Decommissioning Rider
(D.R.)

Applicable

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

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Rate

1. Pursuant to the final order of the Kentucky Public Service Commission in Case No. 2012-00578 and the Stipulation and Settlement Agreement dated July 2, 2013 as filed and approved by the Commission, Kentucky Power Company is to recover from retail ratepayers the coal-related retirement costs of Big Sandy Unit 1, the retirement costs of Big Sandy Unit 2 and other site-related retirement costs that will not continue in use on a levelized basis, including a weighted average cost of capital (WACC) as set in the Company's most recent Rate Case carrying cost over a 25 year period beginning with the date rates became effective in Case No. 2014-00396. The term "Retirement Costs" are defined as and shall include the net book value, materials and supplies that cannot be used economically at other plants owned by Kentucky Power, and removal costs and salvage credits, net of related ADIT. Related ADIT shall include the tax benefits from tax abandonment losses.

*Pursuant to the January 19, 2024 and February 2, 2024 Orders of the Kentucky Public Service Commission in Case No. 2023-00159 collection under this rider is temporarily suspended pending the securitization of the regulatory asset. The Company will continue to accrue carrying charges on the regulatory asset at the Company's approved weighted average cost of capital until securitized bonds are issued. If Kentucky Power is unable to issue securitized bonds, collection under this rider will be reinstated.

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The applicable rates for service rendered on and after January 16, 2024 to be applied to the revenues described in paragraph 5 of this tariff are:

$$\text{Residential Adjustment Factor} = \frac{\$XX,XXX,XXX}{\$XXX,XXX,XXX} = 0.0000\%*$$

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$$\text{All Other Classes Adjustment Factor} = \frac{\$XX,XXX,XXX}{\$XXX,XXX,XXX} = 0.0000\%*$$

R

2. The allocation of the actual revenue requirement (ARR) between residential and all other customers shall be based upon their respective contribution to total retail revenues for the most recent twelve month period, ending June 30 according to the following formula:

$$\text{Residential Allocation RA(y)} = \text{ARR(y)} \times \frac{\text{KY Residential Retail Revenue RR(b)}}{\text{KY Retail Revenue R(b)}}$$

$$\text{All Other Allocation OA(y)} = \text{ARR(y)} \times \frac{\text{KY All Other Classes Retail Revenue OR(b)}}{\text{KY Retail Revenue R(b)}}$$

Where:

(y) = the expense year;
(b) = Most recent available twelve month period ended June 30.

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KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director

Linda C. Bridwell

EFFECTIVE
1/16/2024
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

DATE OF ISSUE: February 8, 2024
DATE EFFECTIVE: Services Rendered On And After January 16, 2024
ISSUED BY: /s/ Brian K. West
TITLE: Vice President, Regulatory & Finance
By Authority of an Order of the Public Service Commission
In Case No.: 2023-00159 Dated January 19, 2024; February 2, 2024