

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

**AVAILABILITY OF SERVICE.**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D. 2, S.G.S., S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., I.G.S., L.G.S.-T.O.D., Pilot K-12 School, I.G.S. C.S.-I.R.P., M.W., O.L. and S.L.

**RATE.**

	<u>Service Tariff</u>	
	<u>All Other</u>	<u>I.G.S.</u>
Energy Charge pcr KWH per month	\$ 0.001185	\$ 0.000656
	\$ 0.001482	\$ 0.000732

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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.

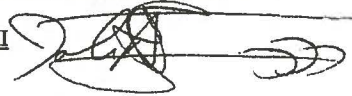
(Cont'd on Sheet No. 28-2)

07/28/17

DATE OF ISSUE: July 19, 2016

DATE EFFECTIVE: Service Rendered On And After July 29, 2016

ISSUED BY: JOHN A. ROGNESS III



TITLE: Director Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2014-00396 Dated June 22, 2015

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Talina R. Mathews EXECUTIVE DIRECTOR</b>
TARIFF BRANCH  
EFFECTIVE <b>7/29/2016</b> PURSUANT TO 807 KAR 5.011 SECTION 9 (1)