

**Federal Tax Cut Tariff  
 (F.T.C.)**

**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., M.W., O.L., and S.L.

**Rate**

1. Pursuant to the final order of the Kentucky Public Service Commission in Case No. 2023-00159, Kentucky Power Company is to credit to retail ratepayers the approved annual amount of excess accumulated deferred federal income taxes (ADIT) beginning January 16, 2024.
2. The Company shall amortize the calendar year retail Generation and Distribution related Protected Excess ADIT of \$1,678,164 to support the rate credits provided to customers through this tariff.
3. Subject to Commission approval of the Company’s application for a financing order authorizing the Company to securitize the Rockport Deferral Regulatory Asset, Tariff P.P.A. Under-Recovery Regulatory Asset, and Storm Expense Deferral Regulatory Assets identified in the Company’s Application in 2023-00159 (collectively, the “Non-Decommissioning Rider Regulatory Assets”), and subject to the Company’s issuance of securitized bonds that include the Non-Decommissioning Rider Regulatory Assets, the Company shall provide customers with the ADIT benefit related to Non-Decommissioning Rider Regulatory Assets approved for securitization through this tariff, at its Commission-approved WACC. The ADIT benefit described in this paragraph will be annually trued-up to address over/(under) recovery pursuant to the procedure described in paragraph 7 of this tariff.

4. The Company shall include a final reconciliation of the retail Generation and Distribution related Unprotected Excess ADIT as part of the over or under-recovery computation in the October 2024 Federal Tax Cut Tariff adjustment filing.

5. The applicable rates on a kWh basis are as follows:

Residential (\$/kWh)	All Other (\$/kWh)
\$(0.00062)	\$(0.00043)

6. The allocation of the Annual Revenue Requirement (ARR) which consists of the retail Generation and Distribution related Protected Excess ADIT, the ADIT benefits related to the securitized Non-Decommissioning Rider Regulatory Assets and any over or under-recovery based upon actual information for prior periods between residential and all other customers shall be based upon their respective contribution to total retail revenues, according to the following formula:

$$\text{Residential Allocation RA}(y) = AC(y) \times \frac{\text{KY Residential Retail Revenue RR}}{\text{KY Retail Revenue R}}$$

$$\text{All Other Allocation OA}(y) = AC(y) \times \frac{\text{KY All Other Classes Retail Revenue OR}}{\text{KY Retail Revenue R}}$$

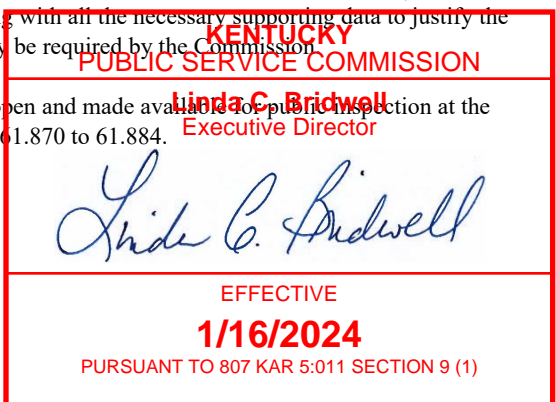
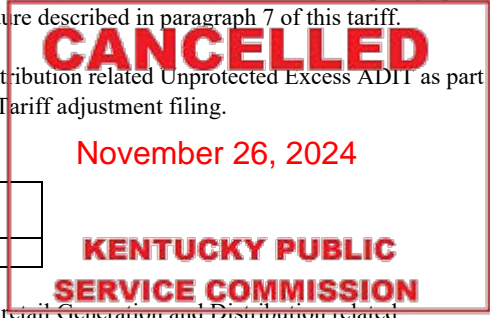
Where:

- (y) = the credit year;
- RR = \$301,523,011;
- OR = \$392,479,515; and
- R = \$694,002,526.

7. The annual Federal Tax Cut Tariff adjustments shall be filed with the Commission no later than October 15th of each year before it is scheduled to go into effect on Cycle 1 of the December billing cycle, 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.

8. Copies of all documents required to be filed with the Commission shall be open and made available to 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 8, 2024  
 DATE EFFECTIVE: Services Rendered On And After January 16, 2024  
 ISSUED BY: /s/ Brian K. West  
 TITLE: Vice President, Regulatory & Finance  
By Authority of an Order of the Public Service Commission  
In Case No.: 2023-00159 Dated January 19, 2024



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