

**NOTICE**

Please Take Notice that on or before June 28, 2017 Kentucky Power Company (Kentucky Power or Company) will file with the Kentucky Public Service Commission (Commission) in Case No. 2017-00179 an application pursuant to Chapter 278 of the Kentucky Revised Statutes for authorization to adjust the rates it charges its customers for services rendered on and after July 29, 2017. Kentucky Power is also seeking authority to revise the terms, conditions, and other requirements of service. If approved and not suspended, Kentucky Power will apply the new rates and terms and conditions of service to all customer bills rendered on and after July 29, 2017 to recover costs of providing service to its customers on and after that date. Kentucky Power is also seeking approval of its updated environmental compliance plan to add selective catalytic reduction technology at Rockport Unit 1 and to provide for the recovery of costs of consumables, including a return on the inventory of consumables, necessary to operate the Company's approved projects.

Kentucky Power proposes to create a new Residential Demand-Metered Electric Service tariff, and new stand-alone tariff sheets for the existing Kentucky Economic Development Surcharge and the Home Energy Assistance Program Surcharge. Kentucky Power also proposes to combine the current S.G.S. and M.G.S. tariffs into a new General Service (G.S.) Tariff. Tariffs S.G.S – T.O.D. and M.G.S. – T.O.D. will remain as separate tariffs. In addition, Kentucky Power is eliminating the following electric tariffs: Pilot Tariff K-12 School, Asset Transfer Rider Tariff, and the Big Sandy Unit 1 Operation Rider.

In addition to the rate changes described below, Kentucky Power has made changes to the text of certain tariffs. Where the text changes to the tariffs are substantive in nature, the proposed language change is described below.

**TARIFF CHANGES**

**TERMS AND CONDITIONS OF SERVICE**

**1. APPLICATIONS.**

Kentucky Power has modified its application process description to clarify that (1) applications may be made in writing, on-line, or via telephone for customers seeking electric service; (2) requests for electric service must be made in a customer's legal name; (3) the Company may request verification of the customer's identity and legal occupancy of the premises to be served before service will be provided; and (4) the Company may reject any request for service in accordance with 807 KAR 5:006, Section 15.

**2. INSPECTIONS.**

Kentucky Power has modified its inspection provision to clarify that it has the authority to disconnect service if a customer's wiring is deemed unsafe. Additionally, the Company may also require a state inspection prior to reconnection of service where the Company has de-energized service for tampering or theft of service.

**4. DEPOSITS.**

Kentucky Power clarified its definition of satisfactory payment history and has modified its deposit waiver requirements. Additionally, the Company changed the credit rating levels below which a non-residential customer is considered to not maintain satisfactory credit criteria.

**5. PAYMENTS.**

Kentucky Power has limited the period during which customers may sign up for the Company's Equal Payment Plan to April through December to avoid having annual settle-up months which coincide with winter billing periods. Customers currently enrolled in the Equal Payment Plan whose accounts are current and have settle-up months during the period from December through February may elect to change their settle-up month. Kentucky Power also deleted reference to payments at business offices and at authorized collection agencies of the Company.

**6. PAYMENT ARRANGEMENTS.**

Kentucky Power is adding a new section to its Terms and Conditions regarding Payment Arrangements as follows:

In accordance with 807 KAR 5:006 Section 14(2), Kentucky Power shall negotiate and accept reasonable payment arrangements at the request of a residential customer who has received a termination notice for failure to pay. Payment arrangements will include the following reasonable provisions:

- 1) Partial Payment Plans are available up to the day prior to the termination date printed on a customer's termination notice.
- 2) Partial Payment Plans are available only for current balances and balances up to 30 days in arrears.
- 3) Any balance more than 30 days in arrears must be paid in full at least one business day prior to the date the Partial Payment Plan is established.
- 4) Customers with delinquent or otherwise unsatisfied Partial Payment Plans may not be eligible for a Partial Payment Plan.
- 5) Unpaid deposit amounts are not eligible for inclusion in a Partial Payment Plan.
- 6) Company reserves the right to refuse unverifiable third party pledges toward a customer's obligations under a Partial Payment Plan.
- 7) Customers shall be advised, in writing or by telephone, the date and the amount of payment(s) due. Service may be terminated without additional notice if the Customer fails to meet the obligations of the agreed plan.
- 8) It is the responsibility of the customer presenting the Medical Certificate to contact the Company to negotiate a payment arrangement based upon the customer's ability to pay. The payment arrangement shall require that the account become current not later than October 15.
- 9) Customers presenting Certification from the Cabinet for Health and Family Services must do so during the initial 10 day termination notice period. As a condition of the 30 day extension, the customer shall exhibit good faith by entering into a payment arrangement.

**78. CUSTOMER LIABILITY.**

Kentucky Power has added language to the Customer Liability section of its Terms and Conditions to clarify that it may assess charges based on electric usage and damages to Company equipment in the event it must terminate service.

**1718. DENIAL OR DISCONTINUANCE OF SERVICE.**

The Company has added language to clarify that the Company can refuse service to any customer if that customer is indebted to the Company for service provided at any address and that the Company can deny or discontinue service if the customer or a member of the customer's household is indebted to the Company for service provided at the current address.

**1819. EMPLOYEE DISCOUNT.**

The Company has deleted the section of the Terms and Conditions providing for an employee discount.

**22. ALERTS AND SUBSCRIPTIONS.**

Kentucky Power is adding a new section outlining the terms and conditions of its optional Mobile Alerts Service.

**CAPACITY AND ENERGY CONTROL PROGRAM**

Kentucky Power is modifying the language in its Capacity and Energy Control Program tariff to update and simplify the description of the program.

**STANDARD NOMINAL VOLTAGES**

Kentucky Power is adding additional standard secondary distribution voltages for non-residential customers.

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

Kentucky Power is modifying the Fuel Adjustment Clause tariff to provide for the recovery of all fuel-related PJM billing line items through the fuel adjustment clause.

**CHANGES APPLICABLE TO TARIFFS R.S., R.S. – L.M. – T.O.D., R.S. – T.O.D., R.S. – T.O.D.2., AND R.S.D.**

Kentucky Power has replaced summary descriptions of each applicable surcharge and rider with the following table referring customers to the tariff sheets that describe each surcharge or rider in detail:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management Adjustment Clause	Sheet No. 22
Kentucky Economic Development Surcharge	Sheet No. 24
Home Energy Assistance Program	Sheet No. 25
Capacity Charge	Sheet No. 28
Environmental Surcharge	Sheet No. 29
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

**TARIFF R.S.  
(Residential Service)**

**RATE.** (Tariff Codes 015, 017, 022)

Service Charge.....	\$11.00 17.50 per month
Energy Charge: .....	8.795¢ 10.853¢ per KWH

**STORAGE WATER HEATING PROVISION.**

<u>Tariff Code</u>	
012	(a) For Minimum Capacity of 80 gallons, the last 300 KWH of use in any month shall be billed at 5.090¢ 6.418¢ per KWH.
013	(b) For Minimum Capacity of 100 gallons, the last 400 KWH of use in any month shall be billed at 5.094¢ 6.418¢ per KWH.
014	(c) For Minimum Capacity of 120 gallons or greater, the last 500 KWH of use in any month shall be billed at 5.094¢ 6.418¢ per KWH.

**LOAD MANAGEMENT WATER-HEATING PROVISION.** (Tariff Code 011)

For residential customers who install a load management water-heating system which consumes electrical energy during off-peak hours specified by the Company and stores hot water for use during on-peak hours, of minimum capacity of 80 gallons, the last 250 KWH of use in any month shall be billed at 5.209¢ 6.418¢ per KWH.

**TARIFF R.S. – L.M. – T.O.D.  
(Residential Service Load Management Time-of-Day)**

**RATE.** (Tariff Codes 028, 030, 032, 034)

Service Charge.....	\$ 13.60 20.00 per month
Energy Charge:	
All KWH used during on-peak billing period.....	13.394¢ 16.553¢ per KWH
All KWH used during off-peak billing period.....	5.094¢ 6.418¢ per KWH

**TARIFF R.S. – T.O.D.  
(Residential Service Time-of-Day)**

**RATE.** (Tariff Code 036)

Service Charge.....	\$ 13.60 20.00 per month
Energy Charge:	
All KWH used during on-peak billing period.....	13.394¢ 16.553¢ per KWH
All KWH used during off-peak billing period.....	5.094¢ 6.418¢ per KWH

**TARIFF R.S. – T.O.D.2  
(Experimental Residential Service Time-of-Day 2)**

**RATE.** (Tariff Code 027)

Service Charge .....	\$13.60 20.00 per month
Energy Charge:	
All KWH used during Summer on-peak billing period .....	10.718¢ 20.258¢ per KWH
All KWH used during Winter on-peak billing period .....	11.894¢ 17.395¢ per KWH
All KWH used during off-peak billing period .....	7.895¢ 8.902¢ per KWH

CHANGES APPLICABLE TO TARIFFS S.G.S. – T.O.D., G.S, M.G.S. – T.O.D., L.G.S., L.G.S. – T.O.D., I.G.S., C.S. – Coal, C.S. – I.R.P., M.W.

Kentucky Power has replaced summary descriptions of each applicable surcharge and rider with the following table referring customers to the tariff sheets that describe each surcharge or rider in detail:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management Adjustment Clause	Sheet No. 22
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Environmental Surcharge	Sheet No. 29
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

TARIFF S.G.S. – T.O.D.  
(Small General Service Time-of-Day)

RATE. (Tariff Code 227)

Service Charge .....	\$17.50	\$22.50 per month
Energy Charge:		
All KWH used during Summer on-peak billing period .....	<del>11.510¢</del>	20.636¢ per KWH
All KWH used during Winter on-peak billing period .....	<del>12.430¢</del>	16.911¢ per KWH
All KWH used during off-peak billing period .....	<del>8.782¢</del>	8.617¢ per KWH

TARIFF M.G.S. – T.O.D.  
(Medium General Service Time-of-Day)

RATE. (Tariff Code 229)

Service Charge .....	\$17.50	\$22.50 per month
Energy Charge: All KWH used during on-peak billing period .....	<del>16.070¢</del>	18.181¢ per KWH
All KWH used during off-peak billing period .....	<del>5.456¢</del>	6.418¢ per KWH

The Company is also adding the following section:

METERED VOLTAGE

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

TARIFF L.G.S.  
(Large General Service)

RATE.

Tariff Code	Service Voltage			
	Secondary 240, 242, 260	Primary 244, 246, 264	Subtransmission 248, 268	Transmission 250, 270
Service Charge per Month	\$ 85.00	\$ 127.50	\$ <del>628.50</del> 679.00	\$ <del>628.50</del> 679.00
Demand Charge per KW	\$ 4.67 7.84	\$ 4.53 7.08	\$ 4.48 5.75	\$ 4.44 5.61
Excess Reactive Charge per KVA	\$ 3.46	\$ 3.46	\$ 3.46	\$ 3.46
Energy Charge per KWH	<del>7.966</del> 8.611¢	<del>6.809</del> 7.580¢	<del>4.794</del> 5.892¢	<del>4.699</del> 5.778¢

LOAD MANAGEMENT TIME-OF-DAY PROVISION.

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

RATE. (Tariff Code 251)

Service Charge .....	\$ 85.00 per month
Energy Charge:	
All KWH used during on-peak billing period .....	<del>13.136¢</del> 15.656¢ per KWH
All KWH used during off-peak billing period .....	<del>5.325¢</del> 6.419¢ per KWH

TARIFF L.G.S. – T.O.D.  
(Large General Service Time-of-Day)

RATE.

Tariff Code	Service Voltage			
	Secondary 256	Primary 257	Subtransmission 258	Transmission 259
Service Charge per Month	\$ 85.00	\$ 127.50	\$ <del>628.50</del> 679.00	\$ <del>628.50</del> 679.00
Demand Charge per KW	\$ 9.55 10.21	\$ 6.85 7.47	\$ 1.06 1.58	\$ 1.05 1.55
Excessive Reactive Charge per KVA	\$ 3.46	\$ 3.46	\$ 3.46	\$ 3.46
On-Peak Energy Charge per KWH	<del>8.542¢</del> 11.538¢	<del>8.241¢</del> 11.096¢	<del>8.150¢</del> 10.950¢	<del>8.052¢</del> 10.798¢
Off-Peak Energy Charge per KWH	<del>4.387¢</del> 4.438¢	<del>4.266¢</del> 4.306¢	<del>4.229¢</del> 4.262¢	<del>4.190¢</del> 4.217¢

TARIFF I.G.S.  
(Industrial General Service)

RATE.

Tariff Code	Service Voltage			
	Secondary 356	Primary 358/370	Subtransmission 359/371	Transmission 360/372
Service Charge per month	\$ 276.00	\$ 276.00	\$ 794.00	\$ 1,353.00
Demand Charge per KW				
Off monthly on-peak billing demand	\$ <del>18.23</del> 25.35	\$ <del>15.24</del> 22.02	\$ <del>10.02</del> 15.56	\$ 9.75 15.12
Off monthly off-peak billing demand	\$ 1.10 1.66	\$ 1.07 1.61	\$ 1.05 1.58	\$ 1.04 1.55
Energy Charge per KWH	<del>3.242¢</del> 3.075¢	<del>3.126¢</del> 2.959¢	<del>3.090¢</del> 2.918¢	<del>3.052¢</del> 2.878¢

Reactive Demand Charge for each kilovar of maximum leading or lagging reactive demand in excess of 50 percent of the KW of monthly metered demand ..... \$ 0.69/ KVAR

For the purpose of this tariff, the on-peak billing period is defined as 7:00 AM to 9:00 PM for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM for all weekdays and all hours of Saturday and Sunday.

MINIMUM DEMAND CHARGE.

The minimum demand charge shall be equal to the minimum billing demand times the following minimum demand rates:

Secondary	Primary	Subtransmission	Transmission
\$19.59 27.10KW	\$16.53 23.72KW	\$11.32 17.23KW	\$11.03 16.78KW

TARIFF C.S.-I.R.P.  
(Contract Service – Interruptible Power)

AVAILABILITY OF SERVICE.

Kentucky Power has clarified that service under Tariff C.S. – I.R.P. is available only to customers taking service under Tariff I.G.S.

TERM OF CONTRACT.

Kentucky Power has removed the contract term language from Tariff C.S. – I.R.P. because customers taking service under Tariff C.S. – I.R.P. will be subject to the contract term established under Tariff I.G.S.

TARIFF M.W.  
(Municipal Waterworks)

RATE. (Tariff Code 540)

Service Charge .....	\$ 22.90 per month
Energy Charge:	
All KWH Used Per Month .....	<del>8.630¢</del> 9.922¢ per KWH

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the sum of the service charge plus \$ ~~8.20~~ \$ 8.89 per KVA as determined from customer's total connected load.

CHANGES APPLICABLE TO TARIFFS O.L. AND S.L.

Kentucky Power has replaced summary description of each applicable surcharge and rider with the following table referring customers to the tariff sheets that describe each surcharge or rider in detail.

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Capacity Charge	Sheet No. 28
Environmental Surcharge	Sheet No. 29
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

**TARIFF O.L.  
(Outdoor Lighting)**

**RATE.**

A. OVERHEAD LIGHTING SERVICE	
Tariff Code	
1.	High Pressure Sodium
094	100 watts ( 9,500 Lumens).....\$ 9.30 9.50 per lamp
113	150 watts ( 16,000 Lumens).....\$ 10.58 10.50 per lamp
097	200 watts ( 22,000 Lumens).....\$ 12.30 11.85 per lamp
103	250 watts ( 28,000 Lumens).....\$ 17.63 15.64 per lamp
098	400 watts ( 50,000 Lumens).....\$ 19.01 17.46 per lamp
2.	Mercury Vapor
093*	175 watts ( 7,000 Lumens).....\$ 10.47 9.59 per lamp
095*	400 watts ( 20,000 Lumens).....\$ 18.07 15.59 per lamp

Company will provide lamp, photo-electric relay control equipment, luminaries and upsweep arm not over six feet in length, and will mount same on an existing pole carrying secondary circuits.

B. POST-TOP LIGHTING SERVICE

Tariff Code	
1.	High Pressure Sodium
111	100 watts (9,500 Lumens).....\$ 14.40 15.20 per lamp
122	150 watts (16,000 Lumens).....\$ 23.13 25.10 per lamp
121	100 watts Shoe Box ( 9,500 Lumens).....\$ 32.85 30.25 per lamp
120	250 watts Shoe Box ( 28,000 Lumens) .....\$ 25.83 27.04 per lamp
126	400 watts Shoe Box ( 50,000 Lumens) .....\$ 42.96 37.36 per lamp
2.	Mercury Vapor
099*	175 watts (7,000 Lumens).....\$ 12.02 11.29 per lamp

\*Effective June 29, 2010 and thereafter these lamps are not available for new installations

Company will provide lamp photo-electric relay control equipment, luminaries, post, and installation including underground wiring for a distance of thirty feet from the Company's existing secondary circuits. *Incremental costs of installation beyond thirty feet shall be the responsibility of the customer.*

C. FLOOD LIGHTING SERVICE

Tariff Code	
1.	High Pressure Sodium
107	200 watts (22,000 Lumens).....\$ 14.40 14.30 per lamp
109	400 watts (50,000 Lumens).....\$ 20.16 20.49 per lamp
2.	Metal Halide
110	250 watts (20,500 Lumens).....\$ 17.88 17.02 per lamp
116	400 watts (36,000 Lumens).....\$ 22.57 20.64 per lamp
131	1000 watts (110,000 Lumens) .....\$ 41.06 35.54 per lamp
130	250 watts Mongoose (19,000 Lumens) .....\$ 24.63 21.27 per lamp
136	400 watts Mongoose (40,000 Lumens) .....\$ 29.42 24.54 per lamp

Company will provide lamp, photoelectric relay control equipment, luminaries, mounting bracket, and mount same on an existing pole carrying secondary circuits.

When new or additional facilities, other than those specified in Paragraphs A, B, and C, are to be installed by the Company, the customer in addition to the monthly charges, shall pay in advance the installation cost (labor and material) of such additional facilities extending from the nearest or most suitable pole of the Company to the point designated by the customer for the installation of said lamp, except that customer may, for the following facilities only, elect, in lieu of such payment of the installation cost to pay:

Wood pole.....	\$3.10	3.60	per month
Overhead wire span not over 150 feet.....	\$1.80	2.10	per month
Underground wire lateral not over 50 feet.....	\$6.75	7.80	per month

(Price includes pole riser and connections)

**BASE FUEL RATE**

*The Company has added a new section to Tariff O.L. creating a separate base fuel charge:*

Customers receiving service under this tariff will receive bills calculated using per lamp and base fuel charges. The base fuel charge will be calculated each month by multiplying the approved base fuel amount set forth in the Company's Fuel Adjustment Clause tariff by the relevant monthly KWH value set forth in the monthly KWH table included below in the Adjustment Clauses section of this tariff.

**TERM OF INITIAL SERVICE.**

*The Company modified the tariff to provide that if early termination is requested, the customer will be billed on the final bill for the remainder of the 12 month period.*

**SPECIAL TERMS AND CONDITIONS.**

*Kentucky Power added a requirement that the customer's account balances must be current before the installation of new or additional lights.*

**TARIFF S.L.  
(Street Lighting)**

**RATE.** (Tariff Code 528)

A. Overhead Service on Existing Distribution Poles	
1.	High Pressure Sodium
	100 watts ( 9,500 lumens).....\$ 7.85 7.55 per lamp
	150 watts (16,000 lumens).....\$ 8.88 8.30 per lamp
	200 watts (22,000 lumens).....\$ 10.70 9.75 per lamp
	400 watts (50,000 lumens).....\$ 15.96 13.21 per lamp
B. Service on New Wood Distribution Poles	
1.	High Pressure Sodium
	100 watts ( 9,500 lumens).....\$ 11.05 11.65 per lamp
	150 watts (16,000 lumens).....\$ 12.23 12.55 per lamp
	200 watts ( 22,000 lumens).....\$ 14.15 14.10 per lamp
	400 watts (50,000 lumens).....\$ 19.76 18.36 per lamp
C. Service on New Metal or Concrete Poles	
1.	High Pressure Sodium
	100 watts ( 9,500 lumens).....\$ 20.40 28.00 per lamp
	150 watts (16,000 lumens).....\$ 21.38 28.80 per lamp
	200 watts (22,000 lumens).....\$ 27.20 28.65 per lamp
	400 watts (50,000 lumens).....\$ 29.46 29.51 per lamp

**BASE FUEL RATE**

*The Company has added a new section to Tariff S.L. creating a separate base fuel charge:*

Customers receiving service under this tariff will receive bills calculated using per lamp and base fuel charges. The base fuel charge will be calculated each month by multiplying the approved base fuel amount set forth in the Company's Fuel Adjustment Clause tariff by the relevant monthly KWH value set forth in the monthly KWH table included below in the Adjustment Clauses section of this tariff.

**SPECIAL TERMS AND CONDITIONS.**

*Kentucky Power added a requirement that the customer's account balances must be current before the installation of new or additional lights.*

**TARIFF C.A.T.V.  
(Cable Television Pole Attachment)**

**RATE**

Charge for attachments on a two-user pole .....	\$7.21 11.97	per attachment per year
Charge for attachments on a three-user pole .....	\$4.47 7.42	per attachment per year

**DEFAULT OR NON-COMPLIANCE.**

*The Company added language authorizing it to remove attachments where the Company has terminated an operator's right of attachment and the operator fails to remove the attachments within thirty days of termination. The Company shall recover its expenses for removing attachments in this instance from the operator. The Company has no obligation to store or recover any value for the removed attachments.*

**TARIFF COGEN/SPP I  
(Cogeneration and/or Small Power Production – 100KW or Less)**

**ADDITIONAL CHARGES.**

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

**Monthly Metering Charge**

The additional monthly charge for special metering facilities shall be as follows:

Option 1 -	Not Applicable.	
Options 2 & 3 -	Where meters are used to measure the excess or total energy and average on-peak capacity purchased by the Company:	
	Single Phase	Polyphase

Standard Measurement	\$ 8.15 9.25	\$ 10.65 12.10
T.O.D. Measurement	\$ 8.70 9.85	\$ 10.95 12.40

**MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES.**

**Energy Credit**

The following credits or payments from the Company to the customer shall apply for the electrical energy delivered to the Company:

Standard Meter - All KWH	3-79¢ 3.24¢ KWH
T.O.D. Meter	
On-Peak KWH	4-64¢ 3.86¢ KWH
Off-Peak KWH	3-18¢ 2.79¢ KWH

**Capacity Credit**

If the customer contracts to deliver or produce a specified excess or total average capacity during the monthly billing period (monthly contract capacity), or a specified excess or total average capacity during the on-peak monthly billing period (on-peak contract capacity), then the following capacity credits or payment from the Company to the customer shall apply:

If standard energy meters are used,

- A. ~~\$3.54~~ \$ 3.11 KW/month, times the lowest of:
- (1) monthly contract capacity, or
  - (2) current month metered average capacity, i.e., KWH delivered to the Company or produced by COGEN/SPP facilities divided by 730, or
  - (3) lowest average capacity metered during the previous two months if less than monthly contract capacity.

If T.O.D. energy meters are used,

- B. ~~\$8.49~~ \$7.47 KW/month, times the lowest of:
- (1) on-peak contract capacity, or
  - (2) current month on-peak metered average capacity, i.e., on-peak KWH delivered to the Company or produced by COGEN/SPP facilities divided by 305 or
  - (3) lowest on-peak average capacity metered during the previous two months, if less than on-peak contract capacity.

The above energy and capacity credit rates are subject to revisions from time to time as approved by the Commission.

**TARIFF COGEN/SPP II  
(Cogeneration and/or Small Power Production – Over 100KW)**

**ADDITIONAL CHARGES.**

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

**Monthly Metering Charge**

The additional monthly charge for special metering facilities shall be as follows:

Option 1 -	Not Applicable.		
Options 2 & 3-	Where meters are used to measure the excess or total energy and average on peak capacity purchased by the Company:		
	<u>Single Phase</u>	<u>Polyphase</u>	
	Standard Measurement	\$ 8-15 9.25	\$ 10-65 12.10
	T.O.D. Measurement	\$ 8-70 9.85	\$ 10-95 12.40

**MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES.**

**Energy Credit**

The following credits or payments from the Company to the customer shall apply for the electrical energy delivered to the Company:

Standard Meter - All KWH	3-79¢ 3.24¢ KWH
T.O.D. Meter	
On-Peak KWH	4-64¢ 3.86¢ KWH
Off-Peak KWH	3-18¢ 2.79¢ KWH

**Capacity Credit**

If the customer contracts to deliver or produce a specified excess or total average capacity during the monthly billing period (monthly contract capacity), or a specified excess or total average capacity during the on-peak monthly billing period (on-peak contract capacity), then the following capacity credits or payment from the Company to the customer shall apply:

If standard energy meters are used,

- A. ~~\$3.54~~ \$3.11/KW/ month, times the lowest of:
- (1) monthly contract capacity, or
  - (2) current month metered average capacity, i.e., KWH delivered to the Company or produced by COGEN/SPP facilities divided by 730, or
  - (3) lowest average capacity metered during the previous two months if less than monthly contract capacity.

If T.O.D. energy meters are used,

- B. ~~\$8.49~~ \$7.47KW/month, times the lowest of:
- (1) on-peak contract capacity, or
  - (2) current month on-peak metered average capacity, i.e., on-peak KWH delivered to the Company or produced by COGEN/SPP facilities divided by 305, or
  - (3) lowest on-peak average capacity metered during the previous two months, if less than on-peak contract capacity.

The above energy and capacity credit rates are subject to revisions from time to time as approved by the Commission.

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

*Kentucky Power is modifying the System Sales Clause tariff to establish an annual system sales adjustment factor in place of a monthly system sales adjustment factor and is modifying the system sales adjustment factor formula to include an over or under-recovery amount. The Company will file with the Commission annual updates no later than August 15 of each year to reestablish the annual system sales adjustment factor. The annual system sales adjustment factor will be set at zero until adjusted with the August 15, 2018 filing.*

**RATE**

3. The base monthly annual/net revenues from system sales are as follows \$7,163,948.

Billing Month	System Sales (Total Company Basis)
January	\$ 1,651,587
February	1,413,908
March	1,372,664
April	1,219,883
May	1,238,911
June	1,171,190
July	1,399,696
August	1,091,614
September	1,099,550
October	1,151,741
November	1,188,760
December	1,136,496
	<u>\$15,196,000</u>

**TARIFF T.S.  
(Temporary Service)**

**AVAILABILITY OF SERVICE.**

*The Company clarified that customers must demonstrate to the Company's satisfaction that service under this tariff will be temporary in nature.*

**CHARGES.**

*The Company added language clarifying that customers taking temporary service will be charged a minimum charge based on the Company's actual cost of installation, connection, disconnection, and removal of the facilities necessary to provide temporary service. Payment of this charge will be required in advance.*

**TERM.**

*The Company modified this provision to indicate that temporary service is available for an initial term of 180 days. The Company may grant 90-day extensions based on the customer's demonstrated need for additional temporary service.*

**TARIFF N.U.G.  
(Non-Utility Generator)**

*The Company modified Tariff N.U.G. to eliminate the notice requirement prior to passing through congestion charges relating to providing start up power to a customer taking service under this tariff and to clarify the requirement to take service under the Open Access Transmission Tariff for remote self-supply.*

**TARIFF E.S.**  
**(Environmental Surcharge)**

**RATE.**

The Company has updated the Base Period Revenue Requirement as follows:

2. Base Period Revenue Requirement, BRR

BRR = The Following Monthly Amounts:

Billing Month	Base Net	Environmental Costs
JANUARY	\$ 2,646,292	4,136,938
FEBRUARY	2,624,660	4,052,130
MARCH	2,736,994	3,858,141
APRIL	2,795,854	4,164,851
MAY	2,782,209	4,093,983
JUNE	2,723,098	4,323,338
JULY	3,416,840	4,243,526
AUGUST	3,184,443	4,382,364
SEPTEMBER	3,236,974	4,118,637
OCTOBER	2,982,958	4,303,417
NOVEMBER	2,895,369	4,193,118
DECEMBER	\$ 2,876,988	4,356,104
	\$ 34,902,677	50,226,547

The Company revised Tariff E.S. to include a reference to the Company's 2017 Environmental Compliance Plan, the approved projects contained therein, and the revised return on equity.

**RIDER G.P.O.**  
**(Green Pricing Option Rider)**

Kentucky Power has changed the name of Rider G.P.O. to the Renewable Power Option Rider ("Rider R.P.O.") Kentucky Power has also modified the language of the tariff to expand the categories of renewable energy credits available and to allow customers to directly purchase the environmental attributes from a renewable energy generator through a bilateral contract with the Company.

**RATE**

Charge (\$ per 100 kWh block): \$2.00/month

A1 *Solar RECs:*

Block Purchase: Charge (\$ per 100 KWH block): \$ 1.00/month  
All Usage Purchase: Charge: \$0.010/kWh consumed

A2 *Wind RECs:*

Block Purchase: Charge (\$ per 100 KWH block): \$ 1.00/month  
All Usage Purchase: Charge: \$0.010/kWh consumed

A3 *Hydro & Other RECs:*

Block Purchase: Charge (\$ per 100 kWh block): \$ 0.30/month  
All Usage Purchase: Charge: \$0.003/kWh consumed

**RIDER A.F.S.**  
**(Alternate Feed Service Rider)**

**TRANSFER SWITCH PROVISION.**

Existing AFS customers, who receive basic service at primary voltage and are served via a Company-owned transfer switch and control module, may elect for the Company to continue ownership of the transfer switch. When the Company-owned transfer switch and/or control module requires replacement, and the customer desires to continue the AFS, the customer shall pay the Company the total cost to replace such equipment which shall be grossed up for federal and state taxes, assessment fees and gross receipts taxes. In addition, the customer shall pay a monthly rate of \$14.25 \$14.67 for the Company to annually test the transfer switch / control module and the customer shall reimburse the Company for the actual costs involved in maintaining the Company-owned transfer switch and control module.

**MONTHLY AFS CAPACITY RESERVATION DEMAND CHARGE.**

Monthly AFS charges will be in addition to all monthly basic service charges paid by the customer under the applicable tariff.

The Monthly AFS Capacity Reservation Demand Charge for the reservation of distribution station and primary lines is \$5.76 \$5.86 per KW.

**TARIFF P.P.A.**  
**(Purchase Power Adjustment)**

**RATE**

Kentucky Power has modified the calculation of net costs to be recovered under this tariff to add the difference between the base amount and current period amount of the following:

- Purchased power costs not otherwise recoverable under the Fuel Adjustment Clause;
- Gains and losses on incidental gas sales; and
- Net PJM load serving entity open access transmission tariff charges.

In addition, Kentucky Power is modifying the Purchase Power Adjustment tariff to establish an annual purchase power adjustment factor in place of a monthly purchase power adjustment factor. Under the modified Purchase Power Adjustment tariff, the Company will utilize customer class specific annual purchase power adjustment factors. The Company will file with the Commission annual updates no later than August 15 of each year to re-establish the annual purchase power adjustment factors. The annual purchase power adjustment factor will be set at zero until adjusted with the August 15, 2018 filing. The base amount of net costs to be used in the calculation of the annual purchase power adjustment factor is \$79,076,785.

**BIG SANDY RETIREMENT RIDER**  
**(B.S.R.R.)**

The Company has renamed the Big Sandy Retirement Rider as the Decommissioning Rider (D.R.) to avoid confusion regarding the purpose of the rider.

**NEW TARIFFS**

Kentucky Power is proposing the following new tariffs. For each customer class tariff where these new tariffs apply, language has been added to identify their applicability.

**TARIFF R.S.D.**  
**(Residential Demand-Metered Electric Service)**

**AVAILABILITY OF SERVICE.**

Available for residential electric service through one single-phase multiple-register demand meter. Availability is limited to the first 1,000 customers applying for service under this tariff.

**MONTHLY RATE.** (Tariff Code 018)

Service Charge	\$17.50 per customer
<b>Energy Charge</b>	
All KWH used during on-peak billing period	13.747 ¢ per KWH
All KWH used during off-peak billing period	7.418 ¢ per KWH
Demand Charge	\$4.44 for each KW of monthly billing demand

For the purpose of this tariff, the on-peak billing period is defined as follows:

Months of October – May .....7:00 A.M. to 11:00 A.M. for all weekdays  
Months of June – September .....4:00 P.M to 9:00 P.M for all weekdays

The off-peak billing period is defined as all weekday hours not defined above as on-peak hours and all hours of Saturday and Sunday.

**MINIMUM CHARGE.**

This tariff is subject to a minimum monthly charge equal to the Service Charge.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management Adjustment Clause	Sheet No. 22
Kentucky Economic Development Surcharge	Sheet No. 24
Home Energy Assistance Program	Sheet No. 25
Capacity Charge	Sheet No. 28
Environmental Surcharge	Sheet No. 29
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

**MONTHLY BILLING DEMAND.**

Customer's demand will be taken monthly to be the highest registration of a 60 minute integrating demand meter or indicator during the on-peak billing period.

**DELAYED PAYMENT CHARGE.**

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

**SPECIAL TERMS AND CONDITIONS.**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power productions facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

**TARIFF G.S.  
(General Service)**

**AVAILABILITY OF SERVICE.**

Available for general service customers. Customers may continue to qualify for service under this tariff until their normal maximum demand exceeds 100 KW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

**RATE.**

Tariff Code	Service Voltage	Demand Charge (\$/kW)	First 4,450 kWh (¢/kWh)	Over 4,450 kWh (¢/kWh)	Monthly Service Charge (\$)
211, 212, 215, 216, 218	Secondary	7.84	10.483	10.355	22.50
217, 220	Primary	7.08	9.379	9.254	75.00
236	Subtransmission	5.75	7.667	7.544	364.00

The Demand Charge shall apply to all monthly billing demand in excess of 10 kW.

**MINIMUM CHARGE.**

This tariff is subject to a minimum charge equal to the sum of the service charge plus the demand charge multiplied by the monthly billing demand in excess of 10 KW.

**ADJUSTMENT CLAUSES.**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 5
System Sales Clause	Sheet No. 19
Franchise Tariff	Sheet No. 20
Demand-Side Management Adjustment Clause	Sheet No. 22
Kentucky Economic Development Surcharge	Sheet No. 24
Capacity Charge	Sheet No. 28
Environmental Surcharge	Sheet No. 29
School Tax	Sheet No. 33
Purchase Power Adjustment	Sheet No. 35
Decommissioning Rider	Sheet No. 38

**DELAYED PAYMENT CHARGE.**

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

**METERED VOLTAGE.**

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses, or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a Customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**MONTHLY BILLING DEMAND.**

Energy supplied hereunder will be delivered through not more than one single phase and/or polyphase meter. Customer's demand will be taken monthly to be the highest registration of a 15-minute integrating demand meter or indicator, or the highest registration of a thermal type demand meter. The monthly billing demand shall be the greater of: (1) Customer's metered KW demand, (2) 60% of the Customer's contract capacity in excess of 100 KW, or (3) 60% of the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

The Company reserves the right to install a demand meter on any customer receiving service under this tariff. A demand meter will be installed by the Company for customers with monthly kWh usage of 4,450 kWh or greater.

**RECREATIONAL LIGHTING SERVICE PROVISION.**

Available for service to customers with demands of 5 KW or greater and who own and maintain outdoor lighting facilities and associated equipment utilized at baseball diamonds, football stadiums, parks and other similar recreational areas. This service is available only during the hours between sunset and sunrise. Daytime use of energy under this rate is strictly forbidden except for the sole purpose of testing and maintaining the lighting system. All Terms and Conditions of Service applicable to Tariff G.S. customers will also apply to recreational lighting customers except for the Availability of Service.

**RATE.** (Tariff Code 214)

Service Charge	\$22.50 per month
Energy Charge	11.081¢ per KWH

**LOAD MANAGEMENT TIME-OF-DAY PROVISION.** (Tariff Code 223, 225)

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

**RATE.**

Service Charge	\$22.50 per month
Energy Charge:	
All KWH used during on-peak billing period	17.364¢ per KWH
All KWH used during off-peak billing period	6.418¢ per KWH

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

**OPTIONAL UNMETERED SERVICE PROVISION.**

Available to customers who qualify for Tariff G.S., have a demand of less than 10KW, and use the Company's service for commercial purposes consisting of small fixed electric loads such as traffic signals and signboards which can be served by a standard service drop from the Company's existing secondary distribution system. This service will be furnished at the option of the Company.

Each separate service delivery point shall be considered a contract location and shall be separately billed under the service contract. In the event one Customer has several accounts for like service, the Company may meter one account to determine the appropriate kilowatt-hour usage applicable for each of the accounts.

The Customer shall furnish switching equipment satisfactory to the Company. The Customer shall notify the Company in advance of every change in connected load, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of an increase in load, the Company reserves the right to refuse to serve the contract location thereafter under this provision, and shall be entitled to bill the customer retroactively on the basis of the increased load for the full period such load was connected, or the earliest date allowed by Kentucky statute, whichever is applicable.

Calculated energy use per month shall be equal to the contract capacity specified at the contract location times the number of days in the billing period times the specified hours of operation. Such calculated energy shall then be billed at the following rates:

**RATE.** (Tariff Codes 204 (Metered), 213 (Unmetered))

Customer Charge.....	\$13.50 per month
Energy Charge:	
First 500 KWH per month.....	10.483¢ per KWH
All Over 500 KWH per month.....	10.355¢ per KWH

**TERM OF CONTRACT.**

Contracts under this tariff may be required of customers. Contracts under this tariff will be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for periods of longer than 1 (one) year.

**SPECIAL TERMS AND CONDITIONS.**

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having another source of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum demand in KW which the Company might be required to furnish, but no less than 10 KW. The Company shall not be obligated to supply demands in excess of that contracted for. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point of both their power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

**TARIFF K.E.D.S.  
(Kentucky Economic Development Surcharge)**

Proceeds of the surcharge and matching Company contributions will be used to fund economic development programs and activities as determined by the Company within the 20 counties comprising Kentucky Power's certified territory.

**Applicable.**

To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D2., R.S.-T.O.D., S.G.S.-T.O.D., G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., I.G.S., C.S.-Coal, C.S.-I.R.P., M.W.

**Rate.**

\$0-15 \$0.25 per month per account.

**TARIFF H.E.A.P.  
(Home Energy Assistance Program)**

Proceeds of the charge and matching Company contributions will be used to provide financial assistance to low-income residential customers for electric bills during peak heating (December, January, February, and March) and cooling (July, August, and September) months.

# Kentucky's unemployment rate decreases to 5 percent in May 2017

## Herald Report

Kentucky's seasonally adjusted preliminary May unemployment rate was 5 percent, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. The unemployment rate for May 2017 was down 0.1 percentage points from the 5.1 percent reported in April 2017.

The preliminary May 2017 jobless rate was unchanged from the 5 percent rate recorded for the state in May 2016.

The U.S. seasonally adjusted jobless rate for May 2017 was 4.3 percent, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In May 2017, Kentucky's civilian labor force was 2,085,238, an increase of

2,416 individuals compared to the previous month. Employment was up by 4,264, while the number of unemployed decreased by 1,848.

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment decreased by 2,000 jobs in May 2017 compared to April 2017. Kentucky has added 26,400 jobs since May 2016, a 1.4 percent employment growth.

"The two measures of employment are showing mixed signals for employment growth this month," said Kentucky Labor Market Information Director Kate Shirley Akers, Ph.D. "The household survey suggests that more individuals were working this month, but this growth was slower than reported in previous months. The establishment survey indicates the number of jobs in Kentucky has decreased. Month-to-month data is highly variable. Long-run trends provide a clearer indication of how the state's economy is performing."

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, four of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while seven declined from the previous month.

Kentucky's education and health services sector showed the largest gains with 1,100 more jobs in May 2017. This sector has increased by 4,400 jobs since May 2016, a 1.6 percent growth rate. This sector was led by the health care and social assistance subsector, which added 1,400 jobs in May 2017. The education subsector lost 300 jobs.

Trade, transportation and utilities gained 500 jobs from April 2017 to May 2017. Since May 2016, this sector is up 4,500 jobs or 1.1 percent.

The information sector rose by 200 jobs from April 2017 to May 2017. Kentucky has seen a 6.1 percent growth in information jobs since May 2016.

The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

The financial activities sector added 200 jobs in May 2017. Since May 2016, this sector has gained 2,500 jobs or 2.7 percent.

Employment in construction fell by 1,400 jobs, a 1.7 percent decrease since April 2017. However, construction is up since May 2016 with 2,900 more jobs, an increase of 3.8 percent.

Kentucky's leisure and hospitality sector lost 900 jobs in May 2017. From May 2016, employment in this sector has risen 1,200 or 0.6 percent. This sector includes arts, entertainment, recreation, accommodation and food services.

Manufacturing lost 400 jobs, a 0.2 percent decrease, in May 2017. Since May 2016, this sector has added 3,700 jobs, a 1.5 percent increase.

Mining and logging fell by 200 jobs, a decrease of 2 percent. This sector has declined by 900 jobs, or 8.5 percent, since May last

year. Professional and business services had 400 fewer jobs, a 0.2 percent decline. However, this sector has added 6,500 jobs since May 2016, a 3 percent growth. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services and payroll processing.

The other services sector fell by 500 jobs in May 2017, a drop of 0.7 percent, but has expanded by 1,300 positions since last May. Other services includes repairs and maintenance, personal care services, and religious organizations.

The government sector dropped by 200 jobs in May 2017 and 1,100 positions since last May. This sector includes public education, public administration agencies and state-

owned hospitals. Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at <http://www.kymi.ky.gov/>.

**THE LEWIS COUNTY HERALD  
deadline for all submissions  
is Noon Friday.**

### Applicable.

To Tariffs R.S., R.S. D., R.S.-L.M.-T.O.D., R.S.-T.O.D.2., R.S.-T.O.D.

### Rate.

\$0-15 \$0.20 per month per residential account

### EFFECT OF PROPOSED CHANGE IN CUSTOMER RATES

If approved as filed, the Company's proposed changes to its rates and tariffs will result in a proposed annual increase in electric revenues for Kentucky Power of approximately 11.86%. Kentucky Power's proposal also includes an update to the Company's Environmental Compliance Plan ("Plan"). If the updated Plan is approved, the Company will recover costs with the new environmental control projects included in the Plan through the environmental surcharge. With the costs of the new environmental control projects included in the Plan, Kentucky Power's proposed annual increase in electric revenues will be approximately 12.56%. The estimated annual revenue increase per customer class is as follows:

Customer Classification	Current Revenue	General Rate Increase*			Total Increase**		
		Proposed Revenue	Proposed Increase	Percent Change	Proposed Revenue	Proposed Increase	Percent Change
R.S.	\$232,952,481	\$270,431,039	\$37,478,558	16.09%	\$272,182,724	\$39,230,243	16.84%
S.G.S. - T.O.D.	\$123,507	\$141,245	\$17,738	14.36%	\$142,393	\$18,886	15.29%
M.G.S. - T.O.D.	\$411,941	\$446,302	\$34,361	8.34%	\$449,519	\$37,578	9.12%
S.G.S.***	\$21,248,222	\$23,106,822	\$1,858,600	8.75%	\$23,280,038	\$2,031,816	9.56%
M.G.S.***	\$59,833,848	\$65,691,477	\$5,857,629	9.79%	\$66,168,736	\$6,334,888	10.59%
G.S.***	\$81,082,069	\$88,798,299	\$7,716,229	9.52%	\$89,448,774	\$8,366,704	10.32%
L.G.S.	\$57,443,992	\$62,280,742	\$4,836,750	8.42%	\$62,711,438	\$5,267,446	9.17%
K-12 School****	\$13,123,224	\$14,869,783	\$1,746,559	13.31%	\$14,974,649	\$1,851,425	14.11%
I.G.S.	\$157,911,866	\$170,769,361	\$12,857,495	8.14%	\$171,633,349	\$13,721,483	8.69%
M.W.	\$221,405	\$237,892	\$16,487	7.45%	\$239,496	\$18,091	8.17%
O.L.	\$8,984,564	\$9,843,414	\$858,850	9.56%	\$9,925,431	\$940,867	10.47%
S.L.	\$1,645,931	\$1,755,783	\$109,852	6.67%	\$1,769,144	\$123,213	7.49%
C.A.T.V. 2 User	\$452,925	\$751,943	\$299,018	66.02%	\$751,943	\$299,018	66.02%
C.A.T.V. 3 User	\$353,586	\$586,937	\$233,351	66.00%	\$586,937	\$233,351	66.00%
COGEN/SPP I	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COGEN/SPP II	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Includes base rate increase and increase associated with Tariffs KEDS (for all customer classes) and HEAP (for the residential customer class).

\*\* Includes general rate increase and increase associated with updates to environmental compliance plan.

\*\*\* The italicized values in the row labeled S.G.S., M.G.S., and G.S. are illustrative only. The Company is proposing to combine current Tariffs S.G.S. and M.G.S. into a new Tariff G.S. The "proposed revenues," "proposed increase," and "percent change" values shown above for the S.G.S. and M.G.S. classes are illustrative and reflect the application of the proposed Tariff G.S. rates to customers currently taking service under Tariffs S.G.S. and M.G.S. Because Kentucky Power is proposing to eliminate Tariffs S.G.S. and M.G.S., service will not be available under those classes if the Company's application is approved. In that case, customers receiving service under Tariffs S.G.S. and M.G.S. will only be offered service under Tariff G.S. The "current revenue" value shown for Tariff G.S., which currently is not authorized, likewise are for illustrative purposes.

\*\*\*\* The italicized values in the row labeled K-12 School are illustrative only. The Company is proposing to eliminate Pilot Tariff K-12 School. The "proposed revenues," "proposed increase," and "percent change" values shown above for the K-12 School class are illustrative and reflect the application of the proposed Tariff L.G.S. rates to customers currently taking service under Pilot Tariff K-12 School. Because Kentucky Power is proposing to eliminate Pilot Tariff K-12 School, service will not be available under that class if the Company's application is approved. In that case, customers receiving service under Pilot Tariff K-12 School will only be offered service under Tariff L.G.S. The values in the row labeled L.G.S. do not include the Pilot Tariff K-12 School customers that will take service under Tariff L.G.S. if the Company's application is approved.

The average monthly bill for each customer class to which the proposed electric rates will apply will increase approximately as follows:

Customer Class	Average Customer Usage (kWh)	Average Customer Demand (kW)	General Rate Increase*				Total Increase**		
			Present Average Billing	Proposed Average Billing	Average Billing Change	Average Percent Change	Proposed Average Billing	Average Billing Change	Average Percent Change
R.S.	1,247	—	\$142.20	\$165.08	\$22.88	16.09%	\$166.14	\$23.95	16.84%
S.G.S. - T.O.D.	328	—	\$56.92	\$65.09	\$8.17	14.36%	\$65.62	\$8.70	15.29%
M.G.S. - T.O.D.	3,876	—	\$445.34	\$482.49	\$37.15	8.34%	\$485.97	\$40.62	9.12%
S.G.S.***	456	—	\$73.61	\$80.05	\$6.44	8.75%	\$80.65	\$7.04	9.56%
M.G.S.***	5,664	14	\$742.05	\$814.70	\$72.65	9.79%	\$820.62	\$78.56	10.59%
G.S.***	1,593	14	\$219.56	\$240.46	\$20.89	9.52%	\$242.22	\$22.66	10.32%
L.G.S.	65,996	190	\$7,281.53	\$7,894.63	\$613.10	8.42%	\$7,949.23	\$667.70	9.17%
K-12 School****	57,391	222	\$6,750.63	\$7,649.07	\$898.44	13.31%	\$7,703.01	\$952.38	14.11%
I.G.S.	2,929,948	4,290	\$193,519.44	\$209,276.18	\$15,756.73	8.14%	\$210,334.99	\$16,815.54	8.69%
M.W.	16,601	15	\$1,845.04	\$1,982.43	\$137.39	7.45%	\$1,995.80	\$150.76	8.17%
O.L.	64	—	\$13.36	\$14.64	\$1.28	9.56%	\$14.76	\$1.40	10.47%
S.L.	58	—	\$11.58	\$12.35	\$0.77	6.67%	\$12.45	\$0.87	7.49%
C.A.T.V. 2 User	62,819	—	\$7.21	\$11.97	\$4.76	66.02%	\$11.97	\$4.76	66.02%
C.A.T.V. 3 User	79,102	—	\$4.47	\$7.42	\$2.95	66.00%	\$7.42	\$2.95	66.00%
COGEN/SPP I	No Customers	—	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COGEN/SPP II	No Customers	—	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Includes base rate increase and increase associated with Tariffs KEDS (for all customer classes) and HEAP (for the residential customer class).

\*\* Includes general rate increase and increase associated with updates to environmental compliance plan.

\*\*\* The italicized values in the row labeled S.G.S., M.G.S., and G.S. are illustrative only. The Company is proposing to combine current Tariffs S.G.S. and M.G.S. into a new Tariff G.S. The "proposed average billing," "average billing change," and "average percent change" values shown above for the S.G.S. and M.G.S. classes are illustrative and reflect the application of the proposed Tariff G.S. rates to customers currently taking service under Tariffs S.G.S. and M.G.S. Because Kentucky Power is proposing to eliminate Tariffs S.G.S. and M.G.S., service will not be available under those classes if the Company's application is approved. In that case, customers receiving service under Tariffs S.G.S. and M.G.S. will only be offered service under Tariff G.S. The "average customer usage," "average customer demand," and "present average billing" values shown for Tariff G.S., which currently is not authorized, likewise are for illustrative purposes and they represent the average of a single class combining Tariff S.G.S. and Tariff M.G.S.

\*\*\*\* The italicized values in the row labeled K-12 School are illustrative only. The Company is proposing to eliminate Pilot Tariff K-12 School. The "proposed average billing," "average billing change," and "average percent change" values shown above for the K-12 School class are illustrative and reflect the application of the proposed Tariff L.G.S. rates to customers currently taking service under Pilot Tariff K-12 School. Because Kentucky Power is proposing to eliminate Pilot Tariff K-12 School, service will not be available under that class if the Company's application is approved. In that case, customers receiving service under Pilot Tariff K-12 School will only be offered service under Tariff L.G.S. The values in the row labeled L.G.S. do not include the Pilot Tariff K-12 School customers that will take service under Tariff L.G.S. if the Company's application is approved.

Kentucky Power's application and exhibits in this case are available for public inspection, during normal business hours, at Kentucky Power's offices located at 855 Central Avenue, Suite 200, Ashland, KY 41101; 12333 Kevin Avenue, Ashland, KY 41102; 101A Enterprise Drive, Frankfort, KY 40601; 1400 E. Main St. Hazard, KY 41701; and 3249 North Mayo Trail Pikeville, KY 41501. Additionally, the application and exhibits in this case are available for public inspection on the Company's website: [www.kentuckypower.com](http://www.kentuckypower.com).

The application, testimony and other related filings are also available for public inspection between the hours of 8:00 a.m. to 4:30 p.m., Monday through Friday, at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky and may be found on the Commission's website: <http://psc.ky.gov> at Case No. 2017-00179.

Written comments on Kentucky Power's application and the proposed rates may be submitted to the Commission by mail to Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602-0615 or via the Commission's website: <http://psc.ky.gov>.

The Company is not proposing to modify other rates and charges not included in this Notice. The rates contained in this notice are the rates proposed by Kentucky Power. The Public Service Commission may order rates to be charged that differ from the proposed rates in this notice. Such action by the Commission may result in rates for customers other than the rates contained in this notice.

Any person may submit a timely written request for intervention in Case No. 2017-00179. The motion shall be submitted to the Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602-0615, and shall establish the grounds for the request, including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty days of the initial publication of this notice, the Commission may take final action on the application.