also sells power at wholesale to municipalities.

In December 2022, the UPA between AEGCo, an affiliated company, and KPCo ended upon the termination of the Rockport Plant, Unit 2 lease. The UPA allowed KPCo to purchase 30% of AEGCo's 50% capacity of Rockport Plant, Unit 2. Following the end of the lease, KPCo reached an agreement with I&M, an affiliated company, to purchase capacity from Rockport Plant, Unit 2 through May 2024 at a rate equal to PJM's RPM clearing price.

To minimize the credit requirements and operating constraints when operating within PJM, participating AEP companies, including KPCo, agreed to a netting of certain payment obligations incurred by the participating AEP companies against certain balances due to such AEP companies and to hold PJM harmless from actions that any one or more AEP companies may take with respect to PJM.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Rates and Service Regulation***

KPCo's rates are regulated by the FERC and the KPSC. The FERC also regulates KPCo's affiliated transactions, including AEPSC intercompany service billings which are generally at cost, under the 2005 Public Utility Holding Company Act and the Federal Power Act. The FERC also has jurisdiction over certain issuances and acquisitions of securities of public utility subsidiaries, the acquisition or sale of certain utility assets and mergers with another electric utility or holding company. For non-power goods and services, the FERC requires a nonregulated affiliate to bill an affiliated public utility company at no more than market while a public utility must bill the higher of cost or market to a nonregulated affiliate. The KPSC also regulates certain intercompany transactions under its affiliate statutes. Both the FERC and state regulatory commissions are permitted to review and audit the relevant books and records of companies within a public utility holding company system.

The FERC regulates wholesale power markets, wholesale power transactions and wholesale transmission operations and rates. KPCo's wholesale power transactions are generally market-based. Wholesale power transactions are cost-based regulated when KPCo negotiates and files a cost-based contract with the FERC or the FERC determines that KPCo has "market power" in the region where the transaction occurs. KPCo has entered into wholesale power supply contracts with various municipalities that are FERC-regulated, cost-based contracts. These contracts are generally formula rate mechanisms, which are trued-up to actual costs annually.

The KPSC regulates all of the distribution operations and rates and retail transmission rates on a cost basis. The KPSC also regulates retail generation/power supply operations and rates.

In addition, the FERC regulates the SIA and the TA, which allocate shared system costs and revenues among the utility subsidiaries that are parties to each agreement. The FERC also regulates the PCA. See Note 13 - Related Party Transactions for additional information.

#### ***Accounting for the Effects of Cost-Based Regulation***

As a rate-regulated electric public utility company, KPCo's financial statements reflect the actions of regulators that result in the recognition of certain revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with accounting guidance for "Regulated Operations," KPCo records regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.



### ***Use of Estimates***

The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include but are not limited to inventory valuation, allowance for doubtful accounts, long-lived asset impairment, unbilled electricity revenue, valuation of long-term energy contracts, the effects of regulation, long-lived asset recovery, storm costs, the effects of contingencies and certain assumptions made in accounting for pension and postretirement benefits. The estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could ultimately differ from those estimates.

### ***Cash and Cash Equivalents***

Cash and Cash Equivalents include temporary cash investments with original maturities of three months or less.

### ***AEP System Tax Allocation***

KPCo joins in the filing of a consolidated federal income tax return with its affiliates in the AEP System. Historically, the allocation of the AEP System's current consolidated federal income tax to the AEP System companies allocated the benefit of current tax loss of the parent company (Parent Company Loss Benefit) to the AEP System subsidiaries through a reduction of current tax expense. In the first quarter of 2022, AEP and subsidiaries changed accounting for the Parent Company Loss Benefit from a reduction of current tax expense to an allocation through equity. The impact of this change was immaterial to KPCo's financial statements. The consolidated net operating losses of the AEP System is allocated to each company in the consolidated group with taxable loss. With the exception of the allocation of the consolidated AEP System net operating losses, the loss of the Parent and tax credits, the method of allocation reflects a separate return result for each company in the consolidated group.

### ***Inventory***

Fossil fuel inventories and materials and supplies inventories are carried at average cost.

### ***Accounts Receivable***

Customer accounts receivable primarily include receivables from wholesale and retail energy customers, receivables from energy contract counterparties related to risk management activities and customer receivables primarily related to other revenue-generating activities.

Revenue is recognized from electric power sales when power is delivered to customers. To the extent that deliveries have occurred but a bill has not been issued, KPCo accrues and recognizes, as Accrued Unbilled Revenues on the balance sheets, an estimate of the revenues for energy delivered since the last billing.

### ***Allowance for Uncollectible Accounts***

Prior to the first quarter of 2022, KPCo sold, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit under an affiliated receivables sales arrangement. Under the arrangement, KPCo was charged a fee for each sale based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience from previous purchases of KPCo's customer accounts receivable. As a result, no allowance for uncollectible accounts was recognized within KPCo's financial statements for customer accounts receivable sold to AEP Credit, and any bad debt stemming from these receivables would be recognized by AEP Credit. KPCo terminated selling accounts receivable to AEP Credit in the first quarter of 2022, based on the pending sale to Liberty. As a result of the termination, in the first quarter of 2022, KPCo recorded an allowance for uncollectible accounts on its balance sheet for those receivables no longer sold to AEP Credit. KPCo's bad debt reserve is calculated based on a rolling two-year average write-off in proportion to gross accounts receivable.

***Concentrations of Credit Risk and Significant Customers***

KPCo had a significant customer which accounts for the following percentages of Total Revenues for the years ended December 31 and Accounts Receivable – Customers as of December 31:

<b>Significant Customer of KPCo: Marathon Petroleum Company</b>	<b>2022</b>	<b>2021</b>
Percentage of Total Revenues	14 %	12 %
Percentage of Accounts Receivable – Customers	14 %	45 %

Management monitors credit levels and the financial condition of KPCo’s customers on a continuous basis to minimize credit risk. The KPSC allows recovery in rates for a reasonable level of bad debt costs. Management believes adequate provision for credit loss has been made in the accompanying financial statements.

***Property, Plant and Equipment***

Electric utility property, plant and equipment are stated at original cost. Additions, major replacements and betterments are added to the plant accounts. Under the group composite method of depreciation, continuous interim routine replacements of items such as boiler tubes, pumps, motors, etc. result in original cost retirements, less salvage, being charged to accumulated depreciation. The group composite method of depreciation assumes that on average, asset components are retired at the end of their useful lives and thus there is no gain or loss. The equipment in each primary electric plant account is identified as a separate group. The depreciation rates that are established take into account the past history of interim capital replacements and the amount of removal cost incurred and salvage received. These rates and the related lives are subject to periodic review. Removal costs accrued are typically recorded as regulatory liabilities when the revenue received for removal costs accrued exceeds actual removal costs incurred. The asset removal costs liability is relieved as removal costs are incurred. A regulatory asset balance will occur if actual removal costs incurred exceed accumulated removal costs accrued.

The costs of labor, materials and overhead incurred to operate and maintain plant and equipment are included in operating expenses.

Long-lived assets are required to be tested for impairment when it is determined that the carrying value of the assets may no longer be recoverable or when the assets meet the held-for-sale criteria under the accounting guidance for “Impairment or Disposal of Long-Lived Assets.” When it becomes probable that an asset in-service or an asset under construction will be abandoned and regulatory cost recovery has been disallowed or is not probable, the cost of that asset shall be written down to its then current estimated fair value, with the change charged to expense, and the asset is removed from plant-in-service or CWIP.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, as opposed to a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and are used as the basis for the measurement, if available. In the absence of quoted prices for identical or similar assets in active markets, fair value is estimated using various internal and external valuation methods including cash flow analysis and appraisals.

***Allowance for Funds Used During Construction***

AFUDC represents the estimated cost of borrowed and equity funds used to finance construction projects that is capitalized and recovered through depreciation over the service life of regulated electric utility plant. KPCo records the equity component of AFUDC in Allowance for Equity Funds Used During Construction and the debt component of AFUDC as a reduction to Interest Expense.

### ***Asset Retirement Obligations (ARO)***

KPCo records ARO in accordance with the accounting guidance for “Asset Retirement and Environmental Obligations” for legal obligations for asbestos removal and for the retirement of certain ash disposal facilities. AROs are computed as the present value of the estimated costs associated with the future retirement of an asset and are recorded in the period in which the liability is incurred. Estimates of the timing and amounts of future cash outlays are based on projections of when and how the assets will be decommissioned, inflation, and discount rate, which may change significantly over time. The estimated costs are capitalized as part of the related long-lived asset and depreciated over the asset's useful life. KPCo has identified, but not recognized, ARO liabilities related to electric transmission and distribution assets as a result of certain easements on property on which assets are owned. Generally, such easements are perpetual and require only the retirement and removal of assets upon the cessation of the property's use. The retirement obligation is not estimable for such easements since KPCo plans to use their facilities indefinitely. The retirement obligation would only be recognized if and when the Registrants abandon or cease the use of specific easements, which is not expected.

### ***Valuation of Nonderivative Financial Instruments***

The book values of Cash and Cash Equivalents, Advances from Affiliates, Accounts Receivable and Accounts Payable approximate fair value because of the short-term maturity of these instruments.

### ***Fair Value Measurements of Assets and Liabilities***

The accounting guidance for “Fair Value Measurements and Disclosures” establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

For commercial activities, exchange-traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange-traded derivatives where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket-based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

AEP utilizes its trustee's external pricing service to estimate the fair value of the underlying investments held in the benefit plan trusts. AEP's investment managers review and validate the prices utilized by the trustee to determine fair value. AEP's management performs its own valuation testing to verify the fair values of the securities. AEP receives audit reports of the trustee's operating controls and valuation processes.

Assets in the benefits trusts are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and equity securities. They are valued based on observable inputs primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments. Investments classified as Other are valued using Net Asset Value as a practical expedient. Items classified as Other are primarily cash equivalent funds, common collective trusts, commingled funds, structured products, private equity, real estate, infrastructure and alternative credit investments. These investments do not have a readily determinable fair value or they contain redemption restrictions which may include the right to suspend redemptions under certain circumstances. Redemption restrictions may also prevent certain investments from being redeemed at the reporting date for the underlying value.

### ***Deferred Fuel Costs***

The cost of fuel and related emission allowances and emission control chemicals/consumables is charged to Fuel and Other Consumables Used for Electric Generation expense when the fuel is burned or the allowance or consumable is utilized. In regulated jurisdictions with an active FAC, fuel cost over-recoveries (the excess of fuel-related revenues over applicable fuel costs incurred) are generally deferred as current regulatory liabilities and under-recoveries (the excess of applicable fuel costs incurred over fuel-related revenues) are generally deferred as current regulatory assets. Fuel cost over-recovery and under-recovery balances are classified as noncurrent when there is an expectation that refunds or recoveries will extend beyond a one year period, based on a company's filing with a commission or a commission directive. These deferrals are amortized when refunded or when billed to customers in later months with the KPSC's review and approval. The amount of an over-recovery or under-recovery can also be affected by actions of the KPSC. On a routine basis, the KPSC reviews and/or audits KPCo's fuel procurement policies and practices, the fuel cost calculations and FAC deferrals. FAC deferrals are adjusted when costs are no longer probable of recovery or when refunds of fuel reserves are probable. Changes in fuel costs, including purchased power, are reflected in rates in a timely manner through the FAC. A portion of margins from off-system sales are given to customers through the FAC.

### ***Revenue Recognition***

#### ***Regulatory Accounting***

KPCo's financial statements reflect the actions of regulators that can result in the recognition of revenues and expenses in different time periods than enterprises that are not rate-regulated. Regulatory assets (deferred expenses or alternative revenues recognized in accordance with the guidance for "Regulated Operations") and regulatory liabilities (deferred revenue reductions or refunds) are recorded to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching revenue with its passage to customers in cost-based regulated rates.

When regulatory assets are probable of recovery through regulated rates, KPCo records them as assets on its balance sheets. Regulatory assets are reviewed for probability of recovery at each balance sheet date or whenever new events occur. Examples of new events include the issuance of a regulatory commission order or passage of new legislation. If it is determined that recovery of a regulatory asset is no longer probable, KPCo derecognizes that regulatory asset as a charge against income.

### *Electricity Supply and Delivery Activities*

KPCo recognizes revenues from customers for retail and wholesale electricity sales and electricity transmission and distribution delivery services. KPCo recognizes such revenues on the statements of income as the performance obligations of delivering energy to customers are satisfied. Recognized revenues include unbilled as well as-billed amounts. Wholesale transmission revenue is based on a FERC-approved formula rate filing made for each calendar year using estimated costs. Revenues initially recognized per the annual rate filing are compared to actual costs, resulting in the subsequent recognition of an over or under-recovered amount, with interest, that is refunded or recovered, respectively, in a future year's rates. The annual true-up meets the definition of alternative revenues in accordance with the accounting guidance for "Regulated Operations". An estimated annual true-up is recorded by KPCo in the fourth quarter of each calendar year and a final annual true-up is recognized by KPCo in the second quarter of each calendar year following the filing of the annual FERC report. Any portion of the true-up applicable to an affiliated company is recorded as Accounts Receivable - Affiliated Companies or Accounts Payable - Affiliated Companies on the balance sheets. Any portion of the true-ups applicable to third-parties is recorded as Regulatory Assets or Regulatory Liabilities on the balance sheets. See Note 16 - Revenue from Contracts with Customers for additional information.

### *Gross versus Net Presentation of Certain Electricity Supply and Delivery Activities*

The power produced at KPCo's generation plants is sold to PJM. KPCo also purchases power from PJM to supply power to its customers. Generally, these power sales and purchases are reported on a net basis in revenues on the statements of income. However, purchases of power in excess of sales to PJM, on an hourly net basis, used to serve retail load are recorded gross as Purchased Electricity for Resale on the statements of income.

Physical energy purchases arising from non-derivative contracts are accounted for on a gross basis in Purchased Electricity for Resale on the statements of income. Energy purchases arising from non-trading derivative contracts are recorded based on the transaction's facts and circumstances. Purchases under non-trading derivatives used to serve accrual based obligations are recorded in Purchased Electricity for Resale on the statements of income. All other non-trading derivative purchases are recorded net in revenues.

In general, KPCo records expenses when purchased electricity is received and when expenses are incurred, with the exception of certain power purchase contracts that are derivatives and accounted for using MTM accounting. KPCo defers the unrealized MTM amounts as regulatory assets (for losses) and regulatory liabilities (for gains).

### *Energy Marketing and Risk Management Activities*

KPCo engages in power marketing as a major power producer and participant in electricity markets. KPCo also engages in power, capacity, coal, natural gas and, to a lesser extent, heating oil, gasoline and other commodity risk management activities focused on markets where the AEP System owns assets and on adjacent markets. These activities include the purchase-and-sale of energy under forward contracts at fixed and variable prices. These contracts include physical transactions, exchange-traded futures, and to a lesser extent, OTC swaps and options. Certain energy marketing and risk management transactions are with RTOs.

KPCo recognizes revenues from marketing and risk management transactions that are not derivatives as the performance obligation of delivering the commodity is satisfied. Expenses from marketing and risk management transactions that are not derivatives are also recognized upon delivery of the commodity.

KPCo uses MTM accounting for marketing and risk management transactions that are derivatives unless the derivative is designated in a qualifying cash flow hedge relationship or elected normal under the normal purchase normal sale election. Unrealized MTM gains and losses are included on KPCo's balance sheets as Risk Management Assets or Liabilities, as appropriate, and on KPCo's statements of income in Total Revenues. Realized gains and losses on marketing and risk management transactions are included in revenues or expenses based on the transaction's facts and circumstances. However, in regulated jurisdictions subject to cost-based regulation, unrealized MTM amounts and some realized gains and losses are deferred as regulatory assets (for losses) and regulatory liabilities (for gains).

Certain qualifying marketing and risk management derivative transactions are designated as hedges of variability in future cash flows as a result of forecasted transactions (cash flow hedge). In the event KPCo designates a cash flow hedge, the cash flow hedge's gain or loss is initially recorded as a component of AOCI. When the forecasted transaction is realized and affects net income, KPCo subsequently reclassifies the gain or loss on the hedge from AOCI into revenues or expenses within the same financial statement line item as the forecasted transaction on the statements of income. See "Accounting for Cash Flow Hedging Strategies" section of Note 8.

### ***Maintenance***

Maintenance costs are expensed as incurred. If it becomes probable that KPCo will recover specifically-incurred costs through future rates, a regulatory asset is established to match the expensing of those maintenance costs with their recovery in cost-based regulated revenues.

### ***Income Taxes***

KPCo uses the liability method of accounting for income taxes. Under the liability method, deferred income taxes are provided for all temporary differences between the book and tax basis of assets and liabilities which will result in a future tax consequence. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

When the flow-through method of accounting for temporary differences is reflected in regulated revenues (that is, when deferred taxes are not included in the cost-of-service for determining regulated rates for electricity), deferred income taxes are recorded and related regulatory assets and liabilities are established to match the regulated revenues and tax expense.

KPCo accounts for uncertain tax positions in accordance with the accounting guidance for "Income Taxes." KPCo classifies interest expense or income related to uncertain tax positions as interest expense or income as appropriate and classifies penalties as Other Operation expense.

### ***Excise Taxes***

As an agent for some state and local governments, KPCo collects from customers certain excise taxes levied by those state or local governments on customers. KPCo does not recognize these taxes as revenue or expense.

### ***Debt***

Gains and losses from the reacquisition of debt used to finance regulated electric utility plants are deferred and amortized over the remaining term of the reacquired debt in accordance with their rate-making treatment unless the debt is refinanced. If the reacquired debt is refinanced, the reacquisition costs are generally deferred and amortized over the term of the replacement debt consistent with its recovery in rates.

Debt discount or premium and debt issuance expenses are deferred and amortized generally utilizing the straight-line method over the term of the related debt. The straight-line method approximates the effective interest method and is consistent with the treatment in rates for regulated operations. The net amortization expense is included in Interest Expense on the statements of income.

***Pension and OPEB Plans***

KPCo participates in an AEP sponsored qualified pension plan and two unfunded non-qualified pension plans. Substantially all of KPCo's employees are covered by the qualified plan or both the qualified and non-qualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees. KPCo accounts for its participation in the AEP sponsored pension and OPEB plans using multiple-employer accounting. See Note 7 - Benefit Plans for additional information including significant accounting policies associated with the plans.

***Investments Held in Trust for Future Liabilities***

AEP has several trust funds with significant investments intended to provide for future payments of pension and OPEB benefits. All of the trust funds' investments are diversified and managed in compliance with all laws and regulations. The investment strategy for the trust funds is to use a diversified portfolio of investments to achieve an acceptable rate of return while managing the investment risk of the assets relative to the associated liabilities. To minimize investment risk, the trust funds are broadly diversified among classes of assets, investment strategies and investment managers. Management regularly reviews the actual asset allocations and periodically rebalances the investments to targeted allocations when appropriate. Investment policies and guidelines allow investment managers in approved strategies to use financial derivatives to obtain or manage market exposures and to hedge assets and liabilities. The investments are reported at fair value under the "Fair Value Measurements and Disclosures" accounting guidance.

***Benefit Plans***

All benefit plan assets are invested in accordance with each plan's investment policy. The investment policy outlines the investment objectives, strategies and target asset allocations by plan.

The investment philosophies for AEP's benefit plans support the allocation of assets to minimize risks and optimize net returns. Strategies used include:

- Maintaining a long-term investment horizon.
- Diversifying assets to help control volatility of returns at acceptable levels.
- Managing fees, transaction costs and tax liabilities to maximize investment earnings.
- Using active management of investments where appropriate risk/return opportunities exist.
- Keeping portfolio structure style-neutral to limit volatility compared to applicable benchmarks.
- Using alternative asset classes such as real estate and private equity to maximize return and provide additional portfolio diversification.

The objective of the investment policy for the pension fund is to maintain the funded status of the plan while providing for growth in the plan assets to offset the growth in the plan liabilities. The current target asset allocations are as follows:

<b>Pension Plan Assets</b>	<b>Target</b>
Equity	30 %
Fixed Income	54 %
Other Investments	15 %
Cash and Cash Equivalents	1 %
<b>OPEB Plans Assets</b>	<b>Target</b>
Equity	59 %
Fixed Income	40 %
Cash and Cash Equivalents	1 %

The investment policy for each benefit plan contains various investment limitations. The investment policies establish concentration limits for securities and prohibit the purchase of securities issued by AEP (with the exception of proportionate and immaterial holdings of AEP securities in passive index strategies or certain commingled funds). However, the investment policies do not preclude the benefit trust funds from receiving contributions in the form of AEP securities, provided that the AEP securities acquired by each plan may not exceed the limitations imposed by law.

For equity investments, the concentration limits are generally as follows:

- No security in excess of 5% of all equities.
- Cash equivalents must be less than 10% of an investment manager's equity portfolio.
- No individual stock may be more than 10% and 7% for pension and OPEB investments, respectively, of each manager's equity portfolio.
- No securities may be bought or sold on margin or other use of leverage.

For fixed income investments, each investment manager's portfolio is compared to investment grade, diversified long and intermediate benchmark indices.

A portion of the pension assets is invested in real estate funds to provide diversification, add return and hedge against inflation. Real estate properties are illiquid, difficult to value and not actively traded. The pension plan uses external real estate investment managers to invest in commingled funds that hold real estate properties. To mitigate investment risk in the real estate portfolio, commingled real estate funds are used to ensure that holdings are diversified by region, property type and risk classification. Real estate holdings include core, value-added and opportunistic classifications.

A portion of the pension assets is invested in private equity. Private equity investments add return and provide diversification and typically require a long-term time horizon to evaluate investment performance. Private equity is classified as an alternative investment because it is illiquid, difficult to value and not actively traded. The pension plan uses limited partnerships to invest across the private equity investment spectrum. The private equity holdings are with multiple general partners who help monitor the investments and provide investment selection expertise. The holdings are currently comprised of venture capital, buyout and hybrid debt and equity investments.

AEP participates in a securities lending program with BNY Mellon to provide incremental income on idle assets and to provide income to offset custody fees and other administrative expenses. AEP lends securities to borrowers approved by BNY Mellon in exchange for collateral. All loans are collateralized by at least 102% of the loaned asset's market value and the collateral is invested. The difference between the rebate owed to the borrower and the collateral rate of return determines the earnings on the loaned security. The securities lending program's objective is to provide modest incremental income with a limited increase in risk. As of December 31, 2022 and 2021, the fair value of securities on loan as part of the program was \$83 million and \$137 million, respectively. Cash and securities obtained as collateral exceeded the fair value of the securities loaned as of December 31, 2022 and 2021.

Trust owned life insurance (TOLI) underwritten by The Prudential Insurance Company is held in the OPEB plan trusts. The strategy for holding life insurance contracts in the taxable Voluntary Employees' Beneficiary Association trust is to minimize taxes paid on the asset growth in the trust. Earnings on plan assets are tax-deferred within the TOLI contract and can be tax-free if held until claims are paid. Life insurance proceeds remain in the trust and are used to fund future retiree medical benefit liabilities. With consideration to other investments held in the trust, the cash value of the TOLI contracts is invested in two diversified funds. A portion is invested in a commingled fund with underlying investments in stocks that are actively traded on major international equity exchanges. The other portion of the TOLI cash value is invested in a diversified, commingled fixed income fund with underlying investments in government bonds, corporate bonds and asset-backed securities.



Cash and cash equivalents are held in each trust to provide liquidity and meet short-term cash needs. Cash equivalent funds are used to provide diversification and preserve principal. The underlying holdings in the cash funds are investment grade money market instruments including commercial paper, certificates of deposit, treasury bills and other types of investment grade short-term debt securities. The cash funds are valued each business day and provide daily liquidity.

### ***Comprehensive Income (Loss)***

Comprehensive income (loss) is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) has two components: net income (loss) and other comprehensive income (loss).

### ***Earnings Per Share (EPS)***

KPCo is a wholly-owned subsidiary of AEP. Therefore, KPCo is not required to report EPS.

### ***Supplementary Income Statement Information***

The following table provides the components of Depreciation and Amortization for the years ended December 31, 2022 and 2021:

<b>Depreciation and Amortization</b>	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Depreciation and Amortization of Property, Plant and Equipment	\$ 108,301	\$ 102,390
Amortization of Regulatory Assets and Liabilities	14,937	12,707
<b>Total Depreciation and Amortization</b>	<b>\$ 123,238</b>	<b>\$ 115,097</b>

### ***Disposition of KPCo and KTCo***

In October 2021, AEP entered into a Stock Purchase Agreement (SPA) to sell KPCo and KTCo to Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corp. (Liberty), for approximately a \$2.85 billion enterprise value. In May 2022, the KPSC approved the transfer of KPCo to Liberty subject to certain conditions contingent upon the closing of the sale. AEP has received clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR) and the Committee on Foreign Investment in the United States during 2022. Clearance under the HSR expired in January 2023. AEP and Liberty refiled a joint application seeking HSR clearance in February 2023. The sale is also contingent upon FERC approval under Section 203 of the Federal Power Act. The parties to the SPA have certain termination rights if the closing of the sale does not occur by April 26, 2023.

### ***Transfer of Ownership***

#### **FERC Proceedings**

In December 2021, Liberty, KPCo and KTCo (the applicants) requested FERC approval of the sale under Section 203 of the Federal Power Act. In February 2022, several intervenors in the case filed protests related to whether the sale will negatively impact the wholesale transmission rates of applicants. In April 2022, the FERC issued a deficiency letter stating that the Section 203 application is deficient and that additional information is required to process it. In May 2022, Liberty, KPCo and KTCo supplemented the application. In December 2022, the FERC issued an order denying, without prejudice, authorization of the proposed sale stating the applicants failed to demonstrate the proposed transaction will not have an adverse effect on rates.

In January 2023, AEP, AEPTCo, and Liberty entered into an amendment to the SPA that specified the applicants will submit a new filing for approval under Section 203 of the Federal Power Act. The new filing was submitted to the FERC on February 14, 2023. The applicants requested expedited treatment of the new filing, including an

accelerated comment period. In response, the FERC granted a shortened 45 day comment period. The applicants believe the new Section 203 application addresses the concerns raised in the FERC's December 2022 order. The application contains several additional commitments by Liberty to mitigate potential adverse impacts on FERC jurisdictional rates over the next five years, including: a) maintaining the current return on equity; b) maintaining the current cost cap on equity; c) financing future investments at the current credit rating; and d) capping certain operating and administrative costs. The sale remains subject to FERC approval. The statute requires an order from the FERC within 180 days of the February 14, 2023 filing date in accordance with Section 203 of the Federal Power Act.

### **KPSC Proceedings**

In May 2022, the KPSC approved the transfer of KPCo to Liberty subject to conditions contingent upon the closing of the sale, including establishment of regulatory liabilities to subsidize retail customer transmission and distribution expenses, a fuel adjustment clause bill credit, and a three-year Big Sandy decommissioning rider rate holiday during which KPCo's carrying charge is reduced by 50%.

### *Mitchell Plant Operations and Maintenance Agreement and Ownership Agreement*

KPCo and WPCo each own a 50% undivided interest in the 1,560 MW coal-fired Mitchell Plant. As of December 31, 2022 and 2021, the net book value of KPCo's share of the Mitchell Plant, before cost of removal including CWIP and inventory, was \$577 million and \$586 million, respectively. The SPA includes a condition precedent to closing requiring the issuance of regulatory orders approving new Mitchell Plant agreements.

The KPSC and WVPSC issued orders proposing materially different modifications to the Mitchell Plant agreements filed by AEP such that the new agreements could not be executed by the parties. In lieu of new agreements, in July 2022, KPCo and WPCo confirmed with the KPSC and WVPSC, respectively, that they will continue operating under the existing Mitchell Agreement, utilizing the Mitchell Agreement Operating Committee's authority under that agreement to issue appropriate resolutions so the parties can operate in accordance with each state commission's directives related to CCR and ELG investment. In September 2022, pursuant to resolutions under the existing Mitchell Plant agreement, WPCo replaced KPCo as the Operator of Mitchell Plant.

### *Summary*

Management believes it is probable that FERC authorization under Section 203 of the Federal Power Act will be received and closing will occur after receipt of the order with Liberty acquiring the assets and assuming the liabilities of KPCo and KTCo, excluding pension and other post-retirement benefit plan assets and liabilities. AEP expects to provide customary transition services to Liberty for a period of time after closing of the transaction.

In June 2022, KPCo entered into agreements to purchase assets under lease, terminating remaining lease obligations prior to the original maturity date. As a result of the early terminations, current obligations under operating and finance leases of \$1.9 million and \$583 thousand, respectively, and noncurrent obligations under operating and finance leases of \$7.2 million and \$1.4 million, respectively, were relieved from KPCo's balance sheet in the second quarter of 2022.

### *Subsequent Events*

Management reviewed subsequent events through February 23, 2023, the date that KPCo's 2022 annual report was available to be issued.

## **2. NEW ACCOUNTING STANDARDS**

During the FASB's standard-setting process and upon issuance of final standards, management reviews the new accounting literature to determine its relevance, if any, to KPCo's business. There are no new standards expected to have a material impact on KPCo's financial statements.

### 3. COMPREHENSIVE INCOME

#### *Presentation of Comprehensive Income*

The following tables provide the components of changes in AOCI and details of reclassifications from AOCI for the years ended December 31, 2022 and 2021. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 7 - Benefit Plans for additional details.

	<b>Pension and OPEB</b>		<b>Total</b>
	<b>Amortization of Deferred Costs</b>	<b>Changes in Funded Status</b>	
<b>For the Year Ended December 31, 2022</b>		<b>(in thousands)</b>	
<b>Balance in AOCI as of December 31, 2021</b>	\$ 2,890	\$ (1,141)	\$ 1,749
Change in Fair Value Recognized in AOCI, Net of Tax	—	—	—
Amount of (Gain) Loss Reclassified from AOCI			
Amortization of Prior Service Cost (Credit)	(119)	—	(119)
Amortization of Actuarial (Gains) Losses	19	—	19
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(100)	—	(100)
Income Tax (Expense) Benefit	(21)	—	(21)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(79)	—	(79)
Pension and OPEB Adjustment Related to Plant Transfers	—	(2,114)	(2,114)
Income Tax (Expense) Benefit	—	(444)	(444)
Pension and OPEB Adjustment Related to Plant Transfers, Net of Income Tax (Expense) Benefit	—	(1,670)	(1,670)
Net Current Period Other Comprehensive Income (Loss)	(79)	(1,670)	(1,749)
<b>Balance in AOCI as of December 31, 2022</b>	<b>\$ 2,811</b>	<b>\$ (2,811)</b>	<b>\$ —</b>

	<b>Pension and OPEB</b>		<b>Total</b>
	<b>Amortization of Deferred Costs</b>	<b>Changes in Funded Status</b>	
<b>For the Year Ended December 31, 2021</b>		<b>(in thousands)</b>	
<b>Balance in AOCI as of December 31, 2020</b>	\$ 3,027	\$ (2,149)	\$ 878
Change in Fair Value Recognized in AOCI, Net of Tax	—	1,008	1,008
Amount of (Gain) Loss Reclassified from AOCI			
Amortization of Prior Service Cost (Credit)	(235)	—	(235)
Amortization of Actuarial (Gains) Losses	62	—	62
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(173)	—	(173)
Income Tax (Expense) Benefit	(36)	—	(36)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(137)	—	(137)
Net Current Period Other Comprehensive Income (Loss)	(137)	1,008	871
<b>Balance in AOCI as of December 31, 2021</b>	<b>\$ 2,890</b>	<b>\$ (1,141)</b>	<b>\$ 1,749</b>

#### **4. RATE MATTERS**

KPCo is involved in rate and regulatory proceedings at the FERC and the KPSC. Rate matters can have a material impact on net income, cash flows and possibly financial condition. KPCo's recent significant rate orders and pending rate filings are addressed in this note.

##### ***CCR/ELG Compliance Plan Filings***

KPCo and WPCo each own a 50% interest in the Mitchell Plant. As of December 31, 2022, the net book value of KPCo's share of the Mitchell Plant, before cost of removal including CWIP and inventory, was \$577 million. In December 2020 and February 2021, WPCo and KPCo filed requests with the WVPSC and KPSC, respectively, to obtain the regulatory approvals necessary to implement CCR and ELG compliance plans and seek recovery of the estimated \$132 million investment for the Mitchell Plant that would allow the plant to continue operating beyond 2028. Within those requests, WPCo and KPCo also filed a \$25 million alternative to implement only the CCR-related investments with the WVPSC and KPSC, respectively, which would allow the Mitchell Plant to continue operating only through 2028.

In July 2021, the KPSC issued an order approving the CCR only alternative and rejecting the full CCR and ELG compliance plan. In May 2022, the KPSC approved recovery of the Kentucky jurisdictional share of ELG costs incurred at the Mitchell Plant prior to July 15, 2021.

In August 2021, the WVPSC approved the full CCR and ELG compliance plan for the WPCo share of the Mitchell Plant. In September 2021, WPCo submitted a filing with the WVPSC to reopen the CCR/ELG case that was approved by the WVPSC in August 2021. Due to the rejection by the KPSC of the KPCo share of the ELG investments, WPCo requested the WVPSC consider approving the construction and recovery of all ELG costs at the plant. In October 2021, the WVPSC affirmed its August 2021 order approving the construction of CCR/ELG investments and directed WPCo to proceed with CCR/ELG compliance plans that would allow the plant to continue operating beyond 2028. The WVPSC also ordered that WPCo will be given the opportunity to recover, from its customers, the ELG and new capital and operating costs arising solely from the WVPSC's directive to operate the plant beyond 2028 if the WVPSC finds that the costs are reasonably and prudently incurred. The WVPSC's order further states that unless KPCo pays for its share of costs for ELG improvements and costs necessary to continue operations beyond 2028, the benefit of the capacity and energy made possible by those improvements and operating Mitchell Plant beyond 2028 should benefit only West Virginia jurisdictional customers who have shared in paying for those costs.

##### ***Storm-Related Costs***

In June 2022, KPCo's service territory was impacted by strong winds from severe storms resulting in system damages and power outages. In July 2022, KPCo's service territory was impacted again by severe storms, which caused flash flooding, resulting in additional system damages and power outages. In August 2022, KPCo filed an application with the KPSC requesting deferral authority for \$18 million of incremental operation and maintenance costs related to these storms. In September 2022, the KPSC issued an order granting deferral authority. KPCo intends to seek recovery of the deferral in a future base rate case. If any of these incremental storm costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

##### ***Deferred Purchased Power Expenses***

In September 2022, the KPSC initiated a proceeding to investigate the appropriate amortization period and recovery mechanism for the deferral of Kentucky Deferred Purchased Power Expenses related to the Rockport Plant Unit Power Agreement, as well as KPCo's ability to use the level of non-fuel, non-environmental Rockport UPA expense included in base rates to earn its authorized ROE in 2023 since the KPCo UPA ended in December 2022. KPCo requested the KPSC approve the terms related to each of the foregoing items as reflected in the settlement agreement in the 2017 Kentucky Base Rate Case, including recovery of the Kentucky Deferred Purchased Power Expenses over five years through a rider beginning in December 2022. In December 2022, the KPSC approved

KPCo's request and recovery began through a rider, including recovery of an estimated allowed cost (Rockport Offset) of \$22.8 million in accordance with the terms of the settlement agreement in the 2017 Kentucky Base Rate Case permitting KPCo to use the level of non-fuel, non-environmental Rockport UPA expense included in base rates to earn its authorized ROE in 2023. This estimated Rockport Offset is subject to true-up based on KPCo's actual 2023 financial results and KPSC review in the first quarter of 2024. The actual Rockport Offset cannot exceed \$40.8 million. If the actual Rockport Offset is not recoverable, it could reduce future net income and cash flows and impact financial condition.

## 5. EFFECTS OF REGULATION

### Regulatory Assets and Liabilities

Regulatory assets and liabilities are comprised of the following items:

Regulatory Assets:	December 31,		Remaining Recovery Period
	2022	2021	
	(in thousands)		
<b>Current Regulatory Assets</b>			
Under-recovered Fuel Costs - does not earn a return	\$ 23,241	\$ 8,216	1 year
<b>Total Current Regulatory Assets</b>	<b>23,241</b>	<b>8,216</b>	
<b>Noncurrent Regulatory Assets</b>			
<b>Regulatory assets pending final regulatory approval:</b>			
<u>Regulatory Assets Currently Earning a Return</u>			
Kentucky Deferred Purchased Power Expenses	\$ —	\$ 47,528	
<b>Total Regulatory Assets Currently Earning a Return</b>	<b>—</b>	<b>47,528</b>	
<u>Regulatory Assets Currently Not Earning a Return</u>			
Storm Related Costs (a)	74,430	56,506	
Other Regulatory Assets Pending Final Regulatory Approval	1,699	893	
<b>Total Regulatory Assets Currently Not Earning a Return</b>	<b>76,129</b>	<b>57,399</b>	
<b>Total Regulatory Assets Pending Final Regulatory Approval</b>	<b>76,129</b>	<b>104,927</b>	
<b>Regulatory assets approved for recovery:</b>			
<u>Regulatory Assets Currently Earning a Return</u>			
Plant Retirement Costs	178,502	193,229	18 years
Plant Retirement Costs - Asset Retirement Obligation Costs	110,010	109,577	18 years
Kentucky Deferred Purchased Power Expenses	52,970	—	5 years
Plant Retirement Costs - Materials and Supplies	3,016	3,016	18 years
Other Regulatory Assets Approved for Recovery	931	928	various
<b>Total Regulatory Assets Currently Earning a Return</b>	<b>345,429</b>	<b>306,750</b>	
<u>Regulatory Assets Currently Not Earning a Return</u>			
Fuel and Purchased Power Rider	38,164	28,727	2 years
Pension and OPEB Funded Status	23,704	12,236	12 years
Plant Retirement Costs - Asset Retirement Obligation Costs	5,295	4,721	18 years
Environmental Costs	5,139	5,920	2 years
Postemployment Benefits	4,416	3,410	3 years
Storm Related Costs	100	2,167	1 year
Other Regulatory Assets Approved for Recovery	5,809	7,599	various
<b>Total Regulatory Assets Currently Not Earning a Return</b>	<b>82,627</b>	<b>64,780</b>	
<b>Total Regulatory Assets Approved for Recovery</b>	<b>428,056</b>	<b>371,530</b>	
<b>Total Noncurrent Regulatory Assets</b>	<b>\$ 504,185</b>	<b>\$ 476,457</b>	

(a) KPCo will seek recovery of these costs during the next base rate case.

Regulatory Liabilities:	December 31,		Remaining Refund Period
	2022	2021	
	(in thousands)		
<b>Noncurrent Regulatory Liabilities</b>			
<b>Regulatory liabilities pending final regulatory determination:</b>			
<u>Regulatory Liabilities Currently Paying a Return</u>			
Income Taxes, Net (a) (b)	\$ (32,843)	\$ —	
<b>Total Regulatory Liabilities Currently Paying a Return</b>	<u>(32,843)</u>	<u>—</u>	
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Other Regulatory Liabilities Pending Final Regulatory Determination	2,098	2,098	
<b>Total Regulatory Liabilities Currently Not Paying a Return</b>	<u>2,098</u>	<u>2,098</u>	
<b>Total Regulatory Liabilities Pending Final Regulatory Determination</b>	<u>(30,745)</u>	<u>2,098</u>	
<b>Regulatory liabilities approved for payment:</b>			
<u>Regulatory Liabilities Currently Paying a Return</u>			
Asset Removal Costs	74,393	57,793	(c)
Income Taxes, Net (a)	54,732	73,213	(d)
<b>Total Regulatory Liabilities Currently Paying a Return</b>	<u>129,125</u>	<u>131,006</u>	
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Unrealized Gain on Forward Commitments	3,982	3,199	2 years
Off-system Sales Margin Sharing	3,417	—	1 year
PJM Transmission Enhancement Refund	2,031	2,644	3 years
Other Regulatory Liabilities Approved for Payment	1,043	1,559	various
<b>Total Regulatory Liabilities Currently Not Paying a Return</b>	<u>10,473</u>	<u>7,402</u>	
<b>Total Regulatory Liabilities Approved for Payment</b>	<u>139,598</u>	<u>138,408</u>	
<b>Total Noncurrent Regulatory Liabilities</b>	<u>\$ 108,853</u>	<u>\$ 140,506</u>	

- (a) Predominately pays a return due to the inclusion of Excess ADIT in rate base.
- (b) Represents an income tax related regulatory asset, which is presented within net regulatory liabilities on the balance sheet.
- (c) Relieved as removal costs are incurred.
- (d) Refunded over the period for which the related deferred income tax reverse, which is generally based on the expected life for the underlying assets. Excess ADIT Associated with Certain Depreciable Property is refunded over the remaining depreciable life of the underlying assets. Excess ADIT that is Not Subject to Rate Normalization Requirements were \$40.7 million and \$81.4 million for the years ended December 31, 2022 and 2021, respectively. The remaining balance of Excess ADIT that is Not Subject to Rate Normalization Requirements as of December 31, 2022 is to be refunded over 6 years.



## 6. COMMITMENTS, GUARANTEES AND CONTINGENCIES

KPCo is subject to certain claims and legal actions arising in its ordinary course of business. In addition, KPCo's business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation against KPCo cannot be predicted. Management accrues contingent liabilities only when management concludes that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum possible loss exposure. Circumstances change over time and actual results may vary significantly from estimates.

For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements.

### COMMITMENTS

KPCo has substantial commitments to support its business. KPCo purchases fuel, energy and capacity contracts as part of its normal course of business. Certain contracts contain penalty provisions for early termination.

In accordance with the accounting guidance for "Commitments", the following table summarizes KPCo's actual contractual commitments as of December 31, 2022:

<b>Contractual Commitments</b>	<b>Less Than 1 Year</b>	<b>2-3 Years</b>	<b>4-5 Years</b>	<b>After 5 Years</b>	<b>Total</b>
			<b>(in thousands)</b>		
Fuel Purchase Contracts (a)	\$ 5,993	\$ 12,002	\$ 11,985	\$ 20,474	\$ 50,454
Energy and Capacity Purchase Contracts	—	1,577	—	—	1,577
<b>Total</b>	<u>\$ 5,993</u>	<u>\$ 13,579</u>	<u>\$ 11,985</u>	<u>\$ 20,474</u>	<u>\$ 52,031</u>

(a) Represents contractual commitments to purchase coal, natural gas and other consumables as fuel for electric generation along with related transportation of the fuel.

### GUARANTEES

Liabilities for guarantees are recorded in accordance with the accounting guidance for "Guarantees." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third-parties unless specified below.

#### *Indemnifications and Other Guarantees*

##### *Contracts*

KPCo enters into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of December 31, 2022, there were no material liabilities recorded for any indemnifications.

AEPSC conducts power purchase-and-sale activity on behalf of APCo, I&M, KPCo and WPCo, who are jointly and severally liable for activity conducted on their behalf.

## CONTINGENCIES

### *Insurance and Potential Losses*

KPCo maintains insurance coverage normal and customary for an electric utility, subject to various deductibles. KPCo also maintains property and casualty insurance that may cover certain physical damage or third-party injuries caused by cyber security incidents. Insurance coverage includes all risks of physical loss or damage to assets, subject to insurance policy conditions and exclusions. Covered property generally includes power plants, substations, facilities and inventories. Excluded property generally includes transmission and distribution lines, poles and towers. The insurance programs also generally provide coverage against loss arising from certain claims made by third-parties and are in excess of KPCo's retentions. Coverage is generally provided by a combination of the protected cell of EIS and/or various industry mutual and/or commercial insurance carriers.

Some potential losses or liabilities may not be insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities, including, but not limited to, liabilities relating to a cyber security incident. Future losses or liabilities, if they occur, which are not completely insured, unless recovered from customers, could reduce future net income and cash flows and impact financial condition.

### *The Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation*

By-products from the generation of electricity include materials such as ash, slag and sludge. Coal combustion by-products, which constitute the overwhelming percentage of these materials, are typically treated and deposited in captive disposal facilities or are beneficially utilized. In addition, the generation plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls and other hazardous and non-hazardous materials. KPCo currently incurs costs to dispose of these substances safely.

Superfund addresses clean-up of hazardous substances that are released to the environment. The Federal EPA administers the clean-up programs. Several states enacted similar laws. As of December 31, 2022, there is one site for which KPCo has received an information request which could lead to a Potentially Responsible Party designation. In the instance where KPCo has been named a defendant, disposal or recycling activities were in accordance with the then-applicable laws and regulations. Superfund does not recognize compliance as a defense, but imposes strict liability on parties who fall within its broad statutory categories. Liability has been resolved for a number of sites with no significant effect on net income.

Management evaluates the potential liability for each site separately, but several general statements can be made about potential future liability. Allegations that materials were disposed at a particular site are often unsubstantiated and the quantity of materials deposited at a site can be small and often non-hazardous. Although Superfund liability has been interpreted by the courts as joint and several, typically many parties are named for each site and several of the parties are financially sound enterprises. As of December 31, 2022, management's estimates do not anticipate material clean-up costs for the identified site.

***Claims Challenging Transition of American Electric Power System Retirement Plan to Cash Balance Formula***

Four participants in The American Electric Power System Retirement Plan (the Plan) filed a class action complaint in December 2021 in the U.S. District Court for the Southern District of Ohio against AEPSC and the Plan. When the Plan's benefit formula was changed in the year 2000, AEP provided a special provision for employees hired before January 1, 2001, allowing them to continue benefit accruals under the then benefit formula for a full 10 years alongside of the new cash balance benefit formula then being implemented. Employees who were hired on or after January 1, 2001 accrued benefits only under the new cash balance benefit formula. The plaintiffs assert a number of claims on behalf of themselves and the purported class, including that: (a) the Plan violates the requirements under the Employee Retirement Income Security Act (ERISA) intended to preclude back-loading the accrual of benefits to the end of a participant's career, (b) the Plan violates the age discrimination prohibitions of ERISA and the Age Discrimination in Employment Act and (c) AEP failed to provide required notice regarding the changes to the Plan. Among other relief, the Complaint seeks reformation of the Plan to provide additional benefits and the recovery of plan benefits for former employees under such reformed plan. The plaintiffs previously had submitted claims for additional plan benefits to AEP, which were denied. On February 15, 2022, AEPSC and the Plan filed a motion to dismiss the complaint for failure to state a claim. On August 16, 2022, the district court granted the motion to dismiss the complaint without prejudice. The plaintiffs filed a motion for leave to file an amended complaint, which the Court denied on December 1, 2022. The plaintiffs did not file an appeal by the deadline of January 3, 2023.

**7. BENEFIT PLANS**

For a discussion of investment strategy, investment limitations, target asset allocations and the classification of investments within the fair value hierarchy, see “Fair Value Measurements of Assets and Liabilities” and “Investments Held in Trust for Future Liabilities” sections of Note 1.

KPCo participates in an AEP sponsored qualified pension plan and two unfunded non-qualified pension plans. Substantially all of KPCo’s employees are covered by the qualified plan or both the qualified and non-qualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

KPCo recognizes its funded status associated with defined benefit pension and OPEB plans on its balance sheets. Disclosures about the plans are required by the “Compensation - Retirement Benefits” accounting guidance. KPCo recognizes an asset for a plan’s overfunded status or a liability for a plan’s underfunded status and recognizes, as a component of other comprehensive income, the changes in the funded status of the plan that arise during the year that are not recognized as a component of net periodic benefit cost. KPCo records a regulatory asset instead of other comprehensive income for qualifying benefit costs of regulated operations that for rate-making purposes are deferred for future recovery. The cumulative funded status adjustment is equal to the remaining unrecognized deferrals for unamortized actuarial losses or gains, prior service costs and transition obligations, such that remaining deferred costs result in an AOCI equity reduction or regulatory asset and deferred gains result in an AOCI equity addition or regulatory liability.

***Actuarial Assumptions for Benefit Obligations***

The weighted-average assumptions used in the measurement of benefit obligations are shown in the following table:

<u>Assumptions</u>	<u>Pension Plans</u>		<u>OPEB</u>	
	<u>December 31,</u>			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount Rate	5.50 %	2.90 %	5.50 %	2.90 %
Interest Crediting Rate	4.25 %	4.00 %	NA	NA
Rate of Compensation Increase	5.10 % (a)	4.90 % (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

A duration-based method is used to determine the discount rate for the plans. A hypothetical portfolio of high quality corporate bonds is constructed with cash flows matching the benefit plan liability. The composite yield on the hypothetical bond portfolio is used as the discount rate for the plan.

For 2022, the rate of compensation increase assumed varies with the age of the employee, ranging from 3% per year to 11.5% per year, with an average increase of 5.1%.

**Actuarial Assumptions for Net Periodic Benefit Costs**

The weighted-average assumptions used in the measurement of benefit costs are shown in the following table:

Assumptions	Pension Plans		OPEB	
	Year Ended December 31,			
	2022	2021	2022	2021
Discount Rate	2.90 %	2.50 %	2.90 %	2.55 %
Interest Crediting Rate	4.00 %	4.00 %	NA	NA
Expected Return on Plan Assets	5.25 %	4.75 %	5.50 %	4.75 %
Rate of Compensation Increase	4.90 % (a)	4.90 % (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

The expected return on plan assets was determined by evaluating historical returns, the current investment climate (yield on fixed income securities and other recent investment market indicators), rate of inflation, third-party forecasts and current prospects for economic growth.

The health care trend rate assumptions used for OPEB plans measurement purposes are shown below:

Health Care Trend Rates	December 31,	
	2022	2021
Initial	7.50 %	6.25 %
Ultimate	4.50 %	4.50 %
Year Ultimate Reached	2029	2029

**Significant Concentrations of Risk within Plan Assets**

In addition to establishing the target asset allocation of plan assets, the investment policy also places restrictions on securities to limit significant concentrations within plan assets. The investment policy establishes guidelines that govern maximum market exposure, security restrictions, prohibited asset classes, prohibited types of transactions, minimum credit quality, average portfolio credit quality, portfolio duration and concentration limits. The guidelines were established to mitigate the risk of loss due to significant concentrations in any investment. The plans are monitored to control security diversification and ensure compliance with the investment policy. As of December 31, 2022, the assets were invested in compliance with all investment limits. See "Investments Held in Trust for Future Liabilities" section of Note 1 for limit details.

**Benefit Plan Obligations, Plan Assets and Funded Status**

For the year ended December 31, 2022, the pension plans had an actuarial gain primarily due to an increase in the discount rate and was partially offset by increases in the assumed lump sum conversion rate and cash balance account interest crediting rate. For the year ended December 31, 2022, the OPEB plans had an actuarial gain primarily due to an increase in the discount rate and updated per capita cost assumptions. The OPEB plans gains were partially offset by a projected reduction in the Employer Group Waiver Program catastrophic reinsurance offset provided to AEP, resulting from the Inflation Reduction Act as well as an increase in the health care cost trend assumption. For the year ended December 31, 2021, the pension plans had an actuarial gain primarily due to an increase in the discount rate, partially offset by less favorable demographic experience than expected, resulting from the updated census information as of January 1, 2021. For the year ended December 31, 2021, the OPEB plans had an actuarial gain primarily due to an increase in the discount rate and an update of the projected reimbursements from the Employer Group Waiver Program under Medicare Part D. The following tables provide a reconciliation of the changes in the plans' benefit obligations, fair value of plan assets, funded status and the presentation on the balance sheets. The benefit obligation for the defined benefit pension and OPEB plans are the projected benefit obligation and the accumulated benefit obligation, respectively.

	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>			
<b>Change in Benefit Obligation</b>				
Benefit Obligation as of January 1,	\$ 184,199	\$ 198,433	\$ 36,932	\$ 45,058
Service Cost	2,739	3,477	172	283
Interest Cost	4,480	4,840	953	1,096
Actuarial Gain	(36,034)	(9,831)	(3,106)	(5,851)
Plan Amendments	—	—	—	(216)
Transfers	(57,450)	—	(7,548)	—
Benefit Payments	(11,079)	(12,720)	(5,520)	(5,156)
Participant Contributions	—	—	1,713	1,708
Medicare Subsidy	—	—	9	10
<b>Benefit Obligation as of December 31,</b>	<b>\$ 86,855</b>	<b>\$ 184,199</b>	<b>\$ 23,605</b>	<b>\$ 36,932</b>
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as of January 1,	\$ 203,932	\$ 208,552	\$ 77,433	\$ 75,920
Actual Gain (Loss) on Plan Assets	(31,289)	8,095	(13,714)	4,960
Transfers	(78,502)	—	—	—
Company Contributions	—	5	(15,776)	1
Participant Contributions	—	—	1,713	1,708
Benefit Payments	(11,079)	(12,720)	(5,520)	(5,156)
<b>Fair Value of Plan Assets as of December 31,</b>	<b>\$ 83,062</b>	<b>\$ 203,932</b>	<b>\$ 44,136</b>	<b>\$ 77,433</b>
<b>Funded (Underfunded) Status as of December 31,</b>	<b>\$ (3,793)</b>	<b>\$ 19,733</b>	<b>\$ 20,531</b>	<b>\$ 40,501</b>

**Amounts Recognized on the Balance Sheets**

	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>December 31,</b>			
	<b>(in thousands)</b>			
Employee Benefits and Pension Assets – Prepaid Benefit Costs	\$ —	\$ 19,832	\$ 20,531	\$ 40,501
Other Current Liabilities – Accrued Short-term Benefit Liability	(4)	(3)	—	—
Employee Benefits and Pension Obligations – Accrued Long-term Benefit Liability	(3,789)	(96)	—	—
<b>Funded (Underfunded) Status</b>	<b>\$ (3,793)</b>	<b>\$ 19,733</b>	<b>\$ 20,531</b>	<b>\$ 40,501</b>

**Amounts Included in Regulatory Assets, Deferred Income Taxes and AOCI**

The following tables show the components of the plans included in Regulatory Assets and the items attributable to the change in these components:

<b>Components</b>	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>December 31,</b>			
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>			
Net Actuarial (Gain) Loss	\$ 16,985	\$ 22,630	\$ 9,355	\$ (6,622)
Prior Service Credit	—	—	(2,637)	(5,987)
<b>Recorded as</b>				
Regulatory Assets	\$ 16,986	\$ 21,923	\$ 6,718	\$ (9,687)
Deferred Income Taxes	(1)	148	—	(614)
Net of Tax AOCI	—	559	—	(2,308)

<b>Components</b>	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>(in thousands)</b>		
Actuarial (Gain) Loss During the Year	\$ 3,370	\$ (9,345)	\$ 14,492	\$ (7,332)
Amortization of Actuarial Loss	(1,867)	(3,523)	—	—
Prior Service Credit	—	—	—	(216)
Amortization of Prior Service Credit	—	—	2,375	2,499
Transfers - Prior Service Cost	—	—	975	—
Transfers - (Gain)/loss	(7,148)	—	1,485	—
<b>Change for the Year Ended December 31,</b>	<b>\$ (5,645)</b>	<b>\$ (12,868)</b>	<b>\$ 19,327</b>	<b>\$ (5,049)</b>

**Determination of Pension Expense**

The determination of pension expense or income is based on a market-related valuation of assets which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return.

**Pension and OPEB Assets**

The fair value tables within Pension and OPEB Assets present the classification of assets for AEP within the fair value hierarchy. All Level 1, 2, 3 and Other amounts can be allocated to KPCo using the percentages below:

<b>Pension Plan</b>		<b>OPEB</b>	
<b>December 31,</b>			
<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
2.0 %	3.8 %	2.8 %	3.8 %

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2022:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
			(in millions)			
Equities (a):						
Domestic	\$ 347.6	\$ —	\$ —	\$ —	\$ 347.6	8.4 %
International	398.4	—	—	—	398.4	9.7 %
Common Collective Trusts (b)	—	—	—	379.9	379.9	9.2 %
Subtotal – Equities	746.0	—	—	379.9	1,125.9	27.3 %
Fixed Income (a):						
United States Government and Agency Securities	(0.6)	1,071.4	—	—	1,070.8	26.0 %
Corporate Debt	—	891.7	—	—	891.7	21.6 %
Foreign Debt	—	140.2	—	—	140.2	3.4 %
State and Local Government	—	37.0	—	—	37.0	0.9 %
Other – Asset Backed	—	0.8	—	—	0.8	— %
Subtotal – Fixed Income	(0.6)	2,141.1	—	—	2,140.5	51.9 %
Infrastructure (b)	—	—	—	109.2	109.2	2.6 %
Real Estate (b)	—	—	—	276.9	276.9	6.7 %
Alternative Investments (b)	—	—	—	319.7	319.7	7.8 %
Cash and Cash Equivalents (b)	—	64.9	—	58.3	123.2	3.0 %
Other – Pending Transactions and Accrued Income (c)	—	—	—	29.3	29.3	0.7 %
<b>Total</b>	<b>\$ 745.4</b>	<b>\$ 2,206.0</b>	<b>\$ —</b>	<b>\$ 1,173.3</b>	<b>\$ 4,124.7</b>	<b>100.0 %</b>

- (a) Includes investment securities loaned to borrowers under the securities lending program. See the “Investments Held in Trust for Future Liabilities” section of Note 1 for additional information.
- (b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.
- (c) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.



The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2022:

Asset Class	Level 1	Level 2	Level 3 (in millions)	Other	Total	Year End Allocation
Equities:						
Domestic	\$ 414.1	\$ —	\$ —	\$ —	\$ 414.1	26.7 %
International	265.0	—	—	—	265.0	17.1 %
Common Collective Trusts (a)	—	—	—	169.1	169.1	10.9 %
Subtotal – Equities	679.1	—	—	169.1	848.2	54.7 %
Fixed Income:						
Common Collective Trust Debt (a)	—	—	—	120.3	120.3	7.8 %
United States Government and Agency Securities	0.1	155.8	—	—	155.9	10.1 %
Corporate Debt	—	141.5	—	—	141.5	9.1 %
Foreign Debt	—	21.0	—	—	21.0	1.4 %
State and Local Government	62.9	7.8	—	—	70.7	4.6 %
Subtotal – Fixed Income	63.0	326.1	—	120.3	509.4	33.0 %
Trust Owned Life Insurance:						
International Equities	—	46.7	—	—	46.7	3.0 %
United States Bonds	—	110.3	—	—	110.3	7.1 %
Subtotal – Trust Owned Life Insurance	—	157.0	—	—	157.0	10.1 %
Cash and Cash Equivalents (a)	23.2	—	—	6.7	29.9	1.9 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	4.8	4.8	0.3 %
<b>Total</b>	<b>\$ 765.3</b>	<b>\$ 483.1</b>	<b>\$ —</b>	<b>\$ 300.9</b>	<b>\$ 1,549.3</b>	<b>100.0 %</b>

(a) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.

(b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2021:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities (a):						
Domestic	\$ 388.9	\$ —	\$ —	\$ —	\$ 388.9	7.2 %
International	465.7	—	—	—	465.7	8.7 %
Common Collective Trusts (b)	—	—	—	463.9	463.9	8.7 %
Subtotal – Equities	854.6	—	—	463.9	1,318.5	24.6 %
Fixed Income (a):						
United States Government and Agency Securities	0.1	1,557.6	—	—	1,557.7	29.1 %
Corporate Debt	—	1,295.9	—	—	1,295.9	24.2 %
Foreign Debt	—	259.4	—	—	259.4	4.8 %
State and Local Government	—	57.1	—	—	57.1	1.1 %
Other – Asset Backed	—	1.3	—	—	1.3	— %
Subtotal – Fixed Income	0.1	3,171.3	—	—	3,171.4	59.2 %
Infrastructure (b)	—	—	—	92.1	92.1	1.7 %
Real Estate (b)	—	—	—	232.6	232.6	4.4 %
Alternative Investments (b)	—	—	—	448.8	448.8	8.4 %
Cash and Cash Equivalents (b)	—	64.3	—	53.4	117.7	2.2 %
Other – Pending Transactions and Accrued Income (c)	—	—	—	(28.2)	(28.2)	(0.5)%
<b>Total</b>	<b>\$ 854.7</b>	<b>\$ 3,235.6</b>	<b>\$ —</b>	<b>\$ 1,262.6</b>	<b>\$ 5,352.9</b>	<b>100.0 %</b>

- (a) Includes investment securities loaned to borrowers under the securities lending program. See the “Investments Held in Trust for Future Liabilities” section of Note 1 for additional information.
- (b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.
- (c) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2021:

Asset Class	Level 1	Level 2	Level 3 (in millions)	Other	Total	Year End Allocation
Equities:						
Domestic	\$ 474.0	\$ —	\$ —	\$ —	\$ 474.0	23.2 %
International	296.3	—	—	—	296.3	14.5 %
Common Collective Trusts (a)	—	—	—	265.0	265.0	13.0 %
Subtotal – Equities	<u>770.3</u>	<u>—</u>	<u>—</u>	<u>265.0</u>	<u>1,035.3</u>	<u>50.7 %</u>
Fixed Income:						
Common Collective Trust – Debt (a)	—	—	—	167.7	167.7	8.2 %
United States Government and Agency Securities	—	222.4	—	—	222.4	10.9 %
Corporate Debt	—	233.2	—	—	233.2	11.4 %
Foreign Debt	—	39.8	—	—	39.8	2.0 %
State and Local Government	91.9	13.6	—	—	105.5	5.1 %
Subtotal – Fixed Income	<u>91.9</u>	<u>509.0</u>	<u>—</u>	<u>167.7</u>	<u>768.6</u>	<u>37.6 %</u>
Trust Owned Life Insurance:						
International Equities	—	23.4	—	—	23.4	1.1 %
United States Bonds	—	171.3	—	—	171.3	8.4 %
Subtotal – Trust Owned Life Insurance	<u>—</u>	<u>194.7</u>	<u>—</u>	<u>—</u>	<u>194.7</u>	<u>9.5 %</u>
Cash and Cash Equivalents (a)	33.0	—	—	6.7	39.7	1.9 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	6.0	6.0	0.3 %
<b>Total</b>	<u><u>\$ 895.2</u></u>	<u><u>\$ 703.7</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 445.4</u></u>	<u><u>\$ 2,044.3</u></u>	<u><u>100.0 %</u></u>

(a) Amounts in “Other” column represent investments for which fair value is measured using net asset value per-share.

(b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

**Accumulated Benefit Obligation**

The accumulated benefit obligation for the pension plans is as follows:

	December 31,	
	2022	2021
	(in thousands)	
Qualified Pension Plan	\$ 84,724	\$ 177,132
Nonqualified Pension Plan	49	34
<b>Total Accumulated Benefit Obligation</b>	<u><u>\$ 84,773</u></u>	<u><u>\$ 177,166</u></u>

***Obligations in Excess of Fair Values***

The tables below show the underfunded pension plans that had obligations in excess of plan assets.

*Projected Benefit Obligation*

	<b>Underfunded Pension Plans</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Projected Benefit Obligation	\$ 86,855	\$ 98
Fair Value of Plan Assets	83,062	—
<b>Underfunded Projected Benefit Obligation</b>	<b>\$ (3,793)</b>	<b>\$ (98)</b>

*Accumulated Benefit Obligation*

	<b>Underfunded Pension Plans</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Accumulated Benefit Obligation	\$ 84,773	\$ 34
Fair Value of Plan Assets	83,062	—
<b>Underfunded Accumulated Benefit Obligation</b>	<b>\$ (1,711)</b>	<b>\$ (34)</b>

***Estimated Future Benefit Payments and Contributions***

KPCo expects contributions and payments for the Pension and OPEB plans of \$4 thousand and \$53 thousand, respectively, during 2023. The estimated contributions to the pension trust are at least the minimum amount required by the Employee Retirement Income Security Act and additional discretionary contributions may also be made to maintain the funded status of the plan.

The table below reflects the total benefits expected to be paid from the plan or from KPCo's assets. The payments include the participants' contributions to the plan for their share of the cost. Future benefit payments are dependent on the number of employees retiring, whether the retiring employees elect to receive pension benefits as annuities or as lump sum distributions, future integration of the benefit plans with changes to Medicare and other legislation, future levels of interest rates and variances in actuarial results. The estimated payments for pension benefits and OPEB are as follows:

	<b>Estimated Payments</b>	
	<b>Pension Plans</b>	<b>OPEB</b>
	<b>(in thousands)</b>	
2023	\$ 7,342	\$ 3,690
2024	7,781	3,534
2025	7,766	3,708
2026	7,554	3,692
2027	7,874	3,586
Years 2028 to 2032, in Total	36,110	16,525

**Components of Net Periodic Benefit Cost**

The following table provides the components of net periodic benefit cost (credit):

	<b>Pension Plans</b>		<b>OPEB</b>	
	<b>Years Ended December 31,</b>			
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>			
Service Cost	\$ 2,739	\$ 3,477	\$ 172	\$ 283
Interest Cost	4,480	4,840	953	1,096
Expected Return on Plan Assets	(8,116)	(8,583)	(3,885)	(3,479)
Amortization of Prior Service Credit	—	—	(2,375)	(2,499)
Amortization of Net Actuarial Loss	1,867	3,523	—	—
<b>Net Periodic Benefit Cost (Credit)</b>	<u>970</u>	<u>3,257</u>	<u>(5,135)</u>	<u>(4,599)</u>
Capitalized Portion	(1,287)	(1,582)	(81)	(129)
<b>Net Periodic Benefit Cost (Credit) Recognized in Expense</b>	<u>\$ (317)</u>	<u>\$ 1,675</u>	<u>\$ (5,216)</u>	<u>\$ (4,728)</u>

**American Electric Power System Retirement Savings Plan**

KPCo participates in an AEP sponsored defined contribution retirement savings plan, the American Electric Power System Retirement Savings Plan, for substantially all employees. This qualified plan offers participants an opportunity to contribute a portion of their pay, includes features under Section 401(k) of the Internal Revenue Code and provides for matching contributions. The matching contributions to the plan are 100% of the first 1% of eligible employee contributions and 70% of the next 5% of contributions. The cost for matching contributions totaled \$2.0 million in 2022 and \$2.3 million in 2021.

## 8. DERIVATIVES AND HEDGING

### OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS

AEpsc is agent for and transacts on behalf of KPCo.

KPCo is exposed to certain market risks as a major power producer and participant in the electricity, natural gas, coal and emission allowance markets. These risks include commodity price risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact KPCo due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

### STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES

#### *Risk Management Strategies*

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, KPCo primarily employs risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for “Derivatives and Hedging.” Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

KPCo utilizes power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. KPCo utilizes interest rate derivative contracts in order to manage the interest rate exposure associated with its commodity portfolio. For disclosure purposes, such risks are grouped as “Commodity,” as these risks are related to energy risk management activities. KPCo may also utilize derivative contracts to manage interest rate risk associated with debt financing. For disclosure purposes, these risks are grouped as “Interest Rate.” The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with the established risk management policies as approved by the Finance Committee of the Board of Directors.

The following table represents the gross notional volume of KPCo’s outstanding derivative contracts:

Primary Risk Exposure	December 31,		Unit of Measure
	2022	2021	
	(in thousands)		
Commodity:			
Power	3,450	6,927	MWhs
Heating Oil and Gasoline	—	305	Gallons

### ***Cash Flow Hedging Strategies***

KPCo utilizes cash flow hedges on certain derivative transactions for the purchase and sale of power (“Commodity”) in order to manage the variable price risk related to forecasted purchases and sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. KPCo does not hedge all commodity price risk.

KPCo may utilize a variety of interest rate derivative transactions in order to manage interest rate risk exposure. KPCo may also utilize interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. KPCo does not hedge all interest rate exposure.

### **ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON KPCo’s FINANCIAL STATEMENTS**

The accounting guidance for “Derivatives and Hedging” requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes and assumptions. In order to determine the relevant fair values of the derivative instruments, KPCo applies valuation adjustments for discounting, liquidity and credit quality.

Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract’s term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management’s estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for “Derivatives and Hedging,” KPCo reflects the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, KPCo is required to post or receive cash collateral based on third-party contractual agreements and risk profiles. The amount of cash collateral from third-parties netted against short-term and long-term risk management assets and the amount of cash collateral paid to third-parties netted against short-term and long-term risk management liabilities were immaterial for KPCo as of December 31, 2022 and 2021.

The following tables represent the gross fair value of KPCo's derivative activity on the balance sheets. Unless shown as a separate line on the balance sheets due to materiality, Current Risk Management Assets are included in Prepayments and Other Current Assets, Long-term Risk Management Assets are included in Deferred Charges and Other Noncurrent Assets, Current Risk Management Liabilities are included in Other Current Liabilities and Long-term Risk Management Liabilities are included in Deferred Credits and Other Noncurrent Liabilities on the balance sheets.

Balance Sheet Location	December 31, 2022		
	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
	(in thousands)		
Current Risk Management Assets	\$ 8,607	\$ (144)	\$ 8,463
Long-term Risk Management Assets	137	(137)	—
<b>Total Assets</b>	<b>8,744</b>	<b>(281)</b>	<b>8,463</b>
Current Risk Management Liabilities	144	(144)	—
Long-term Risk Management Liabilities	137	(137)	—
<b>Total Liabilities</b>	<b>281</b>	<b>(281)</b>	<b>—</b>
<b>Total MTM Derivative Contract Net Assets</b>	<b>\$ 8,463</b>	<b>\$ —</b>	<b>\$ 8,463</b>

Balance Sheet Location	December 31, 2021		
	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
	(in thousands)		
Current Risk Management Assets	\$ 7,488	\$ (1,502)	\$ 5,986
Long-term Risk Management Assets	46	(46)	—
<b>Total Assets</b>	<b>7,534</b>	<b>(1,548)</b>	<b>5,986</b>
Current Risk Management Liabilities	1,458	(1,407)	51
Long-term Risk Management Liabilities	46	(46)	—
<b>Total Liabilities</b>	<b>1,504</b>	<b>(1,453)</b>	<b>51</b>
<b>Total MTM Derivative Contract Net Assets (Liabilities)</b>	<b>\$ 6,030</b>	<b>\$ (95)</b>	<b>\$ 5,935</b>

- (a) Derivative instruments within this category are disclosed as gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging."
- (b) Amounts include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for "Derivatives and Hedging."
- (c) All derivative contracts subject to a master netting arrangement or similar agreement are offset in the statement of financial position.

The table below presents KPCo's activity of derivative risk management contracts:

**Amount of Gain (Loss) Recognized on Risk Management Contracts**

Location of Gain (Loss)	Years Ended December 31,	
	2022	2021
(in thousands)		
Electric Generation, Transmission and Distribution Revenues	\$ 8	\$ (12)
Purchased Electricity for Resale	228	118
Other Operation	148	90
Maintenance	263	116
Regulatory Assets (a)	(25)	(1,077)
Regulatory Liabilities (a)	16,998	11,192
<b>Total Gain on Risk Management Contracts</b>	<b>\$ 17,620</b>	<b>\$ 10,427</b>

- (a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment recorded as either current or noncurrent on the balance sheets.



Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for “Derivatives and Hedging.” Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on KPCo’s statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on KPCo’s statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same line item on the statements of income as that of the associated risk being hedged. However, unrealized and some realized gains and losses for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains), in accordance with the accounting guidance for “Regulated Operations.”

### ***Accounting for Cash Flow Hedging Strategies***

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), KPCo initially reports the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income (Loss) on the balance sheets until the period the hedged item affects Net Income.

Realized gains and losses on derivative contracts for the purchase and sale of power designated as cash flow hedges are included in Total Revenues or Purchased Electricity for Resale on KPCo’s statements of income, or in Regulatory Assets or Regulatory Liabilities on KPCo’s balance sheets, depending on the specific nature of the risk being hedged. During the years ended 2022 and 2021, KPCo did not apply cash flow hedging to outstanding power derivatives.

KPCo reclassifies gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income (Loss) on its balance sheets into Interest Expense on its statements of income in those periods in which hedged interest payments occur. During the years ended 2022 and 2021, KPCo did not apply cash flow hedging to outstanding interest rate derivatives.

There was no impact of cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on KPCo’s balance sheets as of December 31, 2022 and 2021.

The actual amounts that KPCo reclassifies from Accumulated Other Comprehensive Income (Loss) to Net Income can differ due to market price changes. As of December 31, 2022, KPCo is not hedging (with contracts subject to the accounting guidance for “Derivatives and Hedging”) its exposure to variability in future cash flows related to forecasted transactions.

### ***Credit Risk***

Management mitigates credit risk in KPCo’s wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses credit agency ratings and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

Master agreements are typically used to facilitate the netting of cash flows associated with a single counterparty, and may include collateral requirements. Collateral requirements in the form of cash, letters of credit, surety bonds, and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. Some master agreements include margining, which requires a counterparty to post cash or letters of credit in the event exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP's credit policy. In addition, master agreements allow for termination and liquidation of all positions in the event of a default including failure or inability to post collateral when required.

### ***Collateral Triggering Events***

#### *Credit Downgrade Triggers*

A limited number of derivative contracts include collateral triggering events, which include a requirement to maintain certain credit ratings. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these collateral triggering events in contracts. KPCo has not experienced a downgrade below a specified credit rating threshold that would require the posting of additional collateral. As of December 31, 2022 and 2021, KPCo did not have derivative contracts with collateral triggering events in a net liability position.

#### *Cross-Acceleration Triggers*

Certain interest rate derivative contracts contain cross-acceleration provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-acceleration provisions could be triggered if there was a non-performance event by KPCo under any of their outstanding debt of at least \$50 million and the lender on that debt has accelerated the entire repayment obligation. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-acceleration provisions in contracts. KPCo had no derivative contracts with cross-acceleration provisions in a net liability position as of December 31, 2022 and 2021, respectively. There was no cash collateral posted as of December 31, 2022 and 2021. If a cross-acceleration provision would have been triggered, settlement at fair value would have been required. KPCo had no derivative contracts with cross-acceleration provisions outstanding as of December 31, 2022 and 2021.

#### *Cross-Default Triggers*

In addition, a majority of KPCo's non-exchange-traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third-party obligation that is \$50 million or greater. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-default provisions in the contracts. KPCo's derivative contracts with cross-default provisions outstanding as of December 31, 2022 and 2021 were not material. There was no cash collateral posted as of December 31, 2022 and 2021, respectively. If a cross-default provision would have been triggered, settlement at fair value would have been required.

**9. FAIR VALUE MEASUREMENTS**

*Fair Value Measurements of Long-term Debt*

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of KPCo’s Long-term Debt are summarized in the following table:

	<b>December 31,</b>			
	<b>2022</b>		<b>2021</b>	
	<u><b>Book Value</b></u>	<u><b>Fair Value</b></u>	<u><b>Book Value</b></u>	<u><b>Fair Value</b></u>
	<b>(in thousands)</b>			
Long-term Debt	\$ 1,178,448	\$ 1,148,769	\$ 1,103,105	\$ 1,224,664

**Fair Value Measurements of Financial Assets and Liabilities**

For a discussion of fair value accounting and the classification of assets and liabilities within the fair value hierarchy, see the “Fair Value Measurements of Assets and Liabilities” section of Note 1.

The following tables set forth, by level within the fair value hierarchy, KPCo’s financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for “Fair Value Measurements and Disclosures,” financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management’s valuation techniques.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis  
December 31, 2022**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Risk Management Assets</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 137	\$ 8,607	\$ (281)	\$ 8,463
<b>Liabilities:</b>					
<b>Risk Management Liabilities</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 137	\$ 144	\$ (281)	\$ —

**Assets and Liabilities Measured at Fair Value on a Recurring Basis  
December 31, 2021**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Risk Management Assets</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 1,096	\$ 6,439	\$ (1,549)	\$ 5,986
<b>Liabilities:</b>					
<b>Risk Management Liabilities</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 937	\$ 568	\$ (1,454)	\$ 51

(a) Amounts in “Other” column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for “Derivatives and Hedging.”

(b) Substantially comprised of power contracts.

The following tables set forth a reconciliation of changes in the fair value of net trading derivatives classified as Level 3 in the fair value hierarchy:

<b>Year Ended December 31, 2022</b>	<b>Net Risk Management Assets (Liabilities) (in thousands)</b>
<b>Balance as of December 31, 2021</b>	\$ 5,871
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	2,801
Settlements	(8,672)
Changes in Fair Value Allocated to Regulated Jurisdictions (d)	8,463
<b>Balance as of December 31, 2022</b>	<b>\$ 8,463</b>

<b>Year Ended December 31, 2021</b>	<b>Net Risk Management Assets (Liabilities) (in thousands)</b>
<b>Balance as of December 31, 2020</b>	\$ 3,025
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	1,858
Settlements	(4,950)
Transfers out of Level 3 (c)	8
Changes in Fair Value Allocated to Regulated Jurisdictions (d)	5,930
<b>Balance as of December 31, 2021</b>	<b>\$ 5,871</b>

- (a) Included in revenues on KPCo's statements of income.
- (b) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.
- (c) Transfers are recognized based on their value at the beginning of the period that the transfer occurred.
- (d) Relates to the net gains (losses) of those contracts that are not reflected on KPCo's statements of income. These changes in fair value are recorded as regulatory liabilities for net gains and as regulatory assets for net losses.

The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions as of December 31, 2022 and 2021:

**Significant Unobservable Inputs  
December 31, 2022**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		
	Assets	Liabilities			Low	High	Weighted Average (b)
	(in thousands)						
FTRs	\$ 8,607	\$ 144	Discounted Cash Flow	Forward Market Price	\$ (3.10)	\$ 18.79	\$ 2.48

**Significant Unobservable Inputs  
December 31, 2021**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		
	Assets	Liabilities			Low	High	Weighted Average (b)
	(in thousands)						
Energy Contracts	\$ —	\$ 51	Discounted Cash Flow	Forward Market Price	\$ 32.20	\$ 56.54	\$ 44.77
FTRs	6,439	517	Discounted Cash Flow	Forward Market Price	(1.44)	22.19	1.74
<b>Total</b>	<b>\$ 6,439</b>	<b>\$ 568</b>					

(a) Represents market prices in dollars per MWh.

(b) The weighted-average is the product of the forward market price of the underlying commodity and volume weighted by term.

The following table provides the measurement uncertainty of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs as of December 31, 2022 and 2021:

**Uncertainty of Fair Value Measurements**

Significant Unobservable Input	Position	Change in Input	Impact on Fair Value Measurement
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

## 10. INCOME TAXES

### *Income Tax Benefit*

The details of KPSC's Income Tax Benefit are as follows:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
<b>Federal:</b>		
Current	\$ 74	\$ (2,970)
Deferred	(30,347)	(20,143)
<b>Total Federal</b>	<u>(30,273)</u>	<u>(23,113)</u>
<b>State and Local:</b>		
Current	691	—
Deferred	(1,446)	(4,366)
<b>Total State and Local</b>	<u>(755)</u>	<u>(4,366)</u>
<b>Income Tax Benefit</b>	<u>\$ (31,028)</u>	<u>\$ (27,479)</u>

The following is a reconciliation between the federal income taxes computed by multiplying pretax income by the federal statutory tax rate and the income taxes reported:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Net Income	\$ 47,552	\$ 50,150
Income Tax Benefit	(31,028)	(27,479)
<b>Pretax Income</b>	<u>\$ 16,524</u>	<u>\$ 22,671</u>
Income Taxes on Pretax Income at Statutory Rate (21%)	\$ 3,470	\$ 4,761
Increase (Decrease) in Income Taxes Resulting from the Following Items:		
Reversal of Origination Flow-Through	1,475	1,891
State and Local Income Taxes, Net	(594)	(3,449)
Removal Costs	(2,660)	(2,154)
Tax Adjustments (a)	—	3,098
Tax Reform Excess ADIT Reversal (b)	(32,452)	(31,174)
Other	(267)	(452)
<b>Income Tax Benefit</b>	<u>\$ (31,028)</u>	<u>\$ (27,479)</u>
<b>Effective Income Tax Rate</b>	(187.8)%	(121.2)%

- (a) Represents the correction of an adjustment related to Deferred Income Taxes and Income Tax Benefit. Management concluded the misstatement and subsequent correction was not material to prior or current period financial statements.
- (b) In January 2021, as part of the 2020 Kentucky Base Rate Case, the KPSC issued an order that shortened the previously authorized refund period for Excess ADIT that is not subject to normalization requirements from 18 years to 3 years.

***Net Deferred Tax Liability***

The following table shows elements of KPCo's net deferred tax liability and significant temporary differences:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Deferred Tax Assets	\$ 86,163	\$ 94,062
Deferred Tax Liabilities	(542,380)	(531,214)
<b>Net Deferred Tax Liabilities</b>	<b><u>\$ (456,217)</u></b>	<b><u>\$ (437,152)</u></b>
Property Related Temporary Differences	\$ (304,463)	\$ (310,721)
Amounts Due to Customers for Future Income Taxes	39,613	51,754
Deferred State Income Taxes	(96,837)	(92,617)
Regulatory Assets	(109,919)	(101,155)
Net Operating Loss Carryforward	11,671	17,475
All Other, Net	3,718	(1,888)
<b>Net Deferred Tax Liabilities</b>	<b><u>\$ (456,217)</u></b>	<b><u>\$ (437,152)</u></b>

***Federal Income Tax Audit Status***

The statute of limitations for the IRS to examine KPCo and other AEP subsidiaries originally filed federal return has expired for tax years 2016 and earlier. AEP has agreed to extend the statute of limitations on the 2017 and 2018 tax returns to December 31, 2023, to allow time for the current IRS audit to be completed including a refund claim approval by the Congressional Joint Committee on Taxation. The statute of limitations for the 2019 return is set to naturally expire in 2023 as well.

The current IRS audit and associated refund claim evolved from a net operating loss carryback to 2015 that originated in the 2017 return. AEP has received and agreed to two IRS proposed adjustments on the 2017 tax return, which were immaterial. The exam is nearly complete and AEP is currently working with the IRS to submit the refund claim to the Congressional Joint Committee on Taxation for resolution and final approval.

***Net Income Tax Operating Loss Carryforward***

KPCo has state net income tax operating loss carryforwards of \$222 million in 2022. As a result, KPCo recognized deferred state income tax benefits in 2022 of \$11 million. This is consistent with the net operating loss carryforwards and deferred state income tax benefits recognized in 2021. Management anticipates future taxable income will be sufficient to realize the state net income tax operating loss tax benefits before the state carryforward begins expiring in 2035.



**11. LEASES**

KPCo leases property, plant and equipment including, but not limited to, fleet, information technology and real estate leases. These leases require payments of non-lease components, including related property taxes, operating and maintenance costs. KPCo does not separate non-lease components from associated lease components. Many of these leases have purchase or renewal options. Leases not renewed are often replaced by other leases. Options to renew or purchase a lease are included in the measurement of lease assets and liabilities if it is reasonably certain that KPCo will exercise the option.

Lease obligations are measured using the discount rate implicit in the lease when that rate is readily determinable. KPCo has visibility into the rate implicit in the lease when assets are leased from selected financial institutions under master leasing agreements. When the implicit rate is not readily determinable, KPCo measures its lease obligation using its estimated secured incremental borrowing rate. Incremental borrowing rates are comprised of an underlying risk-free rate and a secured credit spread relative to the lessee on a matched maturity basis.

Operating lease rentals and finance lease amortization costs are generally charged to Other Operation and Maintenance expense in accordance with rate-making treatment for regulated operations. Interest on finance lease liabilities is generally charged to Interest Expense. Lease costs associated with capital projects are included in Property, Plant and Equipment on the balance sheets. For regulated operations with finance leases, a finance lease asset and offsetting liability are recorded at the present value of the remaining lease payments for each reporting period. Finance leases for nonregulated property are accounted for as if the assets were owned and financed. The components of rental costs were as follows:

Lease Rental Costs	Years Ended December 31,	
	2022	2021
	(in thousands)	
Operating Lease Cost	\$ 14,058	\$ 3,100
Finance Lease Cost:		
Amortization of Finance Leases	2,735	920
Interest on Finance Leases	63	125
<b>Total Lease Rental Costs (a)</b>	<b>\$ 16,856</b>	<b>\$ 4,145</b>

(a) Excludes variable and short-term lease costs, which were immaterial.

Supplemental information related to leases are shown in the tables below.

Lease Type	Weighted-Average Remaining Lease Term (years):		Weighted-Average Discount Rate	
	December 31,			
	2022	2021	2022	2021
Operating Leases	5.92	6.05	2.95 %	3.33 %
Finance Leases	4.73	4.68	4.41 %	4.00 %



Future minimum lease payments consisted of the following as of December 31, 2022:

<u>Future Minimum Lease Payments</u>	<u>Finance Leases</u>	<u>Operating Leases</u>
	(in thousands)	
2023	\$ 95	\$ 154
2024	88	136
2025	85	81
2026	71	64
2027	54	46
After 2027	18	198
<b>Total Future Minimum Lease Payments</b>	<u>411</u>	<u>679</u>
Less: Imputed Interest	42	101
<b>Estimated Present Value of Future Minimum Lease Payments</b>	<u>\$ 369</u>	<u>\$ 578</u>

***Lessor Activity***

KPCo's lessor activity was immaterial as of and for the twelve months ended December 31, 2022 and December 31, 2021, respectively.

## 12. FINANCING ACTIVITIES

### Long-term Debt

The following table details long-term debt outstanding:

Type of Debt	Maturity	Weighted-Average Interest Rate as of December 31, 2022	Interest Rate Ranges as of December 31,		Outstanding as of December 31,	
			2022	2021	2022	2021
(in thousands)						
Senior Unsecured Notes	2024-2047	4.54%	3.13%-8.13%	3.13%-8.13%	\$ 688,626	\$ 688,400
Pollution Control Bonds	2023 (a)	2.35%	2.35%	2.35%	64,896	64,823
Other Long-term Debt	2022-2023	5.26%	5.03%-5.55%	0.76%-1.61%	424,926	349,882
<b>Total Long-term Debt Outstanding</b>					<u>\$ 1,178,448</u>	<u>\$ 1,103,105</u>

(a) KPCo's Pollution Control Bond is subject to redemption earlier than the maturity date.

As of December 31, 2022, outstanding long-term debt was payable as follows:

	2023	2024	2025	2026	2027	After 2027	Total
(in thousands)							
Principal Amount	\$ 490,000	\$ 65,000	\$ —	\$ 200,000	\$ 40,000	\$ 385,000	\$1,180,000
Debt Issuance Costs							(1,552)
<b>Total Long-term Debt Outstanding</b>							<u>\$1,178,448</u>

### Dividend Restrictions

KPCo pays dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of KPCo to transfer funds to Parent in the form of dividends.

All of the dividends declared by KPCo are subject to a Federal Power Act requirement that prohibits the payment of dividends out of capital accounts in certain circumstances; payment of dividends is generally allowed out of retained earnings.

KPCo has credit agreements that contain a covenant that limit its debt to capitalization ratio to 67.5%. As of December 31, 2022, KPCo did not exceed its debt to capitalization limit. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.

The most restrictive dividend limitation for KPCo is through the Federal Power Act. As of December 31, 2022, the maximum amount of restricted net assets of KPCo that may not be distributed to Parent in the form of a loan, advance or dividend was \$613.2 million.

The Federal Power Act restriction does not limit the ability of KPCo to pay dividends out of retained earnings. The credit agreement covenant restrictions can limit the ability of KPCo to pay dividends out of retained earnings. As of December 31, 2022, the amount of any such restrictions was \$36.5 million.

**Corporate Borrowing Program – AEP System**

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP's subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP's utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of the AEP System Utility Money Pool agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of December 31, 2022 and 2021 are included in Advances from Affiliates on KPCo's balance sheets. KPCo's Utility Money Pool activity and corresponding authorized borrowing limits are described in the following table:

<b>Years Ended December 31,</b>	<b>Maximum Borrowings from the Utility Money Pool</b>	<b>Maximum Loans to the Utility Money Pool</b>	<b>Average Borrowings from the Utility Money Pool</b>	<b>Average Loans to the Utility Money Pool</b>	<b>Borrowings from the Utility Money Pool as of December 31,</b>	<b>Authorized Short-Term Borrowing Limit</b>
<b>(in thousands)</b>						
2022	\$ 161,643	\$ 28,393	\$ 82,006	\$ 23,343	\$ 94,428	\$ 180,000
2021	121,608	43,730	46,522	22,427	47,895	180,000

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:

<b>Years Ended December 31,</b>	<b>Maximum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Maximum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Average Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Average Interest Rate for Funds Loaned to the Utility Money Pool</b>
2022	5.28 %	0.10 %	2.15 %	2.15 %	2.23 %	2.15 %
2021	0.48 %	0.02 %	0.34 %	0.03 %	0.31 %	0.33 %

Interest expense and interest income related to the Utility Money Pool are included in Interest Expense and Interest Income, respectively, on KPCo's statements of income. For amounts borrowed from and advances to the Utility Money Pool, KPCo incurred the following amounts of interest expense and earned the following amounts of interest income:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Interest Expense	\$ 1,985	\$ 166
Interest Income	102	6

**Securitized Accounts Receivables – AEP Credit**

Under an affiliated receivables sales arrangement, KPCo sold, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit. KPCo was charged a fee for each sale that is based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience from previous purchases of KPCo's customer accounts receivable. The costs of customer accounts receivable sold are reported in Other Operation expense on KPCo's statements of income. In January 2022, due to the pending sale to Liberty, KPCo ceased selling accounts receivable to AEP Credit. As a result, in the first quarter of 2022, KPCo began recording an allowance for uncollectible accounts on its balance sheet for those receivables no longer sold to AEP Credit.

KPCo's amounts of accounts receivable and accrued unbilled revenues under the sale of receivables agreement were \$0 and \$53.3 million as of December 31, 2022 and 2021, respectively.

The fees paid by KPCo to AEP Credit for customer accounts receivable sold were \$63 thousand and \$1.9 million for the years ended December 31, 2022 and 2021, respectively. In 2021, due to the successful collection of accounts

receivable balances during the COVID-19 pandemic, the allowance for doubtful accounts was reduced, resulting in the issuance of credits to offset the higher fees previously paid and to lower subsequent fees paid. In 2022, as a result of KPCo's discontinued sale of receivables with AEP Credit, KPCo was issued a net credit upon final settlement of the allowance for doubtful accounts balance as collections of accounts receivable were higher than originally estimated.

KPCo's proceeds on the sale of receivables to AEP Credit were \$66 million and \$595 million for the years ended December 31, 2022 and 2021, respectively.

### 13. RELATED PARTY TRANSACTIONS

For other related party transactions, also see “AEP System Tax Allocation” section of Note 1 in addition to “Corporate Borrowing Program – AEP System” and “Securitized Accounts Receivables – AEP Credit” sections of Note 12.

#### *Power Coordination Agreement*

Effective January 1, 2014, the FERC approved the PCA. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. The PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo, PSO, SWEPCo and WPCo. Certain power and natural gas risk management activities for APCo, I&M, KPCo and WPCo are allocated based on the four member companies’ respective equity positions, while power and natural gas risk management activities for PSO and SWEPCo are allocated based on the Operating Agreement.

#### *System Integration Agreement*

Under the SIA, AEPSC allocates physical and financial revenues and expenses from transactions with neighboring utilities, power marketers and other power and natural gas risk management activities based upon the location of such activity. Margins resulting from trading and marketing activities originating in PJM generally accrue to the benefit of APCo, I&M, KPCo and WPCo, while trading and marketing activities originating in SPP generally accrue to the benefit of PSO and SWEPCo. Margins resulting from other transactions are allocated among APCo, I&M, KPCo, PSO, SWEPCo and WPCo based upon the equity positions of these companies.

#### *Affiliated Revenues and Purchases*

The table below shows the revenues derived from auction sales to affiliates, net transmission agreement sales and other revenues as follows:

<b>Related Party Revenues</b>	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Transmission Agreement Sales	\$ 17,701	\$ 8,991
Other Revenues	1,550	1,551
<b>Total Affiliated Revenues</b>	<b>\$ 19,251</b>	<b>\$ 10,542</b>

The table below shows the purchased power expenses incurred for purchases from affiliates as follows:

<b>Related Party Purchases</b>	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Direct Purchases from AEGCo (a)	\$ 93,137	\$ 93,365
<b>Total Affiliated Purchases</b>	<b>\$ 93,137</b>	<b>\$ 93,365</b>

(a) Refer to the “Unit Power Agreements” section below for further information regarding this amount.

The above summarized related party revenues and expenses are reported in Sales to AEP Affiliates and Purchased Electricity from AEP Affiliates on KPCo’s statements of income.

### ***PJM Transmission Service Charges***

The AEP East Companies are parties to the TA, which defines how transmission costs through PJM OATT are allocated among the AEP East Companies on a 12-month average coincident peak basis. Additional costs for transmission services provided by AEPTCo and other transmission affiliates are billed to KPCo through the PJM OATT.

KPCo's net charges recorded as a result of the TA for the years ended December 31, 2022 and 2021 were \$64.9 million and \$57.1 million, respectively, and were recorded in Other Operation expenses on KPCo's statements of income.

### ***Unit Power Agreements***

#### *UPA between AEGCo and I&M*

A UPA between AEGCo and I&M (the I&M Power Agreement) provides for the sale by AEGCo to I&M of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. I&M is obligated, whether or not power is available from AEGCo, to pay as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M) net of amounts received by AEGCo from any other sources, sufficient to enable AEGCo to pay all of its operating and other expenses, including a rate of return on the common equity of AEGCo as approved by the FERC. The I&M Power Agreement will continue in effect until the debt obligations of AEGCo secured by the Rockport Plant have been satisfied and discharged (currently expected to be December 2028).

In April 2021, AEGCo and I&M executed an agreement to purchase 100% of the interests in Rockport Plant, Unit 2 effective at the end of the lease term on December 7, 2022. Beginning December 8, 2022, AEGCo and I&M applied the joint plant accounting model to their respective 50% undivided interests in the jointly owned Rockport Plant, Unit 2 as well as any future investments made prior to the current estimated retirement date of December 2028.

Prior to the termination of the lease, I&M assigned 30% of the power to KPCo. See the "UPA between AEGCo and KPCo" section below for additional information. Beginning December 8, 2022, AEGCo billed 100% of its share of the Rockport Plant to I&M and ceased billing to KPCo. KPCo reached an agreement with I&M, from the end of the lease through May 2024, to buy capacity from Rockport Plant, Unit 2 through the PCA at a rate equal to PJM's RPM clearing price.

#### *UPA between AEGCo and KPCo*

On December 7, 2022, the UPA between AEGCo and KPCo ended upon the termination of the Rockport Plant, Unit 2 lease. Previously, pursuant to an assignment between I&M and KPCo and a UPA between AEGCo and KPCo, AEGCo sold KPCo 30% of the power (and the energy associated therewith) available to AEGCo from both units of the Rockport Plant. KPCo paid AEGCo in consideration for the right to receive such power, the same amounts which I&M would have paid AEGCo under the terms of the I&M Power Agreement for such entitlement. As a result of the end of the UPA between AEGCo and KPCo, a prorated bill was recorded from AEGCo to KPCo to reflect costs incurred for the first seven days of December 2022.

### ***I&M Barging, Urea Transloading and Other Services***

I&M provides barging, urea transloading and other transportation services to affiliates. Urea is a chemical used to control NO<sub>x</sub> emissions at certain generation plants in the AEP System. KPCo recorded expenses of \$2 million and \$3.1 million in 2022 and 2021, respectively, for urea transloading provided by I&M. These expenses were recorded as fuel expenses or other operation expenses. This agreement with KPCo terminated with the transfer of the Mitchell Plant in August 2022.



***Central Machine Shop***

APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. APCo defers the cost of performing these services on the balance sheet and then transfers the cost to the affiliate for reimbursement. KPCo recorded its assigned portion of these billings as capital or maintenance expenses depending on the nature of the services received. These billings are recoverable from customers. KPCo’s billed amounts were \$1 million and \$973 thousand for the years ended December 31, 2022 and 2021, respectively.

***Sales and Purchases of Property***

KPCo had affiliated sales and purchases of electric property individually amounting to \$100 thousand or more, sales and purchases of meters and transformers and sales and purchases of transmission property. There were no gains or losses recorded on the transactions. The table below shows the sales and purchases, recorded at net book value, as follows:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(in thousands)</b>	
Sales	\$ 1,187	\$ 431
Purchases	631	3,995

The amounts above are recorded in Property, Plant and Equipment on the balance sheets.

***Charitable Contributions to AEP Foundation***

The American Electric Power Foundation is funded by American Electric Power and its utility operating units. The Foundation provides a permanent, ongoing resource for charitable initiatives and multi-year commitments in the communities served by AEP and initiatives outside of AEP’s 11-state service area. In 2022, KPCo made a \$2.8 million charitable contribution to the AEP Foundation recorded in Other Operation on the statements of income. In 2021, there were no charitable contributions made to the AEP Foundation.

***Intercompany Billings***

KPCo performs certain utility services for other AEP subsidiaries when necessary or practical. The costs of these services are billed on a direct-charge basis, whenever possible, or on reasonable basis of proration for services that benefit multiple companies. The billings for services are made at cost and include no compensation for the use of equity capital.

#### **14. VARIABLE INTEREST ENTITIES**

The accounting guidance for “Variable Interest Entities” is a consolidation model that considers if a company has a variable interest in a VIE. A VIE is a legal entity that possesses any of the following conditions: the entity’s equity at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support, equity owners are unable to direct the activities that most significantly impact the legal entity’s economic performance (or they possess disproportionate voting rights in relation to the economic interest in the legal entity), or the equity owners lack the obligation to absorb the legal entity’s expected losses or the right to receive the legal entity’s expected residual returns. Entities are required to consolidate a VIE when it is determined that they have a controlling financial interest in a VIE and therefore, are the primary beneficiary of that VIE, as defined by the accounting guidance for “Variable Interest Entities.” In determining whether KPCo is the primary beneficiary of a VIE, management considers whether KPCo has the power to direct the most significant activities of the VIE and is obligated to absorb losses or receive the expected residual returns that are significant to the VIE. Management believes that significant assumptions and judgments were applied consistently. KPCo is not the primary beneficiary of any VIE and has not provided financial or other support to any VIE that was not previously contractually required.

AEPSC provides certain managerial and professional services to AEP’s subsidiaries. Parent is the sole equity owner of AEPSC. AEP management controls the activities of AEPSC. The costs of the services are based on a direct-charge or on a prorated basis and billed to the AEP subsidiary companies at AEPSC’s cost. AEP subsidiaries have not provided financial or other support outside the reimbursement of costs for services rendered. AEPSC finances its operations through cost reimbursement from other AEP subsidiaries. There are no other terms or arrangements between AEPSC and any of the AEP subsidiaries that could require additional financial support from an AEP subsidiary or expose them to losses outside of the normal course of business. AEPSC and its billings are subject to regulation by the FERC. AEP subsidiaries are exposed to losses to the extent they cannot recover the costs of AEPSC through their normal business operations. AEP subsidiaries are considered to have a significant interest in AEPSC due to their activity in AEPSC’s cost reimbursement structure. However, AEP subsidiaries do not have control over AEPSC. AEPSC is consolidated by AEP. In the event AEPSC would require financing or other support outside the cost reimbursement billings, this financing would be provided by AEP. KPCo’s total billings from AEPSC for the years ended December 31, 2022 and 2021 were \$69.7 million and \$75.2 million, respectively. The carrying amount of liabilities associated with AEPSC as of December 31, 2022 and 2021 were \$6.1 million and \$7.9 million, respectively. Management estimates the maximum exposure of loss to be equal to the amount of such liability.

AEGCo, a wholly-owned subsidiary of Parent, is consolidated by AEP. AEGCo owns a 50% ownership interest in Rockport Plant. In December 2022, the UPA between AEGCo and KPCo ended upon the termination of the Rockport Plant, Unit 2 lease. As a result, AEGCo began selling all of the output from the Rockport Plant to I&M, eliminating KPCo’s significant variable interest in AEGCo as of December 31, 2022. KPCo was previously exposed to losses to the extent it could not recover the costs of AEGCo through its normal business operations. Total billings from AEGCo for the years ended December 31, 2022 and 2021 were \$92.9 million and \$93.4 million, respectively. The carrying amount of liabilities associated with AEGCo as of December 31, 2022 and 2021 were \$2 million and \$7.9 million, respectively.

## 15. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment is shown functionally on the face of KPCo's balance sheets. The following table includes KPCo's total plant balances as of December 31, 2022 and 2021:

	December 31,	
	2022	2021
(in thousands)		
Regulated Property, Plant and Equipment		
Generation	\$ 1,236,474	\$ 1,231,494
Transmission	801,838	760,359
Distribution	1,061,601	1,017,406
Other	166,754	129,250
CWIP	137,964	95,093
Less: Accumulated Depreciation	1,155,997	1,104,293
Total Regulated Property, Plant and Equipment - Net	<u>2,248,634</u>	<u>2,129,309</u>
Nonregulated Property, Plant and Equipment - Net	1,003	8,105
<b>Total Property, Plant and Equipment - Net</b>	<u><u>\$ 2,249,637</u></u>	<u><u>\$ 2,137,414</u></u>

### Depreciation

KPCo provides for depreciation of Property, Plant and Equipment on a straight-line basis over the estimated useful lives of property, generally using composite rates by functional class. The following table provides total regulated annual composite depreciation rates and depreciable lives for KPCo. Nonregulated depreciation rate ranges and depreciable life ranges are not applicable or not meaningful for 2022 and 2021.

Functional Class of Property	2022		2021	
	Annual Composite Depreciation Rate	Depreciable Life Ranges (in years)	Annual Composite Depreciation Rate	Depreciable Life Ranges (in years)
Generation	3.0%	69 - 73	3.0%	69 - 73
Transmission	2.7%	37 - 75	2.6%	37 - 75
Distribution	3.4%	11 - 75	3.4%	11 - 75
Other	8.2%	5 - 75	9.5%	5 - 75

The composite depreciation rate generally includes a component for non-asset retirement obligation (non-ARO) removal costs, which is credited to Accumulated Depreciation and Amortization on the balance sheets. Actual removal costs incurred are charged to Accumulated Depreciation and Amortization. Any excess of accrued non-ARO removal costs over actual removal costs incurred is reclassified from Accumulated Depreciation and Amortization and reflected as a regulatory liability.

**Asset Retirement Obligations (ARO)**

The following is a reconciliation of the 2022 and 2021 aggregate carrying amounts of ARO for KPCo:

<u>Year</u>	<u>ARO as of January 1,</u>	<u>Accretion Expense</u>	<u>Liabilities Incurred</u>	<u>Liabilities Settled (a)</u>	<u>Revisions in Cash Flow Estimates (a)</u>	<u>ARO as of December 31,</u>
			(in thousands)			
2022	\$ 17,697	\$ 803	\$ —	\$ (1,162)	\$ 1,139	\$ 18,477
2021	24,565	968	—	(3,227)	(4,609)	17,697

(a) Primarily related to ash pond closure and asbestos abatement.

**Allowance for Funds Used During Construction**

KPCo's amounts of allowance for equity and borrowed funds used during construction are summarized in the following table:

	<u>Years Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
	(in thousands)	
Allowance for Equity Funds Used During Construction	\$ 1,192	\$ 1,822
Allowance for Borrowed Funds Used During Construction	1,635	936

**Jointly-owned Electric Facilities**

KPCo, jointly with WPCo, owns Unit 1 and Unit 2 of the Mitchell Generating Station. KPCo and WPCo each have a 50% ownership of Unit 1 and Unit 2 of the Mitchell Generating Station. Using its own financing, each participating company is obligated to pay its share of the costs in the same proportion as its ownership interest. KPCo's proportionate share of the operating costs associated with this facility is included in its statements of income and the investment and accumulated depreciation are reflected in its balance sheets under Property, Plant and Equipment as follows:

	<u>Fuel Type</u>	<u>Percent of Ownership</u>	<u>Utility Plant in Service</u>	<u>Construction Work in Progress</u>	<u>Accumulated Depreciation</u>
				(in thousands)	
<b>KPCo's Share as of December 31, 2022</b>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,052,996	\$ 23,231	\$ 518,178
<b>KPCo's Share as of December 31, 2021</b>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,049,434	\$ 12,040	\$ 493,124

(a) In September 2022, pursuant to resolutions under the existing Mitchell Plant agreement, WPCo replaced KPCo as the operator of Mitchell Plant. See Note 1 - Organization and Summary of Significant Accounting Policies for additional information.

## 16. REVENUE FROM CONTRACTS WITH CUSTOMERS

### *Disaggregated Revenues from Contracts with Customers*

The table below represents KPCo's revenues from contracts with customers, net of respective provisions for refund, by type of revenue:

	Years Ended December 31,	
	2022	2021
	(in thousands)	
<b>Retail Revenues:</b>		
Residential Revenues	\$ 317,814	\$ 282,900
Commercial Revenues	197,505	160,183
Industrial Revenues	185,174	142,217
Other Retail Revenues	2,193	2,029
<b>Total Retail Revenues</b>	<u>702,686</u>	<u>587,329</u>
<b>Wholesale Revenues:</b>		
Generation Revenues	29,680	29,523
Transmission Revenues (a)	35,522	22,052
<b>Total Wholesale Revenues</b>	<u>65,202</u>	<u>51,575</u>
Other Revenues from Contracts with Customers (b)	<u>11,541</u>	<u>8,659</u>
<b>Total Revenues from Contracts with Customers</b>	<u>779,429</u>	<u>647,563</u>
<b>Other Revenues:</b>		
Alternative Revenue Programs (c)	(6,216)	(1,180)
Other Revenues	8	—
<b>Total Other Revenues</b>	<u>(6,208)</u>	<u>(1,180)</u>
<b>Total Revenues</b>	<u>\$ 773,221</u>	<u>\$ 646,383</u>

- (a) Amounts included affiliated and nonaffiliated revenues. The affiliated revenues were \$19 million and \$9 million for years ended December 31, 2022 and 2021, respectively.
- (b) Amounts included affiliated and nonaffiliated revenues.
- (c) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.

### *Performance Obligations*

KPCo has performance obligations as part of its normal course of business. A performance obligation is a promise to transfer a distinct good or service, or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to a customer. The invoice practical expedient within the accounting guidance for "Revenue from Contracts with Customers" allows for the recognition of revenue from performance obligations in the amount of consideration to which there is a right to invoice the customer and when the amount for which there is a right to invoice corresponds directly to the value transferred to the customer.

The purpose of the invoice practical expedient is to depict an entity's measure of progress toward completion of the performance obligation within a contract and can only be applied to performance obligations that are satisfied over time and when the invoice is representative of services provided to date. KPCo elected to apply the invoice practical expedient to recognize revenue for performance obligations satisfied over time as the invoices from the respective revenue streams are representative of services or goods provided to date to the customer. Performance obligations for KPCo are summarized as follows:

*Retail Revenues*

KPCo has performance obligations to generate, transmit and distribute electricity for sale to rate-regulated retail customers. The performance obligation to deliver electricity is satisfied over time as the customer simultaneously receives and consumes the benefits provided. Revenues are variable as they are subject to the customer's usage requirements.

Rate-regulated retail customers typically have the right to discontinue receiving service at will, therefore these contracts between KPCo and their customers for rate-regulated services are generally limited to the services requested and received to date for such arrangements. Retail customers are generally billed on a monthly basis, and payment is typically due within 15 to 20 days after the issuance of the invoice.

*Wholesale Revenues - Generation*

KPCo has performance obligations to sell electricity to wholesale customers from generation assets in PJM. The performance obligation to deliver electricity from generation assets is satisfied over time as the customer simultaneously receives and consumes the benefits provided. Wholesale generation revenues are variable as they are subject to the customer's usage requirements.

KPCo also has performance obligations to stand ready in order to promote grid reliability. Stand ready services are sold into PJM's RPM capacity market. RPM entails a base auction and at least three incremental auctions for a specific PJM delivery year, with the incremental auctions spanning three years. The performance obligation to stand ready is satisfied over time and the consideration for which is variable until the occurrence of the final incremental auction, at which point the performance obligation becomes fixed.

Payments from the RTO for stand ready services are typically received within one week from the issuance of the invoice, which is typically issued weekly. Gross margin resulting from generation sales are primarily subject to margin sharing agreements with customers, where the revenues are reflected gross in the disaggregated revenues table above.

*Wholesale Revenues - Transmission*

KPCo has performance obligations to transmit electricity to wholesale customers through assets owned and operated by KPCo and other AEP subsidiaries. The performance obligation to provide transmission services in PJM is partially fixed for a period of one year or less. Payments from the RTO for transmission services are typically received within one week from the issuance of the invoice, which is issued weekly for PJM.

KPCo collects revenues through transmission formula rates. The FERC-approved rates establish the annual transmission revenue requirement (ATRR) and transmission service rates for transmission owners. The formula rates establish rates for a one year period and also include a true-up calculation for the prior year's billings, allowing for over/under-recovery of the transmission owner's ATRR. The annual true-ups meet the definition of alternative revenues in accordance with the accounting guidance for "Regulated Operations," and are therefore presented as such in the disaggregated revenues table above.

The AEP East Companies are parties to the TA, which defines how transmission costs are allocated among the AEP East Companies on a 12-month average coincident peak basis. AEPTCo is a load serving entity within PJM providing transmission services to affiliates in accordance with the OATT and TA. Affiliate revenues as a result of the TA are reflected as Transmission Revenues in the disaggregated revenues table above.

***Fixed Performance Obligations***

The following table represents KPCo's remaining fixed performance obligations satisfied over time as of December 31, 2022. Fixed performance obligations primarily include electricity sales for fixed amounts of energy and stand ready services into PJM's RPM market. KPCo elected to apply the exemption to not disclose the value of unsatisfied performance obligations for contracts with an original expected term of one year or less. Due to the annual establishment of revenue requirements, transmission revenues are excluded from the table below. The amounts shown in the table below include affiliated and nonaffiliated revenues.

<u>2023</u>	<u>2024-2025</u>	<u>2026-2027</u>	<u>After 2027</u>	<u>Total</u>
(in thousands)				
\$ 1,256	\$ 2,512	\$ 2,512	\$ 1,256	\$ 7,536

***Contract Assets and Liabilities***

Contract assets are recognized when KPCo has a right to consideration that is conditional upon the occurrence of an event other than the passage of time, such as future performance under a contract. KPCo did not have material contract assets as of December 31, 2022 and 2021, respectively.

When KPCo receives consideration, or such consideration is unconditionally due from a customer prior to transferring goods or services to the customer under the terms of a sales contract, they recognize a contract liability on the balance sheet in the amount of that consideration. Revenue for such consideration is subsequently recognized in the period or periods in which the remaining performance obligations in the contract are satisfied. KPCo's contract liabilities typically arise from advanced payments of services provided primarily with respect to joint use agreements for utility poles. KPCo did not have material contract liabilities as of December 31, 2022 and 2021, respectively.

***Accounts Receivable from Contracts with Customers***

Accounts receivable from contracts with customers are presented on KPCo's balance sheets within the Accounts Receivable - Customers line item. KPCo's balances for receivables from contracts that are not recognized in accordance with the accounting guidance for "Revenue from Contracts with Customers" included in Accounts Receivable - Customers were not material as of December 31, 2022 and 2021, respectively. See "Securitized Accounts Receivable - AEP Credit" section of Note 12 for additional information.

The amount of affiliated accounts receivable from contracts with customers included in Accounts Receivable - Affiliated Companies on KPCo's balance sheets were \$9.1 million and \$9.1 million, respectively, as of December 31, 2022 and December 31, 2021.

***Contract Costs***

Contract costs to obtain or fulfill a contract are accounted for under the guidance for "Other Assets and Deferred Costs" and presented as a single asset and neither bifurcated nor reclassified between current and noncurrent assets on KPCo's balance sheets. Contract costs to acquire a contract are amortized in a manner consistent with the transfer of goods or services to the customer in Other Operation on KPCo's statements of income. KPCo did not have material contract costs as of December 31, 2022 and 2021, respectively.