

**RIDER E.C.S. - C. & E.**  
(Emergency Curtailable Service – Capacity & Energy Rider)

(N)

AVAILABILITY OF SERVICE.

This rider shall be available through May 31, 2012 for Emergency Curtailable Service (ECS) to Kentucky Power Company (KPCo or the Company) retail customers taking firm service from the Company under Tariffs MGS, MGS-TOD, LGS, LGS-TOD, QP, CIP-TOD or MW. The Company reserves the right to limit the amount of ECS capacity contracted under this Rider. The Company will take ECS requests in the order received. If ECS requests exceed the Company's needs to meet its FRR requirements, the Company will bid the remaining capacity into the PJM RPM auction if the PJM rules permit it, providing those customers the compensation available under this rider. The PJM Demand Response Program shall not be available to customers eligible for this service.

CONDITIONS OF SERVICE.

1. The provisions of this Rider qualify under the PJM Emergency Demand Response Program as of the effective date. If the PJM Tariff is subsequently revised, the Company reserves the right to make comparable changes to this Rider in order to continue to qualify under the PJM Emergency Demand Response Program.
2. The Company reserves the right to call for (request) customers to curtail use of the customer's ECS load when, in the sole judgment of the Company, an emergency condition exists on the American Electric Power (AEP) System or the PJM Interconnection, L.L.C. (PJM) RTO. The Company shall determine that an emergency condition exists if curtailment of load served under this Rider is necessary in order to maintain service to the Company's other firm service customers according to the AEP System Emergency Operating Plan or if PJM issues an Emergency Curtailable Service Notice.
3. The Company will endeavor to provide as much advance notice as possible of curtailments under this Rider including an estimate of the duration of such curtailments. However, the customer's ECS load shall be curtailed within 2 hours if so requested.
4. In no event shall the customer be subject to ECS load curtailment under the provisions of this Rider for more than 60 hours during any year or for more than 10 interruptions per year. However, a customer must agree to be subject to ECS Curtailments of up to 6-hour duration for each curtailment event, on weekdays between 12 noon to 8 pm for the months May through September and between 6 am to 10 pm for the months October through April.
5. The Company will inform the Customer regarding the communication process of notices to curtail. The customer is ultimately responsible for receiving and acting upon a curtailment notification from the Company.
6. 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.
7. If no Emergency events are called during the summer of the delivery year, the Company will conduct a test and verify the customer's ability to curtail as required by the PJM RTO. The Company reserves the right to re-test the customer if the Company does not achieve the minimum 80% compliance testing standards for all of the Company's ECS customers as required by PJM. These tests must be conducted for one hour during the on-peak hours from June 1 through September 30 during the delivery year.

**CANCELLED**  
**JUN 30 2015**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

(Cont'd on Sheet No. 24-2)

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

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KY. Brent Kirtley  
NAME TITLE ADDRESS EFFECTIVE

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

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>	
<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR	
TARIFF BRANCH	
	<b>6/29/2010</b>

**RIDER E.C.S. - C. & E. (Cont'd)**  
**(Emergency Curtailable Service - Capacity & Energy Rider)**

(N)

CONDITIONS OF SERVICE (Cont.)

8. The Company reserves the right to discontinue service to the customer under this Rider if the customer fails to curtail under any circumstances as requested by the Company.

CURTAILED DEMAND.

The customer's Curtailed Demand is determined based upon which method of measurement the customer chooses. The customer may choose one of two methods to measure the curtailed demand: 1) Guaranteed Load Drop (GLD) or 2) Firm Service Level (FSL). The method chosen shall remain in effect for an entire delivery year, June 1 through May 31 of the following year as defined by PJM.

Guaranteed Load Drop (GLD) Method

GUARANTEED LOAD DROP (GLD).

Each customer must designate a Guaranteed Load Drop, which amount shall be the minimum demand for that hour that the customer will provide for each hour during a curtailment event or during a curtailment test.

**CANCELLED**  
**JUN 30 2015**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

CUSTOMER BASELINE LOAD CALCULATION.

A Customer Baseline Load (CBL) will be calculated for each hour corresponding to each event hour. Normally, the CBL will be calculated for each hour as the average corresponding hourly demands from the highest 4 out of the 5 most recent similar non-event days in the period preceding the relevant load reduction event. The highest load days are defined as the similar days (Weekday, Saturday, Sunday/Holiday) with the highest energy consumption spanning the event period hours. In cases where the normal calculation does not provide a reasonable representation of normal load conditions, the company and customer may develop an alternative CBL calculation that more accurately reflects the customer's normal consumption pattern.

CURTAILED ENERGY.

The Curtailed Energy shall be determined for each event hour, defined as the difference between the customer's CBL for that hour and the customer's metered load for that hour.

CURTAILMENT CREDITS.

The Curtailment Energy Credit shall be 80 percent of the AEP East Load Zone hourly Real-Time Locational Marginal Price (LMP) established by PJM (including congestion and marginal losses) for each event hour.

The Curtailment Demand Credit shall be 80 percent of the Reliability Pricing Model (RPM) auction price established by PJM in its Base Residual capacity auction for the current delivery year, expressed in \$/MW-day multiplied by the GLD MWs.

(N)

(Cont'd on Sheet No. 24-3)

DATE OF ISSUE July 16, 2010

DATE EFFECTIVE Service rendered on and after Ju

ISSUED BY E.K. Wagner  
E.K. WAGNER  
NAME

DIRECTOR OF REGULATORY SERVICES  
TITLE

FRANKFORT, KENTUCKY  
ADDRESS

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR
TARIFF BRANCH
<i>Brent Kirtley</i>
<b>6/29/2010</b>

**CANCELLED**  
**JUN 30 2015**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**RIDER E.C.S. - C. & E. (Cont'd)**  
(Emergency Curtailable Service – Capacity & Energy Rider)

MONTHLY DEMAND CREDIT.

The Monthly Demand Credit shall be equal to one-twelfth of the product of the Guaranteed Load Drop and the Curtailment Demand Credit times 365. The Monthly Demand Credit shall be applicable to each month the customer is served under this Rider, regardless of whether or not there are any curtailment events during the month.

MONTHLY EVENT CREDIT.

An Event Credit shall be calculated for each event hour equal to the product of the Curtailed Energy for that hour and the Curtailment Energy Credit for that hour. The Monthly Event Credit shall be the sum of the hourly event credits for all events occurring in the calendar month, but shall not exceed the customer's monthly energy charge under the applicable tariff. The customer shall not receive event credit for any curtailment periods to the extent that the customer's curtailable load 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.

NONCOMPLIANCE CHARGE.

If the customer fails to fully comply with a request for curtailment under the provisions of this Rider, then the Noncompliance Charge shall apply. If a customer does not reduce load by the full GLD, a noncompliance charge shall apply. For this purpose, Actual Load Drop (ALD) is defined as the difference between the customer's CBL (Customer Baseline Load) and their actual hourly load. If the ALD is less than the GLD, the customer will be in non-compliance.

The Noncompliance Demand Charge will be calculated based on the number of events missed because the customer did not curtail and the total number of events called by AEP to date. A penalty will be determined as the non-compliance load times the RPM auction price (\$/MW-day) times 365, (e.g. curtailment of only 80 MW of a 100 MW ECS load is non-compliance and counts as a missed event, but the customer's annual payment will be reduced only for the 20 MW non-compliance load times the appropriate percentage from the table below). The penalty will then be multiplied by the percentage of reduction based upon the number of non-compliance events for the customer compared to the number of events called. Below is a table of annual payment reduction percentages.

Annual Payment Reduction Percentages for Non-compliance					
Missed Events	Number of Events Called Annually				
	1	2	3	4	5 or more
1	100%	50%	33%	25%	20%
2		100%	67%	50%	40%
3			100%	75%	60%
4				100%	100%

If the customer misses four events, the customer will be charged 100% of the total annual payment amount. The Company and the customer will discuss methods to comply during future events, but ultimately the customer can be dismissed from the program if either party is not satisfied that the problem has been resolved. Further, the customer's service under this Rider may be discontinued pursuant to the Conditions of Service.

(Cont'd on Sheet No. 24-4)

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
TARIFF BRANCH June 29, 2010
EFFECTIVE <b>6/29/2010</b>
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010  
ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KY  
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00159 dated June 28, 2010

**CANCELLED**  
**JUN 30 2015**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

(N)

**RIDER E.C.S. - C. & E. (Cont'd)**  
**(Emergency Curtailable Service - Capacity & Energy Rider)**

Firm Service Level (FSL) Method

PEAK LOAD CONTRIBUTION.

A Customer's Peak Load Contribution (PLC) will be calculated each year as the average of its load during PJM's five highest peak loads during the twelve month period ended October 31 of the previous year.

AVAILABLE CURTAILBLE DEMAND (ACD).

Each customer must designate an Available Curtailable Demand, defined as the difference between the PLC and the Firm Service Level (FSL). The FSL demand is the level to which the customer agrees to reduce load to or below for each hour during a curtailment event.

CUSTOMER BASELINE LOAD CALCULATION.

A Customer Baseline Load (CBL) will be calculated for each hour corresponding to each event hour. Normally, the CBL will be calculated for each hour as the average corresponding hourly demands from the highest 4 out of the 5 most recent similar non-event days in the period preceding the relevant load reduction event. The highest load days are defined as the similar days (Weekday, Saturday, Sunday/Holiday) with the highest energy consumption spanning the event period hours. In cases where the normal calculation does not provide a reasonable representation of normal load conditions, the company and customer may develop an alternative CBL calculation that more accurately reflects the customer's normal consumption pattern.

CURTAILED ENERGY.

The Curtailed Energy shall be determined for each event hour, defined as the difference between the customer's CBL for that hour and the customer's metered load for that hour.

CURTAILMENT CREDITS.

The Curtailment Demand Credit shall be 80 percent of the Reliability Pricing Model (RPM) auction price established by PJM in its Base Residual capacity auction for the current delivery year, expressed in \$/MW-day multiplied by the Available Curtailable Demand.

MONTHLY DEMAND CREDIT.

The Monthly Demand Credit shall be equal to one-twelfth of the product of the Available Curtailable Demand and the Curtailment Demand Credit (\$/MW-day) times 365. The Monthly Demand Credit shall be applicable to each month the customer is served under this Rider, regardless of whether or not there are any curtailment events during the month.

MONTHLY EVENT CREDIT.

An Event Credit shall be calculated for each event hour equal to the product of the Curtailed Energy for that hour and the Curtailment Energy Credit for that hour. The Monthly Event Credit shall be the sum of the hourly event credits for all events occurring in the calendar month, but shall not exceed the customer's monthly energy charge under the applicable tariff. The customer shall not receive event credit for any curtailment periods to the extent that the customer's curtailable load 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.

(Cont'd on Sheet No. 24-5)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KY  
NAME TITLE AD

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

KENTUCKY PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN  
EXECUTIVE DIRECTOR

TARIFF BRANCH

EFFECTIVE

6/29/2010

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**CANCELLED**  
**JUN 30 2015**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**RIDER E.C.S. - C. & E. (Cont'd)**  
**(Emergency Curtailable Service - Capacity & Energy Rider)**

(N)

**NONCOMPLIANCE CHARGE.**

If the customer fails to fully comply with a request for curtailment under the provisions of this Rider, then the Noncompliance Charge shall apply. If a customer is operating at or below their designated Firm Service Level during an event, it will be understood that they have no capacity available with which to comply and will not be charged a noncompliance penalty. If the metered demand during the curtailment event is above the designated FSL, the customer will be considered non-compliant. The amount of non-compliance demand is equal to the difference between the customer's metered demand and the designated FSL.

The Noncompliance Demand Charge will be calculated based on the number of events during which the customer was noncompliant and the total number of events called by AEP to date. A penalty will be determined as the amount of non-compliance load times the RPM auction price (\$/MW-day) times 365, (e.g. curtailment of only 80 MW of a 100 MW ECS load is non-compliance and counts as a missed event, but the customer's annual payment will be reduced only for the 20 MW non-compliance load times the appropriate percentage from the table below). The penalty will then be multiplied by the percentage of reduction based upon the number of non-compliance events for the customer compared to the number of events called. Below is a table of annual payment reduction percentages.

Annual Payment Reduction Percentages for Non-compliance					
Missed Events	Number of Events Called Annually				
	1	2	3	4	5 or more
1	100%	50%	33%	25%	20%
2		100%	67%	50%	40%
3			100%	75%	60%
4				100%	100%

If the customer misses four events, the customer will be charged 100% of their total annual payment amount, will be dismissed from the program, and may not be eligible to participate in the program until both parties are satisfied that the problem has been resolved. Further, the customer's service under this Rider may be discontinued pursuant to the Conditions of Service.

**Additional Provisions**

**CUSTOMER CREDIT.**

The monthly credit(s) will be provided to the customer by check within 60 days after the end of the month. A customer may request aggregation of individual customer accounts into a single credit.

**CUSTOMER CHARGE.**

Customers taking service under this Rider shall pay a monthly customer charge of \$10.00 per account to offset the cost of the customer-related expenses for additional load determination and billing expenses. If a change in metering equipment or functionality is required, customers taking service under this Rider shall pay the additional cost of installation. The Company will make available to the customer the real time pulse metering data, if requested by the customer, for an additional fee.

(Cont'd on Sheet No. 24-6)

DATE OF ISSUE <u>July 16, 2010</u>	DATE EFFECTIVE <u>Service rendered on and after June 20, 2010</u>	TARIFF BRANCH
ISSUED BY <u>E.K. Wagner</u>	DIRECTOR OF REGULATORY SERVICES	<u>Jeff R. Derouen</u> EXECUTIVE DIRECTOR
NAME	TITLE	ADDRESS
Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010		EFFECTIVE <u>6/29/2010</u>
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)		

**CANCELLED**  
**JUN 30 2015**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**RIDER E.C.S. - C. & E. (Cont'd)**  
**(Emergency Curtailable Service - Capacity & Energy Rider)**

(N)

TERM.

Contracts under this Rider shall be made for an initial period of one year, corresponding with the PJM planning year, and shall remain in effect until either party provides to the other at least 30 days' written notice prior to the start of the registration period as provided for in the PJM Tariff for the next planning year of its intention to discontinue service under the terms of this Rider (registration period ends March 31, 2010 for the 2010/11 delivery year). However, this rider shall only be available through May 31, 2012.

SPECIAL TERMS AND CONDITIONS.

Individual customer information, including, but not limited to, ECS Contract Capacity and Curtailment Option, shall remain confidential.

If a new peak demand is set by the customer in the hour following the curtailment, due to the customer resuming the level of activity prior to the curtailment, the customer's previous high demand will be adjusted to disregard that new peak.

(N)

**KENTUCKY PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN**  
EXECUTIVE DIRECTOR

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010 TARIFF BRANCH

ISSUED BY E.K. WAGNER *E.K. Wagner* DIRECTOR OF REGULATORY SERVICES FRANKFORT, KY *Brent Kirtley*  
NAME TITLE ADJ

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00-59 dated June 28, 2010 **6/29/2010**

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)