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August 30, 2024

FILED VIA ELECTRONIC TARIFF FILING SYSTEM

Linda C. Bridwell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RE: **Kentucky Power Company's First Revised Tariff Sheet 1-1 (Index), First Revised Tariff Sheet 8-2 (Tariff I.G.S.), and Original Tariff Sheet 8-3 (Tariff I.G.S.)**

Dear Ms. Bridwell:

Kentucky Power Company ("Kentucky Power" or "Company") proposes and files herewith redline and annotated versions of P.S.C. KY. NO. 13 1st Revised Tariff Sheet 8-2 and Original Tariff Sheet 8-3 to reflect new Tariff I.G.S. (Industrial General Service) provisions applicable to new commercial and industrial customers requesting service on or after September 30, 2024, and who have contract demands of at least 150 MW. Kentucky Power also files a redline and annotated version of P.S.C. KY. NO. 13 1st Revised Tariff Sheet 1-1 to reflect resulting necessary revisions to the tariff Index.

With this filing, Kentucky Power is proposing new terms and conditions of service for applicable new large-load (at least 150 MW) Tariff I.G.S. customers in order to address the potential of new large load customers locating within the Company's service territory.

As the Commission knows, Kentucky Power is obligated to serve any new electric-consuming facilities that locate within its certified territory.[1] When new customers with large loads, *e.g.* loads of 150 MW or greater, locate in the Company's territory, it often requires substantial transmission and generation infrastructure investments in order to serve those customers. In order to address these concerns, the Company proposes the following provisions to be applicable to those large-load customers, which are detailed in the attached revised tariff sheets:

- 20-year contract terms ending only upon five-years' notice from the customer;

[1] *See* KRS 278.018(1); KRS 278.030(2); 807 KAR 5:006, Section 6(2).

- A requirement to make a one-time payment equal to five-years' minimum billing to the Company in the event of a permanent closure of the customer's facility prior to the end of the 20-year term;
- After the initial five years of the contract term, five-years' notice of the customer's intent to reduce the contract capacity, or otherwise by mutual agreement;
- A requirement of minimum monthly billing demand of at least 90% of the greater of the customer's on-peak contract capacity, or the highest monthly billing demand in the past 11 months, or the maximum demand during the billing month; and
- A requirement that the customer provide sufficient collateral equal to 24 times the customers' previous maximum monthly non-fuel bill, with the collateral amount to be reviewed and updated as necessary under the terms of the proposed tariff.

These proposed provisions in Tariff I.G.S. are intended to protect the Company's existing customers from costs that the Company is required to incur to serve large-load customers seeking to locate in the Company's certified territory. The proposed provisions incent those large-load customers to operate long-term in the Company's territory, or otherwise protect the Company and its other customers from the costs invested to serve those large-load customers.

Other than the notice provisions and the requirement to provide sufficient collateral before taking service, the proposed provisions would only need to be enforced in the event of a contract default or other change in the customer's demand or operation. Moreover, because the proposed provisions are applicable only to new large-load customers taking service after the proposed date of September 30, 2024, none of the proposed provisions would be applicable to any existing Tariff I.G.S. customers. For this reason, the Company is not required to provide customer notice of these proposed revisions under 807 KAR 5:011, Section 8.

The Company offers to meet with Commission Staff via an informal conference to provide further explanation regarding these updates if it would be helpful.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

STITES & HARBISON PLLC

Katie M. Glass

KMG

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TITLE: Director Regulatory Services
By Authority of an Order of the Public Service Commission
In Case No.: XXXX-XXXXX Dated XXXX XX, XXXX

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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 multiplies 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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Tariff I.G.S. Continued
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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.

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Tariff I.G.S. Continued
(Industrial General Service)

T

Special Terms and Conditions Continued

For commercial and industrial customers requesting service on or after September 30, 2024, and who have contract demands of at least 150 MW, the following terms and conditions apply:

Contracts will be made for an initial period of twenty (20) years and shall remain in effect thereafter unless cancelled or modified pursuant to the terms hereunder.

Either party shall give at least five years' written notice to the other of the intention to discontinue service under the terms of this Schedule. Such notice shall not reduce the twenty-year initial term. In the event of a permanent closure by the customer occurring after the first five (5) years of the initial contract term, the customer may exit the contract by providing a one-time payment equal to five (5) years of minimum billing under this Schedule.

The customer shall give at least five (5) years' written notice to the Company of the intention to reduce the contract capacity specified in the contract, but any contract capacity changes may be implemented with less than five (5) years notice with mutual agreement. Such notice shall not reduce the maximum contract capacity established during the term of the contract by more than 20%, except by mutual agreement. Such notice shall not be given and will not be accepted during the first five (5) years of the initial contract term.

In addition to the Monthly Billing Demand provisions, the customer's monthly billing demand shall in no event be less than 90% of the greater of (a) the customer's on-peak contract capacity or b) the customer's highest previously established monthly billing demand during the past 11 months or (c) the customer's maximum demand created during the billing month.

The customer shall provide collateral in a form acceptable to the Company based upon the creditworthiness of the customer. The amount of collateral provided shall be equal to 24 times the customer's previous maximum monthly non-fuel bill. During the first year of the contract, the maximum expected bill for the year shall be used. The amount of collateral to be provided will be recomputed annually, and updated if the recomputed value is 10% greater than the current amount held.

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