TARIFF R.T.P.
(Experimental Real-Time Pricing Tariff)

AVAILABILITY OF SERVICE.

TARIFF CODES

Q P Tariff	CIP-TOD Tariff
366 Secondary	377 Primary
367 Primary	378 Sub transmission
368 Sub transmission	379 Transmission
369 Transmissions	

Available for Real-Time Pricing (RTP) service, on an experimental basis, to customers normally taking firm service under Tariffs Q.P. or C.I.P.-T.O.D. for their total capacity requirements from the Company. The customer will pay real-time prices for load in excess of an amount designated by the customer. This experimental tariff will be limited to a maximum of 10 customers. The incremental cost of any special metering or communications equipment required for service under this experimental tariff beyond that normally provided under the applicable standard Q.P. or C.I.P.-T.O.D. tariff shall be borne by the customer. The Company reserves the right to terminate this Tariff at any time after the end of the experiment

PROGRAM DESCRIPTION.

The Experimental Real-Time Pricing Tariff is voluntary and will be offered on a pilot basis through June 2013. The RTP Tariff will offer customers the opportunity to manage their electric costs by shifting load from higher cost to lower cost pricing periods or by adding new load during lower price periods. The experimental pilot will also offer the customer the ability to experiment in the wholesale electricity market by designating a portion of the customer's load subject to standard tariff rates with the remainder of the load subject to real-time prices. The designated portion of the customer's load is billed under the Company's standard Q.P. or C.I.P.-T.O.D. tariff. The remainder of the customer's capacity and energy load is billed at prices established in the PJM Interconnection, L.L.C. (PJM) RTO market.   (T)

CONDITIONS OF SERVICE.

The customer must have a demand of not less than 1 MW and specify at least 100 kW as being subject to this Tariff The customer designates the maximum amount of load to be supplied by Kentucky Power Company under the applicable Tariff Q.P. or Tariff C.I.P. – T.O.D. All usage equal to or less than the customer-designated level of load will be billed under the appropriate Tariff Q.P. or Tariff C.I.P. – T.O.D. All usage in excess of the customer-designated level will be billed under Tariff RTP. All reactive demand shall be billed in accordance with the appropriate Tariff Q.P. or Tariff C.I.P. – T.O.D.

RATE.

1. Capacity Charge.

The Capacity Charge, stated in $/kW, will be determined from the auction price set in the Reliability Pricing Model (RPM) auction held by PJM for each PJM planning year. The auction price will be adjusted by the class average diversity factor (DF) derived from billing demands for the preceding year and the 5 highest coincident peaks established for the class at the time of the 5 highest PJM hourly values. The price will be further adjusted for demand losses (DL) and a factor to reflect the PJM-required reserve margin (RM).

Capacity Charge = RPM x DF x DL x RM

Where:

RPM =Results of the annual RPM auction price applicable to the AEP load zone = $5.301/kW-month $C7/29/11$ (I)
DF = Diversity Factor
     C.I.P. – T.O.D. = 0.72
     Q.P. = 0.72   (R)
DL = Demand Loss Factor   (I)
RM = Reserve Margin = RPM clearing price reserve margin = 1.165

(R)

(Cont'd on Sheet No. 30-2)

DATE OF ISSUE___July 16, 2010___ DATE EFFECTIVE____Service rendered on and after _____

ISSUED BY __E.K. WAGNER__ DIRECTOR OF REGULATORY SERVICES   FRANKFORT, KENTUCKY EFFECTIVE
     NAME   TITLE   ADDRESS   **6/29/2010**

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010   PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

TARIFF R.T.P.
(Experimental Real-Time Pricing Tariff)

RATE (continued).

2. Energy Charge.

The Energy Charge, stated in $/KWH, will be determined hourly using the AEP East Load Zone Real-Time Locational Marginal Price (LMP) established by PJM (including marginal losses), adjusted for energy losses (EL). The charge will be applied to the usage in excess of the customer-designated level for each billing period.

Energy Charge = LMP x EL

Where:
LMP = AEP East Load Zone Real-Time Locational Marginal Price
EL = Energy Loss Factor excluding marginal losses for transmission and subtransmission

3. Transmission Charge.

The Transmission Charge, stated in $/kW, will be determined from the Network Integration Transmission Service (NITS) rate for the AEP East Zone. The NITS rate will be adjusted by the class average diversity factor (DF) derived from billing demands for the preceding year and the coincident peak established for the class at the time of the highest AEP East Zone hourly value. The price will be further adjusted for demand losses (DL).

Transmission Charge = NITS x DF x DL

Where:
NITS = NITS Rate for the AEP East Zone = $ 2.1116/kW
DF = Diversity Factor
    C.I.P. – T.O.D. = 0.66
    Q.P. = 0.63
DL = Demand Loss Factor

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KENTUCKY PUBLIC
SERVICE COMMISSION</td><td>(I)

(R)
(R)</td></tr>
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4. Other Market Services Charge.

The Other Market Services Charge, stated in $/KWH is developed using all other PJM related market costs allocated to Kentucky Power Company from PJM not captured elsewhere. It is applied to all usage in excess of the customer-designated level for each billing period.

Secondary = $0.002499/KWH   (R)
Primary = $0.002404/KWH   (R)
Subtransmission = $0.002359/KWH   { R }
Transmission = $0.002337/KWH   { R }

C7/29/11

5. Distribution Charge.

The Distribution Charge, stated in $/kW, is equivalent to the distribution portion of the current rates included in Tariff Q.P. and Tariff C.I.P. – T.O.D.

Secondary = $7.39/kW
Primary = $4.34/kW

(Cont'd on Sheet No. 30-3)

DATE OF ISSUE July 16, 2010 / DATE EFFECTIVE Service rendered on and after J

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
    NAME   TITLE

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