

**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)

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

Where:

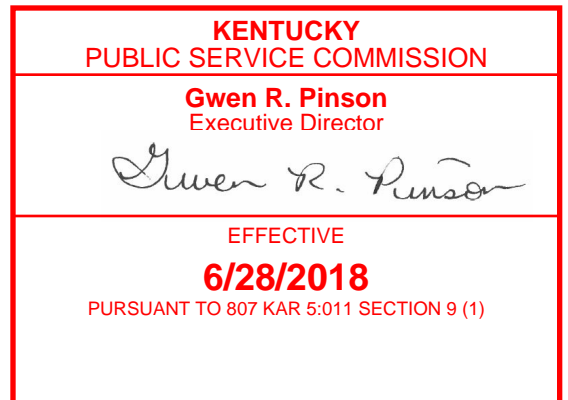
BPP = The annual amount of purchase power costs included in base rates, \$74,453,085.

- 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 \$74,453,085 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
- e. RP = The costs of fuel related to substitute generation less the cost of fuel which would have been used in plants suffering forced generation or transmission outages.

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



DATE OF ISSUE: July 18, 2018  
 DATE EFFECTIVE: Service Rendered On And After June 28, 2018  
 ISSUED BY: /s/ Ranie Wohnhas  
 TITLE: Managing Director, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No. 2017-00179 Dated June 28, 2018



**TARIFF P.P.A. (Cont'd)**  
**(Purchase Power Adjustment)**

**RATES.**

Tariff Class	\$/kWh	\$/kW
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.	\$0.00367	--
S.G.S.-T.O.D.	\$0.00301	--
M.G.S.-T.O.D.	\$0.00301	--
G.S.	\$0.00301	--
L.G.S., L.G.S.-T.O.D.	\$0.00008	\$0.81
L.G.S.-L.M.-T.O.D.	\$0.00262	--
I.G.S. and C.S.-I.R.P.	\$0.00007	\$0.97
M.W.	\$0.00210	--
O.L.	\$0.00007	--
S.L.	\$0.00007	--



The kWh factor as calculated above will be applied to all billing kilowatt-hours for those tariff classes listed above. The kW factor as calculated above will be applied to all on-peak and minimum billing demand kW for the LGS and IGS tariff classes.

The Purchase Power Adjustment factors shall be modified annually using the following formula:

The Purchase Power Adjustment factors shall be determined as follows:

For all tariff classes without demand billing:

$$\text{kWh Factor} = \frac{\text{PPA(E)} \times (\text{BE}_{\text{Class}} / \text{BE}_{\text{Total}}) + \text{PPA(D)} \times (\text{CP}_{\text{Class}} / \text{CP}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

$$\text{kW Factor} = 0$$

For all tariff classes with demand billing:

$$\text{kWh Factor} = \frac{\text{PPA(E)} \times (\text{BE}_{\text{Class}} / \text{BE}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

$$\text{kW Factor} = \frac{\text{PPA(D)} \times (\text{CP}_{\text{Class}} / \text{CP}_{\text{Total}})}{\text{BD}_{\text{Class}}}$$

(Cont'd on Sheet No. 35-3)



DATE OF ISSUE: August 11, 2020  
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 ISSUED BY: /s/ Brian K. West  
 TITLE: Director Regulatory Services  
By Authority Of an Order of the Public Service Commission  
In Case No. XXXXXX Dated XXXXXX



**TARIFF P.P.A. (Cont'd)**  
**(Purchase Power Adjustment)**

N

**RATES. (Cont'd)**

Where:

1. "PPA(D)" is the actual annual retail PPA demand-related costs, plus any prior review period (over)/under recovery.
2. "PPA(E)" is the actual annual retail PPA energy-related costs, plus any prior review period (over)/under recovery.
3. "BE<sub>Class</sub>" is the historic annual retail jurisdictional billing kWh for each tariff class for the current year.
4. "BD<sub>Class</sub>" is the historic annual retail jurisdictional billing kW for each applicable tariff class for the current year.
5. "CP<sub>Class</sub>" is the coincident peak demand for each tariff class estimated as follows:

Tariff Class	BE <sub>Class</sub>	CP/kWh Ratio	CP <sub>Class</sub>
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.		0.0240909%	
S.G.S.-T.O.D.		0.0196553%	
M.G.S.-T.O.D.		0.0196553%	
G.S.		0.0196553%	
L.G.S., L.G.S.-T.O.D.		0.0170480%	
L.G.S.-L.M.-T.O.D.		0.0170480%	
I.G.S. and C.S.-I.R.P.		0.0118222%	
M.W.		0.0135480%	
O.L.		0.0000000%	
S.L.		0.0000000%	

**CANCELLED**  
 January 14, 2021  
**KENTUCKY PUBLIC SERVICE COMMISSION**

6. "BE<sub>Total</sub>" is the sum of the BE<sub>Class</sub> for all tariff classes.
7. "CP<sub>Total</sub>" is the sum of the CP<sub>Class</sub> for all tariff classes.
8. The factors as computed above are calculated to allow the recovery of Uncollectible Accounts Expense of 0.34% and the KPSC Maintenance Fee of 0.1996% and other similar revenue based taxes or assessments occasioned by the Purchase Power Adjustment Rider revenues.
9. The annual PPA factors shall be filed with the Commission by August 15 of each year, with rates to begin with the October billing period, 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

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