

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

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.

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

$$\text{Annual System Sales Adjustment Factor (A)} = (1.0 [T_a - T_b + U/a]) / S_a$$

In the above formula "T" is Kentucky Power Company's (KPCo) annual net revenues from system sales in the current annual (a), base (b) periods, and "S" is the KWH sales in the current annual (a) period, all defined below. "U/a" represents any under-or-over recovery from the prior period.

The applicable rate for service rendered on and after September 28, 2020, calculated in accordance with the above formula, is \$.00004 per kWh.

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.

CANCELLED

September 28, 2021

KENTUCKY PUBLIC SERVICE COMMISSION

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

DATE OF ISSUE: April 9, 2021
 DATE EFFECTIVE: Service Rendered On And After January 14, 2021
 ISSUED BY: /s/ Brian K. West
 TITLE: Vice President, Regulatory & Finance
 By Authority of Orders of the Public Service Commission
 In Case No. 2020-00174 dated January 13, 2021; January 15, 2021; February 22, 2021, and March 17, 2021

KENTUCKY PUBLIC SERVICE COMMISSION

Linda C. Bridwell
Executive Director



EFFECTIVE
1/14/2021
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)