

TARIFF F.A.C.
(Fuel Adjustment Clause)



APPLICABLE.

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., R.S.-T.O.D. 2, R.S.D., 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. The fuel clause shall provide for periodic adjustment per kWh of sales equal to the difference between the fuel costs per kWh of sales in the base period and in the current period according to the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where F is the expense of fossil fuel in the base (b) and current (m) periods; and S is sales in the base (b) and current (m) periods, all as defined below:

2. F(b)/S(b) shall be so determined that on the effective date of the Commission’s approval of the utility’s application of the formula, the resultant adjustment will be equal to zero (0).
3. Fuel costs (F) shall be the most recent actual monthly cost of:
 - a. Fossil fuel consumed in the utility’s own plants, and the utility’s share of fossil and nuclear fuel consumed in jointly owned or leased plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of the fuel related substitute generation, plus
 - b. The actual identifiable fossil and nuclear fuel costs [if not known--the month used to calculate fuel (F), shall be deemed to be the same as the actual unit cost of the Company generation in the month said calculations are made. When actual costs become known, the difference, if any, between fuel costs (F) as calculated using such actual unit costs and the fuel costs (F) used in that month shall be accounted for in the current month’s calculation of fuel costs (F)] associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
 - c. The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases, the charges as a result of scheduled outage, and other charges for energy being purchased by the Company to substitute for its own higher cost of energy; and less
 - d. The cost of fossil fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
 - e. The fuel-related costs charged to the Company by PJM Interconnection LLC those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC: Billing Line Items 1210, 2210, 1215, 1218, 2217, 2218, 1230, 1250, 1260, 2260, 1370, 2370, 1375, 2375, 1400, 1410, 1420, 1430, 1478, 1340, 2340, 1460, 1350, 2350, 1360, 2360, 1470, 1377, 2377, 1480, 1378, 2378, 1490, 1500, 2420, 2220, 1200, 1205, 1220, 1225, 2500, 2510, 1930, 2211, 2215, 2415 and 2930.
 - f. All fuel costs shall be based on weighted average inventory costing.

(Cont’d on Sheet No. 5-2)

DATE OF ISSUE: April 12, 2022
 DATE EFFECTIVE: Service Rendered On And After February 13, 2022
 ISSUED BY: /s/ Brian K. West
 TITLE: Vice President, Regulatory & Finance
By Authority Of an Order of the Public Service Commission
In Case No. 2021-00292 Dated March 24, 2022



TARIFF F.A.C. (Cont'd)
(Fuel Adjustment Clause)

4. Forced outages are all nonscheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel costs of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel costs (F) in subsection (3)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.
5. Sales (S) shall be all kWh's sold, excluding intersystem sales. If, for any reason billed system sales cannot be coordinated with the fuel costs for the billing period, sales may be equated to: (i) generation, plus (ii) purchases, plus (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) intersystem sales referred to in subsection (3)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).
6. The cost of fossil fuel shall only include the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees, less any cash or other discounts.
7. At the time the fuel clause is initially filed, the utility shall submit copies of each fossil fuel purchase contract not otherwise on file with the Commission and all other agreements, options, amendments, modifications, and similar documents related to the procurement of fuel supply or purchased power. Any changes in the contracts or other documents, including price escalations, and any new agreements entered into after the initial submission, shall be submitted at the time they are entered into. If fuel is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts shall be noted and the utility shall explain and justify them in writing. Fuel charges, which are unreasonable, shall be disallowed and may result in the suspension of the fuel adjustment clause based on the severity of the utility's unreasonable fuel charges and any history of unreasonable fuel charges. The Commission on its own motion may investigate any aspect of fuel purchasing activities covered by 807 KAR 5:056 (Fuel Adjustment Clause).
8. The monthly fuel adjustment shall be filed with the Commission no later than 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.
9. Copies of all documents required to be filed with the Commission under 807 KAR 5:056 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.
10. At six (6) month intervals, the Commission shall conduct a formal review and may conduct public hearings on a utility's past fuel adjustments. The Commission shall order a utility to charge off and amortize, by means of a temporary decrease of rates, any adjustments the Commission finds unjustified due to improper calculation or application of the charge or improper fuel procurement practice.
11. Every two (2) years following the initial effective date of each utility's fuel clause, the Commission shall conduct a formal review and evaluate past operations of the clause, disallow improper expenses, and to the extent appropriate, reestablish the fuel clause charge in accordance with Section 1 (2) of 807 KAR 5:056.
12. The Commission may conduct a public hearing if the Commission finds that a hearing is necessary for the protection of a substantial interest or is in the public interest.
13. Resulting cost per kilowatt-hour in February 2020 to be used as the base cost in Standard Fuel Adjustment Clause is:

Fuel- February 2020 ÷ \$12,810,858 = \$0.02612/kWh
 Sales February 2020 490,482,730


This, as used in the Fuel Adjustment Clause, is 2.612¢ per kilowatt-hour.

(Cont'd on Sheet 5-3)

DATE OF ISSUE: April 26, 2022
 DATE EFFECTIVE: Bills Rendered On And After April 29, 2022
 ISSUED BY: /s/ Brian K. West
 TITLE: Vice President, Regulatory & Finance
By Authority Of an Order of the Public Service Commission
In Case No. XXXX-XXXXX Dated XXXXX XX, XXXX

CANCELLED

 January 16, 2024

KENTUCKY PUBLIC SERVICE COMMISSION
KENTUCKY PUBLIC SERVICE COMMISSION
Linda C. Bridwell
 Executive Director

EFFECTIVE
4/29/2022
 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

TARIFF F.A.C. (Cont'd)
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- 14. Kentucky Power will temporarily reduce the FAC rate from 0.03466 to 0.03226, which will be applied to customer bills rendered between June 29, 2022 and July 28, 2022. This rate reduction reflects the Company's election to collect \$2,000,000 of the remaining \$3,000,000 of postponed February 2022 and March 2022 estimated fuel costs, which otherwise would have been collected from customers during the July 2022 billing month. The rate reduction described in this paragraph will only be effective for and applied to customer bills rendered between June 29, 2022 and July 28, 2022. More information about the Company's requests to temporarily levelize fuel costs for customers, including its pending request to amortize and collect the remainder of postponed costs in the August 2022 billing cycle, can be found in the Company's Application filed in Case No. 2022-00125.

CANCELLED

January 16, 2024

**KENTUCKY PUBLIC
SERVICE COMMISSION**

DATE OF ISSUE: July 8, 2022
 DATE EFFECTIVE: Bills Rendered On And After June 29, 2022
 ISSUED BY: /s/ Brian K. West
 TITLE: Vice President, Regulatory & Finance
By Authority Of an Order of the Public Service Commission
In Case No. 2022-00125 Dated June 28, 2022

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director



EFFECTIVE
6/29/2022
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)