

**RIDER PSM
PROFIT SHARING MECHANISM**

APPLICABILITY

Applicable to all retail sales in the Company's electric service area, excluding interdepartmental sales, beginning with the billing month March 2020.

PROFIT SHARING RIDER FACTORS

On a quarterly basis, the applicable energy charges for electric service shall be increased or decreased to the nearest \$0.000001 per kWh to reflect the sharing of net proceeds as outlined in the formula below.

$$\text{Rider PSM Factor} = (((\text{OSS} + \text{NF} + \text{CAP} + \text{REC}) \times 0.90) + R) / S$$

where:

OSS= Net proceeds from off-system power sales.

Includes the non-native portion of fuel-related costs charged to the Company by PJM Interconnection LLC including but not limited to 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.



Issued by authority of an Order of the Kentucky Public Service Commission dated April 27, 2020 in Case No. 2019-00271
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PROFIT SHARING RIDER FACTORS Contd.

NF = Net proceeds from non-fuel related Regional Transmission Organization charges and credits not recovered via other mechanisms.

Includes non-fuel related costs charged to the Company by PJM Interconnection LLC including but not limited to those costs identified in the following Billing Line Items, as may amended from time to time by PJM Interconnection LLC: Billing Line Items 1240, 2240, 1241, 2241, 1242, 1243, 1245, 2245, 1330, 2330, 1362, 2362, 1472, 1365, 2365, 1475, 1371, 2371, 1376, 2376, 1380 and 2380.

CAP= Net proceeds from: PJM charges and credits as provided for in the Commission's Order in Case No. 2014-00201, dated December 4, 2014; capacity sales; capacity purchases; capacity performance credits; and capacity performance assessments.

REC= Net proceeds from the sales of renewable energy credits.

R = Reconciliation of prior period Rider PSM actual revenue to amount calculated for the period.

S = Current period sales in kWh as used in the Rider FAC calculation.



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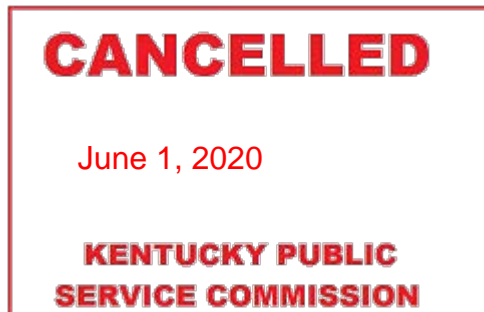


<u>Rate Group</u>	<u>Rate</u> (\$/ kWh)
Rate RS, Residential Service	(0.000328)
Rate DS, Service at Secondary Distribution Voltage	(0.000328)
Rate DP, Service at Primary Distribution Voltage	(0.000328)
Rate DT, Time-of-Day Rate for Service at Distribution Voltage	(0.000328)
Rate EH, Optional Rate for Electric Space Heating	(0.000328)
Rate GS-FL, General Service Rate for Small Fixed Loads	(0.000328)
Rate SP, Seasonal Sports Service	(0.000328)
Rate SL, Street Lighting Service	(0.000328)
Rate TL, Traffic Lighting Service	(0.000328)
Rate UOLS, Unmetered Outdoor Lighting	(0.000328)
Rate NSU, Street Lighting Service for Non-Standard Units	(0.000328)
Rate SC, Street Lighting Service – Customer Owned	(0.000328)
Rate SE, Street Lighting Service – Overhead Equivalent	(0.000328)
Rate LED, LED Street Lighting Service	(0.000328)
Rate TT, Time-of-Day Rate for Service at Transmission Voltage	(0.000328)
Other	(0.000328)

Rider PSM credits, reductions to bills, are shown as positive numbers without parentheses. Rider PSM charges, increases to bills, are shown in parentheses.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.



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