

**TARIFF P.P.A.
(Purchase Power Adjustment)**

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., C.S. Coal, M.W., O.L. and S.L.

RATE.

The annual purchase power adjustment factor will be computed using the following formula:

1. Annual Purchase Power Net Costs (PPANC)

$$PPANC = N + CSIRP + OATT + RKP - BPP$$

Where:

BPP = The annual amount of purchase power costs included in base rates, \$74,080,543.

- a. N = The annual cost of power purchased by the Company through new Purchase Power Agreements. All new purchase power agreements shall be approved by the Commission to the extent required by KRS 278.300.
- b. CSIRP = The net annual cost of any credits provided to customers under Tariff C.S.-I.R.P. for interruptible service.
- c. OATT = 80% The net annual PJM load-serving entity Open Access Transmission Tariff Charges above or below the \$74,038,517 included in BPP, less the transmission return difference pursuant to the Commission approved Settlement agreement in Case No. 2017-00179.
- d. RKP = Rockport related items includable in Tariff PPA pursuant to the Commission approved Settlement agreement in Case No. 2017-00179:
 - a. Increase in Rockport collection resulting from reduction in base rate deferral;
 - b. Rockport deferral amount to be recovered;
 - c. Rockport fixed cost savings; and
 - d. Rockport offset estimate and true-up.
 - e. Final (over)/under recovery associated with tariff CC following its expiration

(Cont'd on Sheet No. 35-2)



DATE OF ISSUE: February 7, 2018


DATE EFFECTIVE: Service Rendered On And After January 19, 2018

ISSUED BY: /s/ Ranie K. Wohnhas

TITLE: Managing Director, Regulatory & Finance

By Authority Of an Order of the Public Service Commission

In Case No. 2017-00179 Dated January 18, 2018

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
EFFECTIVE 1/19/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

TARIFF P.P.A.
(Purchase Power Adjustment)

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. In accordance with the Stipulation and Settlement Agreement approved as modified by the Commission by its Order dated October 7, 2013 in Case No. 2012-00578, the purchase power adjustment shall provide for monthly adjustments based on a percent of revenues, calculated to six decimal places and equal to the net costs of any power purchases in the current period according to the following formula:

$$\text{Monthly Purchase Power Adjustment Factor} = \frac{\text{Net KY Retail P(m)}}{\text{KY Retail R(m)}}$$

Where:

Net KY Retail P(m) = Monthly P(m) allocated to Kentucky Retail Customers, net of Over/(Under) Recovery Adjustment; Allocation based on Percentage of Kentucky Retail Revenues to Total Company Revenues in the Expense Month (m). (For purposes of this formula, Total Company Revenues include only Retail and Full-Requirements Wholesale revenues.)

KY Retail R(m) = Kentucky Retail Revenues for the Expense Month (m).

2. The net costs of any power purchased shall exclude costs recovered through the Fuel Adjustment Clause and shall be computed as the sum of the following items:
 - a. PPA(m) = The cost of power purchased by the Company through new Purchase Power Agreements (PPAs). All new PPAs shall be approved by the Commission to the extent required by KRS 278.300.
 - b. RP(m) = The cost of fuel related substitute generation less the cost of fuel which would have been used in plants suffering forced generation or transmission outages.
 - c. CSIRP(m) = The cost of any credits provided to customers under Tariff C.S.-I.R.P. for interruptible service.

$$\text{Monthly P(m)} = \text{PPA(m)} + \text{RP(m)} + \text{CSIRP(m)}$$

3. The monthly purchase power adjustment 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 adjustment, which shall include data, and information as may be required by the Commission.
4. Copies of all documents required to be filed with the Commission 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.



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 by 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)