

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

APPLICABLE.

To Tariffs R.S., R.S.-L.M.-T.O.D., Experimental R.S.-T.O.D., S.G.S., M.G.S., Experimental M.G.S.-T.O.D., L.G.S., Q.P., C.I.P.-T.O.D., I.R.P., M.W., O.L., and S.L.

RATE.

1. When the monthly net revenues from system sales are above or below the monthly base net revenues from system sales, as provided in paragraph 3 below, an additional credit or charge equal to the product of the kWhrs and a system sales adjustment factor (A) shall be made, where "A", calculated to the nearest 0.0001 mill per kilowatthour, is defined as set forth below.

$$\text{System Sales Adjustment Factor (A)} = (.5[Tm - Tb])/Sm$$

In the above formula "T" is Kentucky Power Company's (KPCo) monthly net revenues from system sales in the current (m) and base (b) periods and "S" is the Kwh sales in the current (m) period, all defined below.

2. The net revenue from American Electric Power (AEP) System deliveries to non-associated companies that are shared by AEP Member Companies, including KPCo, in proportion to their Member Load Ratio and as reported in the Federal 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 Member Load Ratio share of total revenues from System sales as recorded in Account 447, Less
- b. KPCo's Member Load Ratio share of total out-of-pocket costs incurred in supplying the power and energy for the deliveries 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 deliveries, including demand and energy charges for power and energy supplied by Third Parties.

3. The base monthly net revenues from system sales are as follows:

Billing Month	Base Net Revenues from System Sales (Total Company Basis)
January	\$ 895,960
February	767,802
March	893,126
April	1,036,738
May	1,085,852
June	1,324,166
July	1,027,403
August	1,154,184
September	912,736
October	731,014
November	624,320
December	862,035

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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MAR 27 1996

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Charles P. Keel
FOR THE PUBLIC SERVICE COMMISSION

4. Sales (S) shall be equated to the sum of (a) generation (including energy produced by generating plants during the construction period), (b) purchase, and (c) interchange-in, less (d) energy associated with pumped storage operations, less (e) inter-system sales and less (f) total system losses.

5. The system sales adjustment factor shall be based upon estimated monthly revenues and costs for system sales, subject to subsequent adjustment upon final determination of actual revenues and costs.

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

C
18-89-2004

DATE OF ISSUE January 30, 1996 DATE EFFECTIVE August 2, 1995
ISSUED BY E. K. WAGNER DIRECTOR OF RATES ASHLAND, KENTUCKY
NAME TITLE ADDRESS
Issued by authority of an Order of the Public Service Commission in Case No. 91-066 dated April 1, 1991

TARIFF S. S. C. (Cont'd.)
(System Sales Clause)

6. The monthly System Sales Clause 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 adjustments which shall include data and information as may be required by the Commission.

7. Copies of all documents required to be filed with the Commission under this regulation 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.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

C
12-29-2004

MAR 31 1996

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: *James C. Neel*
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE January 30, 1996 DATE EFFECTIVE Service rendered on and after April 1, 1991
ISSUED BY *E. K. Wagner* E. K. WAGNER DIRECTOR OF RATES ASHLAND, KENTUCKY
NAME TITLE ADDRESS
Issued by authority of an Order of the Public Service Commission in Case No. 91-066 dated April 1, 1991

EXPERIMENTAL DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE (Cont'd.)
(Tariff Experimental D.S.M.C.)

RATE. (Cont'd.)

5. The DSM 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 adjustments which shall include data and information as may be required by the Commission.
6. Copies of all documents required to be filed with the Commission under this regulation 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.
7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

CUSTOMER SECTOR			
	<u>RESIDENTIAL</u> (\$ Per Kwh)	<u>COMMERCIAL</u> (\$ Per KWH)	<u>INDUSTRIAL*</u> (\$ Per KWH)
Floor Factor =	0.000066	(0.000082)	- 0 -
Ceiling Factor =	0.000497	(0.000015)	- 0 -

8. The DSM Adjustment Clause factor (\$ Per KWH) for each customer sector which fall within the range defined in Item 7 above is as follows:

CUSTOMER SECTOR			
	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL*</u>
<u>DSM (c)</u>	\$ 462,580	\$ (49,747)	- 0 -
<u>S ©</u>	1,640,355,400	1,015,243,200	- 0 -
Adjustment Factor \$	0.000282	(0.000049)	- 0 -

*The Industrial Sector has been discontinued pursuant to the Commission's Order dated September 28, 1999.



PUBLIC SERVICE COMMISSION
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MAR 30 2004

PURSUANT TO 807 KAR 5.011
 SECTION 9 (1)

DATE OF ISSUE March 26, 2004

EFFECTIVE DATE

March 30, 2004 BY Errol K. Wagner EXECUTIVE DIRECTOR

ISSUED BY ERROL K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
 NAME TITLE ADDRESS

EXPERIMENTAL DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE (Cont'd.)
(Tariff Experimental D.S.M.C.)

RATE. (Cont'd.)

5. The DSM 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 adjustments which shall include data and information as may be required by the Commission.
6. Copies of all documents required to be filed with the Commission under this regulation 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.
7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

CUSTOMER SECTOR			
	<u>RESIDENTIAL</u> (\$ Per Kwh)	<u>COMMERCIAL</u> (\$ Per KWH)	<u>INDUSTRIAL*</u> (\$ Per KWH)
Floor Factor =	0.000217	0.000360	- 0 -
Ceiling Factor =	0.000448	0.000468	- 0 -

8. The DSM Adjustment Clause factor (\$ Per KWH) for each customer sector which fall within the range defined in Item 7 above is as follows:

CUSTOMER SECTOR			
	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL*</u>
DSM (c)	\$ 210,989	\$ 147,282	- 0 -
S ©	633,600,000	355,752,600	- 0 -
Adjustment Factor \$	0.000333	0.000414	- 0 -



*The Industrial Sector has been discontinued pursuant to the Commission's Order dated September 28, 1999.

PUBLIC SERVICE COMMISSION
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 EFFECTIVE

SEP 29 2003

PURSUANT TO 80Y KAR 5:011
 SECTION 9 (1)

BY *Errol K. Wagner*
 EXECUTIVE DIRECTOR

DATE OF ISSUE September 25, 2003 EFFECTIVE DATE September 29, 2003

ISSUED BY Errol K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
 NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2003-00314 dated September 25, 2003

ENVIRONMENTAL SURCHARGE (E.S.)

RATE (Cont'd)

The Rate of Return for Rockport should reflect the requirements of the Rockport Unit Power Agreement.

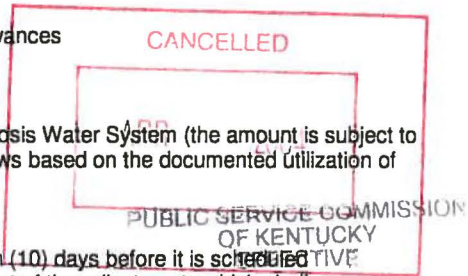
Net Proceeds from the sale of emission allowances and ERCs that reflect net gains will be a reduction to the Current Period Revenue Requirement, while net losses will be an increase.

The Current Period Revenue Requirement will reflect the balances and expenses as of the Expense Month of the filing.

5. Environmental costs "E" shall be the Company's costs of compliance with the Clean Air Act and those environmental requirements shall apply to coal combustion wastes and by-products, as follows:

- (a) cost associated with Continuous Emission Monitors (CEMS)
- (b) costs associated with the terms of the Rockport Unit Power Agreement
- (c) the Company's share of the pool capacity costs associated with Gavin scrubber(s)
- (d) return on SO₂ allowance inventory
- (e) costs associated with air emission fees
- (f) over/under recovery balances between the actual costs incurred less the amount collected through the environmental surcharge
- (g) costs associated with any Commission's consultant approved by the Commission
- (h) costs associated with Low Nitrogen Oxide (NO_x) burners at the Big Sandy Generating Plant
- (i) costs associated with the consumption of SO₂ allowances
- (j) costs associated with the Selective Catalytic Reduction at the Big Sandy Generating Plant
- (k) costs associated with the upgrade of the precipitator at the Big Sandy Generating Plant
- (l) costs associated with the over-fire air with water injection at the Big Sandy Generating Plant
- (m) costs associated with the consumption of NO_x allowances
- (n) return on NO_x allowance inventory
- (o) 25% of the costs associated with the Reverse Osmosis Water System (the amount is subject to adjustment at subsequent 6 month surcharge reviews based on the documented utilization of of the RO Water System by the SCR)

6. The monthly environmental surcharge 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.



MAR 31 2003

PURSUANT TO 807 KAR 5.011
SECTION 9 (1)

DATE OF ISSUE April 10, 2003 SERVICE RENDERED ON OR AFTER March 31, 2003
 ISSUED BY E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
 NAME TITLE ADDRESS

NET MERGER SAVINGS CREDIT (N.M.S.C.)

APPLICABLE.

To Tariffs R.S., R.S.-L.M.-T.O.D., Experimental R.S.-T.O.D., S.G.S., M.G.S., Experimental M.G.S.-T.O.D., L.G.S., Q.P., C.I.P.-T.O.D., C.S.-I.R.P., M.W., O.L., and S.L.

RATE.

The Net Merger Savings Credit shall provide for a monthly adjustment to base rates on a rate per KWH of monthly consumption. The Net Merger Savings Credit shall be calculated according to the following formula:

$$\text{Net Merger Savings Credit} = \text{M.S.F.} + \text{B.A.F.}$$

Where:

(M.S.F.) is the Merger Savings Factor per KWH which is based on the total Company net savings that are to be distributed to the Company's Kentucky retail jurisdictional customers in each 12-month period.

	Net Savings to be Distributed	Merger Savings Factor (M.S.F.)	Balancing Adjustment Factor (B.A.F.)
Year 1*	\$ 1,463,815	.021¢ per Kwh	0 ¢
Year 2	2,553,660	.037¢ per Kwh	.0007¢ per Kwh
Year 3	3,184,645	.045¢ per Kwh	.0009¢ per Kwh
Year 4	3,695,003	.051¢ per Kwh	.0018¢ per Kwh
Year 5	4,037,167	.055¢ per Kwh	
Year 6	4,299,432	.057¢ per Kwh	
Year 7	4,504,920	.059¢ per Kwh	
Year 8	4,626,369	.059¢ per Kwh	
Year 9	5,242,785	.066¢ per Kwh	

*The Net Merger Savings Credit will begin in the first full billing month available following thirty days from the consummation of the merger and will continue until the effective date of a Commission order changing the Company's base rates after Year 8 of this tariff.

(B.A.F.) is the Balancing Adjustment Factor per KWH for the second through the twelfth months of the current distribution year which reconciles any over- or under-distribution of the net savings from prior periods. The B.A.F. will be determined by dividing the difference between amounts which were expected to be distributed and the amounts actually distributed from the application of the Net Merger Savings Credit from the previous year by the expected Kentucky retail jurisdictional KWH. The final B.A.F. will be applied to customer billings in the second month following the effective date of a Commission order changing the Company's base rates after Year 8 of this tariff.

TERMS OF DISTRIBUTION.

1. The total distribution to the Company's customers will, in no case, be less than the sum of the amounts shown for the first eight years above.
2. On or before the 21st of the first month of each distribution year following Year 1, the Company will file with the Commission a status report of the Net Merger Savings Credit. Such report shall include a statement showing the amounts which were expected to be distributed and the amounts actually distributed in previous periods, along with a calculation of the B.A.F. which will be implemented with customer billings in the second month of that distribution year to reconcile any previous over-or under-distributions.
3. The Net Merger Savings Credit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the school tax, the franchise fee, sales tax or similar items.

CANCELLED
SEP 2004

PUBLIC SERVICE COMMISSION
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PURSUANT TO 407 KAR 5.011
 SECTION 9 (1)

BY Charles E. Smith
 EXECUTIVE DIRECTOR

DATE OF ISSUE August 27, 2003 DATE EFFECTIVE September 29, 2003
 ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
 NAME TITLE ADDRESS