

**TARIFF C.C.
 (Capacity Charge)**

AVAILABILITY OF SERVICE.

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.

	<u>All Other</u>	<u>Service Tariff</u>	<u>I.G.S.</u>
Energy Charge per KWH per month	\$ 0.001561		\$ 0.000783

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RATE CALCULATION.

1. Pursuant to the final order of the Kentucky Public Service Commission in Case No. 2004-00420 and the Settlement and Stipulation Agreement dated October 20, 2004 as filed and approved by the Commission, Kentucky Power Company is to recover from retail ratepayers the supplemental annual payments tied to the 18-year extension of the Rockport Unit Power Service Agreement (UPSA). Kentucky Power will apply surcharges designed to enable recovery from each tariff class of customers, an annual supplemental payment of \$5.1 million annually in Years 2005 through 2009, and then increases to \$6.2 million annually in Years 2010 through 2021, and then decreases to \$5,792,329 in Year 2022.
2. Kentucky Power will be entitled to receive these annual supplemental payments in addition to the base retail rates established by the Commission. The costs associated with the underlying Rockport Unit 1 and 2 UPSA will continue to be included in base rates.
3. The increased annual revenues will be generated by two different KWH rates, one for I.G.S. tariff customers and one for All Other tariff customers.
4. The allocation of the additional revenues to be collected from the I.G.S. tariff customers and All Other tariff customers will be based upon the total annual revenue of each of the two-customer classes. Once the additional revenues have been allocated between the two customer classes based upon total annual Kentucky retail revenue, the additional revenue will be collected within the two customer classes (I.G.S. and All Other tariffs) on a KWH basis. The KWH rate to be applied to each of these two customer class groups shall be sufficient to generate that portion of the total increase in annual revenues equal to the percentage of total annual revenues produced by each of the two customer class groups (I.G.S. and All Other tariffs).
5. The Stipulation and Settlement Agreement is made upon the express agreement by the Parties that the receipt by Kentucky Power of the additional revenues called for by Section III(1)(a) and III(1)(b) shall be accorded the ratemaking treatment set out in Section III. In any proceeding affecting the rates of Kentucky Power during the extension of the UPSA under this Stipulation and Settlement Agreement, the provisions of Section III are an express exception to Section VI(4) of the Stipulation and Settlement Agreement.
6. The Capacity Charge factors will be applied to bills monthly and will be shown on the Customer's bill as a separate line item.

(Cont'd on Sheet No. 28-2)



DATE OF ISSUE: July 17, 2020
 DATE EFFECTIVE: Service Rendered On And After July 29, 2020
 ISSUED BY: /s/ Brian K. West
 TITLE: Director, Regulatory Services
 By Authority Of an Order of the Public Service Commission
 In Case No. XXXX-XXXXX Dated XXXX XX, XXXX



**TARIFF C.C.
(Capacity Charge) Cont'd**

RATE CALCULATION. (Cont'd)

7. The capacity charge will be adjusted annually to recover amounts authorized by the Commission.

The annual adjustment shall be determined as follows:

- A. Calculate the revenue over / under collection for the previous 12 month period, $REV_{billed} - REV_{settlement} = REV_{diff}$
- B. Calculate the revenue requirement for the upcoming 12 month period, $REV_{settlement} + REV_{diff} = REV_{authorized}$
- C. Calculate Capacity Charge Rates for the upcoming 12 month period,

$$IGS \text{ Capacity Charge} = \frac{REV_{authorized} \times (REV_{IGS} / REV_{Total})}{kWh_{IGS}}$$

$$All \text{ Other Capacity Charge} = \frac{REV_{authorized} \times (REV_{All \text{ Other}} / REV_{Total})}{kWh_{All \text{ Other}}}$$

Where:

“REVTotal” is the total revenue billed during the most recently available 12 month period.

“REVIGS” is the total IGS customer class revenue billed during the most recently available 12 month period.

“REVAI Other” is the revenue billed from all other customer classes during the most recently available 12 month period.

“kWhIGS” is the IGS customer class total kWh billed during the most recently available 12 month period.

“kWhAll Other” is the total kWh billed to all customer classes other than IGS during the most recently available 12 month period.

“REVBilled” is the total capacity charge revenue billed during the most recently available 12 month period.

“REVsettlement” is the \$6.2 million amount authorized to be billed during the 12 month period.

“REVDiff” is the difference between capacity charge revenues billed and what the Company is authorized to collect in a 12 month period.

“REVauthorized” is the capacity charge amount to be billed over the upcoming 12 month period.

8. The annual Capacity Charge Adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all 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 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: 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

