

TARIFF S. S. C.
(System Sales Clause)

APPLICABLE.

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D.2, S.G.S., S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Pilot K-12 School, I.G.S., C.S.- I.R.P., M.W., O.L. and S.L.

RATE.

1. When the monthly net revenues from system sales are above or below the monthly 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.

$$\text{System Sales Adjustment Factor (A)} = (.75 [T_m - T_b]) / S_m$$

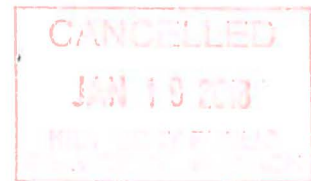
In the above formulas "T" is Kentucky Power Company's (KPCo) monthly net revenues from system sales in the current (m) and base (b) periods, and "S" is the KWH sales in the current (m) period, all defined below.

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.



(Cont'd on Sheet No. 19-2)

DATE OF ISSUE: July 10, 2015

DATE EFFECTIVE: Service Rendered On And After June 30, 2015

ISSUED BY: JOHN A. ROGNESS III

TITLE: Director Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2014-00396 Dated June 22, 2015

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
EFFECTIVE 6/30/2015
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

T
T
T
N
N

**TARIFF S. S. C. (Cont'd.)
 (System Sales Clause)**

3. The base monthly net revenues from system sales are as follows:

<u>Billing Month</u>	<u>System Sales (Total Company Basis)</u>
January	\$ 1,651,587
February	1,413,908
March	1,372,664
April	1,219,883
May	1,238,911
June	1,171,190
July	1,399,696
August	1,091,614
September	1,099,550
October	1,151,741
November	1,188,760
December	1,136,496
	<u>\$15,136,000</u>

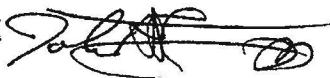
- Sales (S) shall be equated to the sum of (a) generation (including energy produced by generating plant during the construction period), (b) purchase, and (c) interchange-in, less (d) energy associated with pumped storage operations, less (e) inter-system sales and less (f) total system losses.
- The system sales adjustment factor shall be based upon estimated monthly revenues and costs for system sales, subject to subsequent adjustment upon final determination of actual revenues and costs.
- The monthly System Sales Clause 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.
- 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.

CANCELLED
 JAN 19 2015
 KENTUCKY PUBLIC SERVICE COMMISSION

DATE OF ISSUE: July 10, 2015

DATE EFFECTIVE: Service Rendered On And After June 30, 2015

ISSUED BY: JOHN A. ROGNES III



TITLE: Director Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2014-00396 Dated June 22, 2015

**KENTUCKY
 PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
 EXECUTIVE DIRECTOR**

TARIFF BRANCH

Burt Kirtley

EFFECTIVE

6/30/2015

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