

A Registered Limited Liability Partnership

Attorneys At Law

Established 1916

www.hsdllaw.com

WRITER'S DIRECT DIAL NUMBER
(423) 378-8858

WRITER'S E-MAIL ADDRESS
bovender@hsdllaw.com
AMEP/Z 81650

S. Morris Hadden
William C. Bovender
William C. Argabrite
Jimmie Carpenter Miller
Mark S. Dessauer
Gregory K. Haden
Michael L. Forrester
Stephen M. Darden
Edward J. Webb, Jr.
James N. L. Humphreys
Julie Poe Bennett
Suzanne Sweet Cook
Michael S. Lattier
Scott T. Powers

Leslie Tentler Ridings
Laura A. Steel
Christopher D. Owens
Teresa Mahan Lesnak
Matthew H. Wimberley
Kim J. Kinsler
Lillian R. Abboud
Jody P. Mitchell
Sentria A. Goodman
R. Lee McVey

COUNSEL
Thomas R. Wilson
Edwin L. Treadway (Ret.)

Kingsport Office
1212 North Eastman
Road
P O Box 3740
Kingsport, TN 37664-
0740
Phone (423) 378-8800
Fax (423) 378-8804

Johnson City Office
1321 Sunset Drive
Building B, Suite 201
Johnson City, TN 37604
Phone (423) 283-6300
Fax (423) 283-6301

April 27, 2006
VIA FEDERAL EXPRESS

PLEASE RESPOND TO:
KINGSPORT OFFICE

Chairman Ron Jones
ATTN: Sharla Dillon, Dockets Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

In Re: Appropriateness of Implementation of PURPA Standard 11 (Net Metering), Standard 12 (Fuel Services), Standard 13 (Fossil Fuel Generation Efficiency), Standard 14 (Time Based Metering and Communications) and Standard 15 (Interconnection) for Kingsport Power Company d/b/a Appalachian Power
Docket No. 06-00010

Dear Chairman Jones:

During the course of the hearing on this Docket before Hearing Officer Stone on 04/25/06, Kingsport Power Co. d/b/a AEP Appalachian Power ("Kingsport") was requested to supplement its pre-filed direct testimony and the testimony of its witnesses at the hearing relative to the appropriateness of implementing PURPA Standard 14 (Time Based Metering and Communications) by supplementing same by letter.

Specifically, Kingsport was requested to identify any current time-based tariff which is applicable to customers using more than 300 KVA and less than 3000 KVA.

A comprehensive review of Kingsport's current time-based tariffs combined with a focus on Kingsport's actual accounts reveals the following:

Customers, whose normal demands fall between 100 KVA and 3000 KVA are eligible to purchase electricity under the LGS tariff. There are currently 324 customers taking service under said LGS tariff. Of those, 276 of the 324 (85%), would qualify for the time-based offering of the Medium General Service – Time of Day tariff. [MGS TOD (see, Potter Pre-filed Direct Testimony, p. 5, attached as Exhibit "A")].

There currently is no time-based tariff that would apply to the remaining 48 customers, whose normal demand exceeds 300 KVA but is less than 3000 KVA.

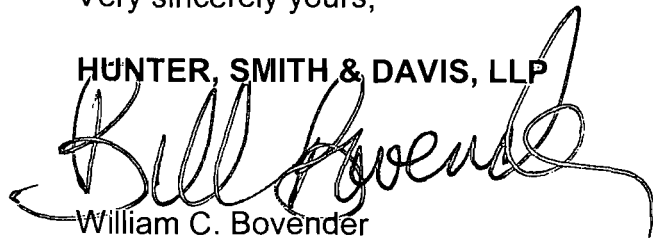
Notwithstanding, 99.9% of Kingsport's current customers have available to them a time-based tariff.

Kingsport continues to believe there is, as such, no need for further action by the Tennessee Regulatory Authority on Standard 14.

Should there be further questions, please contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

A large, stylized handwritten signature in black ink, appearing to read "Bill Bovender", is written over the printed name and firm name.

William C. Bovender

Attorney for Kingsport Power Co.
d/b/a AEP Appalachian Power

WCB/pl

cc: Hearing Officer Jean Stone
Ms. Ginger Collier
James R. Bacha, Esq. (via e-mail)
Barry L. Thomas (via e-mail)
Chris Potter (via e-mail)

Tariff	Provisions	Requirements
RS - Residential Service	Load Management Water heating Provision - the last 250 kWh of use in any month will be billed at a rate of 2.755 cents per kWh vs. the standard charge of 4.142 cents per kWh.	Customer installs a Company approved water heating system which consumes electrical energy during Off-Peak hours and stores hot water for use during On-Peak hours
RS TOD - Residential Time-of-Day Electric Service	RS TOD has an On-Peak charge of 7.541 cents per kWh and an Off-Peak charge of 2.755 cents per kWh	Any Residential customer can take service under the RS TOD tariff.
RS LM TOD - Residential Load Management Time-of-Day Electric Service	RS LM TOD has an On-Peak charge of 7.541 cents per kWh and an Off-Peak charge of 2.755 cents per kWh. If qualified for Conservation and Load Management Credit, customer will be credited 937 cents per kWh for each kWh consumed during the Off-Peak period	To qualify for the Conservation and Load Management Credit, the customer must have a combination of approved electric thermal storage, space heating and/or cooling system and water heater all of which are designed to consume electrical energy only during the Off-Peak billing periods.
SGS LM TOD - Small General Service Load Management Time-of-Day Provisions	SGS LM TOD has an On-Peak charge of 9.293 cents per kWh and an Off-Peak charge of 2.755 cents per kWh.	To qualify for this offering a customer must have energy storage devices with time-differentiated load characteristics which consume electrical energy only during the Off-Peak hours and store energy for use during On-Peak hours.
MGS TOD - Medium General Service Load Management Time-of-Day Provisions	MGS TOD has an On-Peak charge of 8.847 cents per kWh and an Off-Peak charge of 2.755 cents per kWh.	Available to the first 100 general service customers that apply with a demand greater than 10 KW but less than 300 KW.
MGS LM TOD - Medium General Service Load Management Time-of-Day Provisions	MGS LM TOD has an On-Peak charge of 8.847 cents per kWh and an Off-Peak charge of 2.755 cents per kWh	To qualify for this offering a customer must have energy storage devices with time-differentiated load characteristics which consume electrical energy only during the Off-Peak hours and store energy for use during On-Peak hours.
IP - Industrial Power	IP has an Off-Peak excess demand charge that depending on the voltage level at which service is provided between \$6.20 per KW and \$6.13 per KW less than the On-Peak demand charge	To qualify for the IP tariff the customer must be an industrial or large commercial customer with a contract capacity of greater than 3,000 KW.

