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KPOW.85704

November 12, 2010

PLEASE RESPOND TO:
KINGSPORT OFFICE

David Foster, Chief-Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Notice of Kingsport Power Company d/b/a AEP
Appalachian Power; **TRA Docket No.: 08-00213**

Dear Mr. Foster:

As you are aware, by Order dated December 22, 2008 in the above-listed Docket, the Tennessee Regulatory Authority ("TRA") approved changes in Kingsport Power Company's ("KgPCo's") Purchased Power Adjustment Rider ("PPAR"). On November 13, 2009, as supplemented on November 19, 2009, KgPCo made a tariff filing in this docket, which was reviewed by the TRA Staff and allowed to take effect on January 1, 2010, increasing rates charged under the PPAR. KgPCo's current PPAR consists of 1st Revised Sheet Nos. 2-8 through 2-9, and 4th Revised Sheet No. 2-10, of KgPCo's T.R.A. Tariff No. 1 (EXHIBIT 1 hereto). The PPAR permits KgPCo to apply a surcharge on its retail customers' bills when there are changes in KgPCo's non-fuel cost of purchased power from its wholesale power supplier, Appalachian Power Company ("APCo"), under FERC implemented rate schedules.

KgPCo and APCo are parties to the Amended and Restated Interconnection Agreement, dated November 13, 2008, designated as Appalachian Power Company First Revised FERC Rate Schedule No. 23 ("Revised Rate Schedule 23"), under which APCo currently supplies full requirements electric service to KgPCo. Revised Rate Schedule 23 provides for three annual step increases in APCo's generation rates to Kingsport, which, based upon 2007 billing determinants, produce the following additional revenues: \$24 million in 2009, an additional \$3 million (for a total increase in revenues of \$27 million) in 2010, and an additional \$9 million (for a total increase in revenues of \$36 million) in 2011. In addition to the generation rate increases, Revised Rate Schedule 23 provides that Kingsport will pay for Network Integration Transmission Service ("NITS") and other applicable transmission-related services (other than generation-based Ancillary Services) as arranged by the AEP East System, in accordance with the

provisions of the PJM Open Access Transmission Service Tariff ("OATT"), or other applicable FERC rate schedules, as such rate schedules, which may be revised by FERC from time to time, apply to the AEP East System companies.

On December 2, 2008, the FERC accepted Revised Rate Schedule 23 for filing, effective January 1, 2009. Consequently, the rates for 2009 provided for in Revised Rate Schedule 23 were charged to KgPCo by APCo during 2009; the rates for 2010 provided for in Revised Rate Schedule 23 have been charged to KgPCo by APCo since January 1, 2010; and the rates for 2011 provided for in Revised Rate Schedule 23 will be charged to KgPCo by APCo beginning on January 1, 2011, per FERC action.

On October 29, 2010, the FERC approved a Settlement Agreement in FERC Docket No. ER09-1279-000. The approved Settlement Agreement provides for a phase-in of changes under a Transmission Agreement, designated as First Revised Rate Schedule FERC No. 34 ("Revised Rate Schedule 34"), in three steps, through July 31, 2013. As a result of discussions with a group of its large industrial customers, KgPCo agreed to reflect less transmission costs in this PPAR filing for calendar year 2011 than it would be entitled to collect from its retail customers under Revised Rate Schedules 23 and 34, by levelizing the FERC-approved phase-in of transmission cost changes over the period January 1, 2011, through July 31, 2013.

As shown in EXHIBIT 1, Section 4 of the current PPAR provides that the tariff surcharges, as calculated in Section 3, shall be effective upon the same date as any change in Kingsport's wholesale supplier's tariff is implemented by the FERC. Under the terms of Kingsport's current PPAR, the changes in Kingsport's non-fuel cost of purchased power (including transmission costs) resulting from the FERC's implementation of Revised Rate Schedules 23 and 34 would be passed through to Kingsport's customers upon 30-days notice. The surcharges applicable to each of Kingsport's tariffs under this approach are set forth on the black-line and clean copy of the PPAR (attached as EXHIBIT 2, hereto).

In accordance with Section 5 of the PPAR, this letter is submitted so as to provide no less than 30-days notice of changes to the current PPAR, and includes the newly calculated purchased power surcharges, to become effective on January 1, 2011. These changes only apply to the purchased power surcharges in Section 7 of the current PPAR, as shown in EXHIBIT 2.

The modifications that Kingsport will implement to Section 7 of the PPAR reflect, including the effects of the FERC-implemented changes in KgPCo's non-fuel cost of purchased power, applicable transmission services, in accordance with provisions of Revised Rate Schedules 23 and 34, coupled with the levelization of the FERC-approved phase-in of changes in transmission costs resulting from the agreement between KgPCo and its industrial customers. The surcharge changes shown in EXHIBIT 2 reflect the increased purchased power costs that APCo will begin charging Kingsport on January 1, 2011. The surcharges, beginning January 1, 2011, would collect an additional \$4.9 million in annual revenues -- the net of an increase of \$9 million to cover KgPCo's increased generation costs, and a decrease of approximately \$4.1 million in transmission costs. Supporting documentation showing the calculation of the purchased power costs to be collected by the proposed surcharges is shown in EXHIBIT 3 (attached hereto).

The TRA's December 22, 2008 Order approving KgPCo's current PPAR directed that KgPCo file new allocation factors in last year's and this year's PPAR filings, only if a customer is added or removed from the Large General Service (LGS) or Industrial (IP) classes. While the number of customers in Kingsport's IP class (7) did not change from December 2008 to December 2009, the number of customers in the LGS class served at primary and secondary voltages did decline from 10 to 9, and 251 to 245, respectively. Although KgPCo is not proposing to change the allocation factors in Section 2 of the PPAR, in accordance with the TRA's directive, EXHIBIT 4 (attached hereto) shows the changes in KgPCo's year-end number of customers in 2007, 2008 and 2009, the current demand and energy allocation factors in the PPAR (based upon 2007 data), and the 2008 and 2009 factors, along with support for each year's factors.

KgPCo will soon have published a "Notice to Public" regarding this tariff filing one time in the Kingsport Times-News, a newspaper of general circulation within the service territory of KgPCo (EXHIBIT 5, attached hereto). The form of KgPCo's "Notice to Public" was approved by the TRA Legal Department last year. After publication of its "Notice to Public", KgPCo will file a copy of the original newspaper notice and an Affidavit of Publication in this docket.

Should there be any questions, please contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

A handwritten signature in black ink, appearing to read "William C. Bovender", written over a horizontal line.

William C. Bovender

WCB/slb

Enclosures

cc: James R. Bacha, Esq. (w/enc. via email)
William A. Bosta (w/enc. via email)
James F. Martin (w/enc. via email)
Cynthia Kinser, Esq. (w/enc. via email)
Vance L. Broemel, Esq. (w/enc. via email)
Ed Petrini, Esq. (w/enc. via email)

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

1ST Revised Sheet Number 2-8
T.R.A. Tariff Number 1
Cancels Original Sheet Number 2-8

PURCHASED POWER ADJUSTMENT RIDER

Kingsport Power is authorized under the terms of this rider to apply a surcharge to all customer bills rendered by the Company to allow for changes in the non-fuel cost of purchased power from the Company's wholesale power supplier under the Federal Energy Regulatory Commission implemented rate schedules, including, but not limited to, all demand charges and energy charges which are paid by the Company to its wholesale power supplier in connection with the electric service provided to the Company.

1. Calculation of Change in Non-Fuel Purchased Power Expense

The change in the Company's non-fuel purchased power expense shall be calculated according to the following formula:

$$(D_p - D_c) + (E_p - E_c)$$

where "D" is the Company's demand-related purchased power expense and "E" is the Company's non-fuel energy-related purchased power expense as calculated for a 12-month test period based on the wholesale supplier's proposed ("p") and current ("c") rates.

2. Allocation of Change in Non-Fuel Purchased Power Expense to Tariffs

The change in the Company's demand and non-fuel energy-related purchased power expense as determined under Section 1 of this rider shall be allocated to individual tariffs by application of the following allocation factors:

<u>Tariff</u>	<u>Demand Allocation Factor %</u>	<u>Energy Allocation Factor %</u>
Residential Service (RS)	44.76	34.79
Small General Service (SGS)	1.00	0.99
Medium General Service (MGS)	5.11	4.20
Electric Heating General (EHG)	1.83	1.55
Church Service (CS)	0.61	0.47
Public Schools (PS)	1.62	1.52
Large General Service (LGS)	11.63	12.47
Industrial Power (IP)	33.33	43.81
Outdoor Lighting (OL)	0.11	0.20
Total	100.00	100.00

The above allocation factors are based on the demand and non-fuel energy-related purchased power expense allocators filed by the Company with the Tennessee Regulatory Authority in Docket Number 08-00213.

3. Determination of Surcharges by Tariff

The change in demand and non-fuel energy-related purchased power expense as allocated to each tariff under the terms of Section 2 of this rider shall be recovered by means of a demand, energy or lamp surcharge calculated according to the following formulas:

Tariffs RS, SGS, MGS, EHG, CS, and PS: (Energy only)

$$\frac{\Delta D + \Delta E}{\text{KWH}}$$

Issued: December 19, 2008
By: Dana Waldo, President

Effective January 1, 2009
Pursuant to an Order in
Docket Number 08-00213

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

1st Revised Sheet Number 2-9
T.R.A. Tariff Number 1
Cancels Original Sheet Number 2-9

PURCHASED POWER ADJUSTMENT RIDER

Tariffs LGS and IP: (Demand and Energy)

Demand:

Energy:

$$\frac{1/2 \Delta D}{KW}$$

$$\frac{1/2 \Delta D + \Delta E}{KWH}$$

Tariff OL (Lamp Only)

$$\frac{\Delta D + \Delta E}{\text{Lamp months}}$$

where "Δ D" is the change in the Company's demand-related purchased power expense allocated to each tariff, "Δ E" is the change in the Company's non-fuel energy-related purchased power expense allocated to each tariff, "KWH" is the previous calendar year kilowatt-hour sales by tariff for all tariffs, "KW" is the previous calendar year kilowatt sales by tariff for all tariffs and lamp months is the lamp-months for the previous calendar year.

4. Effective Date of Surcharge

The tariff surcharges as calculated in Section 3 of this rider shall be effective upon the same date as any change in the Company's wholesale supplier's tariffs is implemented by the Federal Energy Regulatory Commission.

5. Notification of Change in Surcharge by the Company

The Company will provide no less than a 30-day notice of the proposed effective date in any change in the purchased power surcharge to its customers. The Company will also provide the calculations and other information supporting the proposed purchased power surcharges to the Staff of the Tennessee Regulatory Authority 30 days prior to the effective date of such surcharge.

6. Refund Procedure

Should the change in the Company's non-fuel related purchased power expense recovered through the application of this rider exceed the level of change in non-fuel related purchased power expense ultimately approved by the Federal Energy Regulatory Commission, then the Company shall promptly notify the Tennessee Regulatory Authority of such a final Federal Energy Regulatory Commission order, recalculate the appropriate purchased power surcharges, and refund any excess non-fuel related purchased power expense recovered through this rider following the receipt of a refund from its wholesale supplier.

Issued: December 19, 2008
By: Dana Waldo, President

Effective January 1, 2009
Pursuant to an Order in
Docket Number 08-00213

KINGSPORT POWER COMPANY
d/b/a AMERICAN ELECTRIC POWER
Kingsport, Tennessee

4th Revised Sheet Number 2-10
T.R.A. Tariff Number 1
Cancels 3rd Revised Sheet Number 2-10

PURCHASED POWER ADJUSTMENT RIDER

7. Surcharge

Pursuant to the provisions of this Rider, a Purchased Power Adjustment Rider surcharge will be applied to each kilowatt-hour, kilowatt or lamp as billed under the Company's filed tariffs.

The Purchased Power Adjustment Rider surcharge applicable to each tariff is set below:

<u>Tariff</u>	<u>Energy Rate</u> <u>(\$)/ KWH</u>	<u>Demand Rate</u> <u>(\$)/ KW</u>	<u>Lamp Rate</u> <u>(\$)/ Lamp</u>
RS	.01700	--	--
SGS	.01358	--	--
MGS	.01614	--	--
EHG	.01578	--	--
CS	.01696	--	--
PS	.01425	--	--
LGS	.00677	3.40	--
IP	.00543	3.22	--
OL	--	--	.51433

Issued: November 13, 2009
By: Dana Waldo, President

Effective: January 1, 2010
Pursuant to an Order in
Docket Number 08-00213

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

1ST Revised Sheet Number 2-8
T.R.A. Tariff Number 1
Cancels Original Sheet Number 2-8

PURCHASED POWER ADJUSTMENT RIDER

Kingsport Power is authorized under the terms of this rider to apply a surcharge to all customer bills rendered by the Company to allow for changes in the non-fuel cost of purchased power from the Company's wholesale power supplier under the Federal Energy Regulatory Commission implemented rate schedules, including, but not limited to, all demand charges and energy charges which are paid by the Company to its wholesale power supplier in connection with the electric service provided to the Company.

1. Calculation of Change in Non-Fuel Purchased Power Expense

The change in the Company's non-fuel purchased power expense shall be calculated according to the following formula:

$$(D_p - D_c) + (E_p - E_c)$$

where "D" is the Company's demand-related purchased power expense and "E" is the Company's non-fuel energy-related purchased power expense as calculated for a 12-month test period based on the wholesale supplier's proposed ("p") and current ("c") rates.

2. Allocation of Change in Non-Fuel Purchased Power Expense to Tariffs

The change in the Company's demand and non-fuel energy-related purchased power expense as determined under Section 1 of this rider shall be allocated to individual tariffs by application of the following allocation factors:

<u>Tariff</u>	<u>Demand Allocation Factor %</u>	<u>Energy Allocation Factor %</u>
Residential Service (RS)	44.76	34.79
Small General Service (SGS)	1.00	0.99
Medium General Service (MGS)	5.11	4.20
Electric Heating General (EHG)	1.83	1.55
Church Service (CS)	0.61	0.47
Public Schools (PS)	1.62	1.52
Large General Service (LGS)	11.63	12.47
Industrial Power (IP)	33.33	43.81
Outdoor Lighting (OL)	0.11	0.20
Total	100.00	100.00

The above allocation factors are based on the demand and non-fuel energy-related purchased power expense allocators filed by the Company with the Tennessee Regulatory Authority in Docket Number 08-00213.

3. Determination of Surcharges by Tariff

The change in demand and non-fuel energy-related purchased power expense as allocated to each tariff under the terms of Section 2 of this rider shall be recovered by means of a demand, energy or lamp surcharge calculated according to the following formulas:

Tariffs RS, SGS, MGS, EHG, CS, and PS: (Energy only)

$$\frac{\Delta D + \Delta E}{\text{KWH}}$$

Issued: December 19, 2008
By: Dana Waldo, President

Effective January 1, 2009
Pursuant to an Order in
Docket Number 08-00213

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

1st Revised Sheet Number 2-9
I.R.A. Tariff Number 1
Cancels Original Sheet Number 2-9

PURCHASED POWER ADJUSTMENT RIDER

Tariffs LGS and IP: (Demand and Energy)

Demand:

Energy:

$$\frac{1/2 \Delta D}{KW}$$

$$\frac{1/2 \Delta D + \Delta E}{KWH}$$

Tariff OL (Lamp Only)

$$\frac{\Delta D + \Delta E}{Lamp\ months}$$

where "Δ D" is the change in the Company's demand-related purchased power expense allocated to each tariff, "Δ E" is the change in the Company's non-fuel energy-related purchased power expense allocated to each tariff, "KWH" is the previous calendar year kilowatthour sales by tariff for all tariffs, "KW" is the previous calendar year kilowatt sales by tariff for all tariffs and lamp months is the lamp-months for the previous calendar year.

4. Effective Date of Surcharge

The tariff surcharges as calculated in Section 3 of this rider shall be effective upon the same date as any change in the Company's wholesale supplier's tariffs is implemented by the Federal Energy Regulatory Commission.

5. Notification of Change in Surcharge by the Company

The Company will provide no less than a 30-day notice of the proposed effective date in any change in the purchased power surcharge to its customers. The Company will also provide the calculations and other information supporting the proposed purchased power surcharges to the Staff of the Tennessee Regulatory Authority 30 days prior to the effective date of such surcharge

6. Refund Procedure

Should the change in the Company's non-fuel related purchased power expense recovered through the application of this rider exceed the level of change in non-fuel related purchased power expense ultimately approved by the Federal Energy Regulatory Commission, then the Company shall promptly notify the Tennessee Regulatory Authority of such a final Federal Energy Regulatory Commission order, recalculate the appropriate purchased power surcharges, and refund any excess non-fuel related purchased power expense recovered through this rider following the receipt of a refund from its wholesale supplier

Issued: December 19, 2008
By: Dana Waldo, President

Effective January 1, 2009
Pursuant to an Order in
Docket Number 08-00213

KINGSPORT POWER COMPANY
d/b/a AMERICAN ELECTRIC POWER
Kingsport, Tennessee
10

4th-5th Revised Sheet Number 2-10
T.R.A. Tariff Number 1
Cancels 3rd-4th Revised Sheet Number 2-10

PURCHASED POWER ADJUSTMENT RIDER

7. Surcharge

Pursuant to the provisions of this Rider, a Purchased Power Adjustment Rider surcharge will be applied to each kilowatt-hour, kilowatt or lamp as billed under the Company's filed tariffs.

The Purchased Power Adjustment Rider surcharge applicable to each tariff is set below:

<u>Tariff</u>	<u>Energy Rate</u> <u>(\$)/KWH</u>	<u>Demand Rate</u> <u>(\$)/KW</u>	<u>Lamp Rate</u> <u>(\$)/Lamp</u>
RS	.01700.01985	--	--
SGS	.01358.01588	--	--
MGS	.01614.01886	--	--
EHG	.01578.01843	--	--
CS	.01696.01980	--	--
PS	.01425.01666	--	--
LGS	.00677.00799	3,403.93	--
IP	.00543.00643	3,223.73	--
OL	--	--	.51433.60525

Issued: November 1312, 20092010
By: Dana-WaldeCharles Patton, President

Effective: January 1, 20102011
Pursuant to an Order in
Docket Number 08-00213

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

1ST Revised Sheet Number 2-8
T.R.A. Tariff Number 1
Cancels Original Sheet Number 2-8

PURCHASED POWER ADJUSTMENT RIDER

Kingsport Power is authorized under the terms of this rider to apply a surcharge to all customer bills rendered by the Company to allow for changes in the non-fuel cost of purchased power from the Company's wholesale power supplier under the Federal Energy Regulatory Commission implemented rate schedules, including, but not limited to, all demand charges and energy charges which are paid by the Company to its wholesale power supplier in connection with the electric service provided to the Company.

1. Calculation of Change in Non-Fuel Purchased Power Expense

The change in the Company's non-fuel purchased power expense shall be calculated according to the following formula:

$$(D_p - D_e) + (E_p - E_e)$$

where "D" is the Company's demand-related purchased power expense and "E" is the Company's non-fuel energy-related purchased power expense as calculated for a 12-month test period based on the wholesale supplier's proposed ("p") and current ("e") rates.

2. Allocation of Change in Non-Fuel Purchased Power Expense to Tariffs

The change in the Company's demand and non-fuel energy-related purchased power expense as determined under Section 1 of this rider shall be allocated to individual tariffs by application of the following allocation factors:

<u>Tariff</u>	<u>Demand Allocation Factor %</u>	<u>Energy Allocation Factor %</u>
Residential Service (RS)	44.76	34.79
Small General Service (SGS)	1.00	0.99
Medium General Service (MGS)	5.11	4.20
Electric Heating General (EHG)	1.83	1.55
Church Service (CS)	0.61	0.47
Public Schools (PS)	1.62	1.52
Large General Service (LGS)	11.63	12.47
Industrial Power (IP)	33.33	43.81
Outdoor Lighting (OL)	0.11	0.20
Total	100.00	100.00

The above allocation factors are based on the demand and non-fuel energy-related purchased power expense allocators filed by the Company with the Tennessee Regulatory Authority in Docket Number 08-00213

3. Determination of Surcharges by Tariff

The change in demand and non-fuel energy-related purchased power expense as allocated to each tariff under the terms of Section 2 of this rider shall be recovered by means of a demand, energy or lamp surcharge calculated according to the following formulas:

Tariffs RS, SGS, MGS, EHG, CS, and PS: (Energy only)

$$\frac{\Delta D + \Delta E}{\text{KWH}}$$

Issued: December 19, 2008
By: Dana Waldo, President

Effective January 1, 2009
Pursuant to an Order in
Docket Number 08-00213

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

1st Revised Sheet Number 2-9
I.R.A. Tariff Number 1
Cancels Original Sheet Number 2-9

PURCHASED POWER ADJUSTMENT RIDER

Tariffs LGS and IP: (Demand and Energy)

Demand:

Energy:

$$\frac{1/2 \Delta D}{KW}$$

$$\frac{1/2 \Delta D + \Delta E}{KWH}$$

Tariff OL (Lamp Only)

$$\frac{\Delta D + \Delta E}{\text{Lamp months}}$$

where "Δ D" is the change in the Company's demand-related purchased power expense allocated to each tariff, "Δ E" is the change in the Company's non-fuel energy-related purchased power expense allocated to each tariff, "KWH" is the previous calendar year kilowatthour sales by tariff for all tariffs, "KW" is the previous calendar year kilowatt sales by tariff for all tariffs and lamp months is the lamp-months for the previous calendar year.

4. Effective Date of Surcharge

The tariff surcharges as calculated in Section 3 of this rider shall be effective upon the same date as any change in the Company's wholesale supplier's tariffs is implemented by the Federal Energy Regulatory Commission.

5. Notification of Change in Surcharge by the Company

The Company will provide no less than a 30-day notice of the proposed effective date in any change in the purchased power surcharge to its customers. The Company will also provide the calculations and other information supporting the proposed purchased power surcharges to the Staff of the Tennessee Regulatory Authority 30 days prior to the effective date of such surcharge.

6. Refund Procedure

Should the change in the Company's non-fuel related purchased power expense recovered through the application of this rider exceed the level of change in non-fuel related purchased power expense ultimately approved by the Federal Energy Regulatory Commission, then the Company shall promptly notify the Tennessee Regulatory Authority of such a final Federal Energy Regulatory Commission order, recalculate the appropriate purchased power surcharges, and refund any excess non-fuel related purchased power expense recovered through this rider following the receipt of a refund from its wholesale supplier.

Issued: December 19, 2008
By: Dana Waldo, President

Effective January 1, 2009
Pursuant to an Order in
Docket Number 08-00213

KINGSPORT POWER COMPANY
d/b/a AMERICAN ELECTRIC POWER
Kingsport, Tennessee

5th Revised Sheet Number 2-10
T.R.A. Tariff Number 1
Cancels 4th Revised Sheet Number 2-10

PURCHASED POWER ADJUSTMENT RIDER

7. Surcharge

Pursuant to the provisions of this Rider, a Purchased Power Adjustment Rider surcharge will be applied to each kilowatt-hour, kilowatt or lamp as billed under the Company's filed tariffs.

The Purchased Power Adjustment Rider surcharge applicable to each tariff is set below:

<u>Tariff</u>	<u>Energy Rate</u> <u>(\$)/ KWH</u>	<u>Demand Rate</u> <u>(\$)/ KW</u>	<u>Lamp Rate</u> <u>(\$)/ Lamp</u>
RS	.01985	--	--
SGS	.01588	--	--
MGS	.01886	--	--
EHG	.01843	--	--
CS	.01980	--	--
PS	.01666	--	--
LGS	.00799	3.93	--
IP	.00643	3.73	--
OL	--	--	.60525

Issued: November 12, 2010
By: Charles Patton, President

Effective: January 1, 2011
Pursuant to an Order in
Docket Number 08-00213

November 11, 2010

Kingsport Power Company 2011 Purchased Power Adjustment Rider Surcharge
Using 12 Months Ended September 30, 2010 for Transmission OATT Demand and Energy Rates
Calculated Using New AEP Transmission Agreement 12 CP methodology - Using Forecasted Year Ended October 2010
Reflects Phase-in per Agreement With ETEC

PPAR Revenue Requirement

	A	B	C=A x B	D	E = C+D	F = E / A	G	H = E - G
	2007 KGP Billing Determinants	2007 Rates	2007 KGP Expense (paid to APCo)	Proposed 2011 Increase / (Decrease)	Proposed 2011 Revenue Requirement	2011 FERC Rates Per Settlement Agreement	Less: KGP Embedded 2007 Revenues	PPAR 2011 Net Revenue Requirement
Generation Demand (kW)	4,214,944	4.480	18,882,949	34,061,719	52,944,668	12.561	21,036,786	31,907,883
Non-Fuel Energy (kWh)	2,233,440,877	0.0044275	9,888,559	1,800,000	11,688,559	0.0052334	10,000,008	1,688,551
Back-up Service Level A	21,000	0.347	87,444	70,827	158,271	0.628	87,444	70,827
Back-up Service Level B	10,000	0.694	83,280	67,454	150,734	1.256	83,280	67,454
Back-up Service Level B	45,000	0.694	31,230	0	0	0	0	0
Generation Total			28,973,463	36,000,000	64,942,233		31,207,518	33,734,715
Transmission Demand Revenues	4,214,944	2.272	9,576,353	(912,819)	8,663,534 (1)		9,576,353	(912,819)
2011 Transmission Owner's Revenue Credit				(2,242,779)	(2,242,779)		0	(2,242,779)
2011 Year 1 Phase-In Charge (Per ETEC Agreement)				2,000,000	2,000,000		0	2,000,000
2010 Credit for early FERC Approval of TA (Per ETEC Agreement)				(10,959)	(10,959) (2)		0	(10,959)
Total Transmission Demand Revenues	4,214,944	Y/E 9/30/10 Energy rate	9,576,353	(1,166,557)	8,409,796		9,576,353	(1,166,557)
2011 Transmission Energy Revenues	2,233,440,877	0.000480304	N/A	1,074,071	1,074,071		0	1,074,071
Transmission Total			9,576,353	(92,486)	9,483,867		9,576,353	(82,486)
Total G & T			38,549,816	35,907,514	74,426,100		40,783,870	33,642,229

Note (1)

2011 Transmission Demand Revenues - New 12 CP Transmission Agreement Method

	I	J	K	NOTES
Y/E Oct 2010 AEP Zone 1 CP Demand (kW)	21,205,000			Actual through Sept '10 plus forecasted Oct. Assumes Oct peak will be lower than July peak
Kingsport 12 CP% of AEP Zone-Forecasted Y/E Oct '10	1.727%			Uses actual through September 2010 plus forecasted Oct. 2010
Forecasted OATT Demand rate (\$/kW-Month)	1.971			Per FERC Settlement. To be in effect from Jan 1 to June 30, 2011 when formula rate is updated.
Total Proposed 2011 Demand Revenues	= I x J x K x 12		8,663,534 (1)	

Note (2) Calculated by multiplying \$2,000,000 2010 Phase-In amount by 2 days and dividing by 365 days. FERC Order received 2 days prior to October 31, 2010, resulting in this credit per the ETEC agreement.

Kingsport Power Company 2011 Purchased Power Adjustment Rider Surcharge
Using 12 Months Ended September 30, 2010 for Transmission OATT Demand and Energy Rates
Calculated Using New AEP Transmission Agreement 12 CP methodology - Using Forecasted Year Ended October 2010
Reflects Phase-in per Agreement With ETEC

Class Responsibility - 2011 PPAR with 2007 Demand and Energy Allocators

Generation	2007 Demand Alloc.	Demand Revenues	2007 Energy Alloc.	Non-Fuel Energy Revenues	Total Class Responsibility
Residential	44.76%	14,280,716	34.79%	587,460	14,868,176
SGS	1.00%	317,931	0.99%	16,634	334,565
MGS	5.11%	1,630,124	4.20%	70,861	1,700,985
LGS	11.63%	3,710,503	12.47%	210,633	3,921,136
IP	33.33%	10,635,402	43.81%	739,776	11,375,178
EHG	1.84%	585,626	1.54%	26,076	611,701
CS	0.61%	193,841	0.47%	7,995	201,836
PS	1.62%	518,235	1.52%	25,739	543,974
OL	0.11%	35,506	0.20%	3,377	38,883
Total (Excluding Backup Service)	100%	31,907,883	100%	1,688,551	33,596,434

Transmission	2007 Demand Alloc.	Demand Revenues / (Credits)	2007 Energy Alloc.	Energy Revenues	Class Responsibility / (Credit)
Residential	44.76%	(522,105)	34.79%	373,678	(148,427)
SGS	1.00%	(11,624)	0.99%	10,581	(1,043)
MGS	5.11%	(59,598)	4.20%	45,074	(14,524)
LGS	11.63%	(135,656)	12.47%	133,981	(1,675)
IP	33.33%	(388,832)	43.81%	470,564	81,733
EHG	1.84%	(21,411)	1.54%	16,587	(4,824)
CS	0.61%	(7,087)	0.47%	5,086	(2,001)
PS	1.62%	(18,947)	1.52%	16,372	(2,574)
OL	0.11%	(1,298)	0.20%	2,148	850
Total	100%	(1,166,557)	100%	1,074,071	(92,486)

Kingsport Power Company 2011 Purchased Power Adjustment Rider Surcharge
Using 12 Months Ended September 30, 2010 for Transmission OATT Demand and Energy Rates
Calculated Using New AEP Transmission Agreement 12 CP methodology - Using Forecasted Year Ended October 2010
Reflects Phase-In per Agreement With ETEC

Class Responsibility - 2011 PPAR with 2009 Demand and Energy Allocators Compared to 2007 Allocators

	With 2009 Allocators					With 2007 Allocators	
	2009 Demand Alloc.	Demand Revenues	2009 Energy Alloc.	Non-Fuel Energy Revenues	Total Class Responsibility	Total Class Responsibility	Difference
Generation							
Residential	46.39%	14,801,518	33.49%	555,517	15,367,035	14,868,176	498,859
SGS	1.06%	338,808	1.06%	17,891	356,699	334,565	22,134
MGS	5.85%	1,867,277	4.88%	82,412	1,949,689	1,700,985	248,704
LGS	10.03%	3,200,480	11.57%	195,382	3,395,862	3,921,136	(525,273)
IP	32.68%	10,426,360	45.40%	766,619	11,192,978	11,375,178	(182,200)
EHG	1.37%	438,301	1.39%	23,526	461,827	611,701	(149,874)
CS	0.56%	178,066	0.46%	7,711	185,777	201,836	(16,059)
PS	1.83%	583,802	1.55%	26,094	609,896	543,974	65,923
OL	0.23%	73,271	0.20%	3,400	76,671	38,883	37,787
Total (Excluding Backup Service)	100%	31,907,883	100%	1,688,551	33,596,434	33,596,434	0
Transmission							
Residential	46.39%	(541,145)	33.49%	359,720	(181,426)	(148,427)	(32,999)
SGS	1.06%	(12,387)	1.06%	11,380	(1,007)	(1,043)	36
MGS	5.85%	(68,268)	4.88%	52,421	(15,847)	(14,524)	(1,323)
LGS	10.03%	(117,010)	11.57%	124,281	7,271	(1,675)	8,946
IP	32.68%	(381,189)	45.40%	487,639	106,449	81,733	24,717
EHG	1.37%	(16,024)	1.39%	14,965	(1,060)	(4,824)	3,764
CS	0.56%	(6,510)	0.46%	4,905	(1,605)	(2,001)	396
PS	1.83%	(21,344)	1.55%	16,598	(4,746)	(2,574)	(2,171)
OL	0.23%	(2,679)	0.20%	2,163	(516)	850	(1,366)
Total	100%	(1,166,557)	100%	1,074,071	(92,486)	(92,486)	0

	\$ Difference Between 2007 and 2009 Allocators	% Difference Between 2007 and 2009 Allocators
Total Generation and Transmission		
Residential	465,860	3.1%
SGS	22,171	6.2%
MGS	247,381	12.8%
LGS	(516,328)	-15.2%
IP	(157,483)	-1.4%
EHG	(146,110)	-31.7%
CS	(15,653)	-8.5%
PS	63,751	10.5%
OL	36,421	47.8%
Total	(0)	

Kingsport Power Company 2011 Purchased Power Adjustment Rider Surcharge
Using 12 Months Ended September 30, 2010 for Transmission OATT Demand and Energy Rates
Calculated Using New AEP Transmission Agreement 12 CP methodology - Using Forecasted Year Ended October 2011
Reflects Phase-In per Agreement With ETEC

Calculation of 2011 Surcharge Rates

Generation	Non-Fuel Energy Revenues	Demand Revenue	Total Net Revenues	Prompt Payment Discount 1.523% Gross up	2007 KWh/Lamp	Rate (\$/KWh)
Residential	587,460	14,280,716	14,868,176	15,094,618	752,889,720	0.02005
SGS	16,634	317,931	334,565	339,660	21,317,858	0.01593
MGS	70,861	1,630,124	1,700,985	1,726,891	90,815,583	0.01902
LGS	210,633	1,855,251	2,065,884	2,097,348	270,915,641	0.00774
IP	739,776	5,317,701	6,057,477	6,149,733	1,000,303,958	0.00615
EHG	26,078	585,626	611,701	621,018	33,418,766	0.01858
CS	7,965	193,841	201,836	204,910	10,246,488	0.02000
PS	25,739	518,235	543,974	552,259	32,987,176	0.01674
OL	3,377	35,506	38,883	39,476	66,648	0.59230
Total	1,688,551	24,734,930	26,423,482	26,825,911		
LGS and IP Demand Calc		Demand Revenues	Total Net Revenues	Prompt Payment Discount 1.523% Gross up	2007 KW	Rate (\$/KW)
LGS		1,855,251	1,855,251	1,883,507	461,209	4.08
IP		5,317,701	5,317,701	5,398,689	1,393,866	3.87
Total LGS and IP		7,172,952	7,172,952	7,282,196		
Backup Service		138,281	138,281	140,387		
TOTAL GENERATION	1,688,551	32,046,164	33,734,716	34,246,496		

Transmission	Energy Revenues	Demand Revenue	Total Net Revenues	Prompt Payment Discount 1.523% Gross up	2007 KWh/Lamp	Rate (\$/KWh)
Residential	373,678	(522,105)	(148,427)	(150,686)	752,889,720	(0.00020)
SGS	10,581	(11,624)	(1,043)	(1,059)	21,317,858	(0.00005)
MGS	45,074	(59,598)	(14,524)	(14,745)	90,815,583	(0.00016)
LGS	133,981	(67,828)	66,153	67,161	270,915,641	0.00025
IP	470,584	(194,416)	276,149	280,354	1,000,303,958	0.00028
EHG	16,587	(21,411)	(4,824)	(4,897)	33,418,766	(0.00015)
CS	5,086	(7,087)	(2,001)	(2,032)	10,246,488	(0.00020)
PS	16,372	(18,947)	(2,574)	(2,614)	32,987,176	(0.00008)
OL	2,148	(1,298)	850	863	66,648	0.01295
Total	1,074,071	(904,312)	169,758	172,344		
LGS and IP Demand Calc		Demand Revenues	Total Net Revenues	Prompt Payment Discount 1.523% Gross up	2007 KW	Rate (\$/KW)
LGS		(67,828)	(67,828)	(68,861)	461,209	(0.15)
IP		(194,416)	(194,416)	(197,377)	1,393,866	(0.14)
Total		(262,244)	(262,244)	(266,238)	1,855,076	
TOTAL TRANSMISSION	1,074,071	(1,166,557)	(92,486)	(93,894)	1,855,076	
TOTAL PPAR T&G	2,762,622	30,879,607	33,642,229	34,164,600	1,855,076	

Combined 2011 PPAR Rate

	Demand Rate	Energy Rate	Lamp rate
Residential		0.01985	
SGS		0.01588	
MGS		0.01886	
LGS	3.93	0.00799	
IP	3.73	0.00643	
EHG		0.01843	
CS		0.01980	
PS		0.01666	
OL		0.00000	0.60525

Summary of Annual Class Impacts

Year 1 - 2009							Difference Y1 to Y2
Class	2007 Revenues Includ. Fuel	2007 PP Adjustment Rider Credit	Y1 PP Adjustment Rider	Y1 Transmission Revenue	Y1 Revenues		
Residential	39,406,210	(1,054,096)	9,588,841	(126,071)	49,923,076		
SGS	1,699,144	(24,300)	215,650	(1,470)	1,937,624	3,144,369	
MGS	5,784,946	(104,438)	1,096,698	(12,523)	6,973,559	70,974	
LS	13,235,766	(290,244)	2,526,377	(10,738)	16,041,650	359,602	
PP	34,239,975	(828,910)	7,334,162	24,229	42,427,295	835,539	
EHG	2,040,552	(41,105)	394,351	(4,279)	2,471,730	2,412,692	
CS	662,509	(11,988)	130,096	(1,716)	802,877	129,366	
PS	1,613,912	(45,176)	350,593	(2,924)	2,006,757	42,793	
DL	665,064	(696)	25,072	412	691,263	115,348	
Total	99,348,099	(2,400,953)	21,661,860	(135,082)	123,275,631	8,292	
Year 2 - 2010							
Class	2007 Revenues Includ. Fuel	2007 PP Adjustment Rider Credit	Y2 PP Adjustment Rider	Y2 Transmission Revenue	Y2 Revenues		
Residential	39,406,210	(1,054,096)	10,908,983	1,698,256	53,067,444		
SGS	1,699,144	(24,300)	245,468	39,686	2,008,598	3,144,369	
MGS	5,784,946	(104,438)	1,247,874	195,903	7,333,162	70,974	
LS	13,235,766	(290,244)	2,878,593	472,585	16,877,189	359,602	
PP	34,239,975	(828,910)	8,342,902	1,428,200	44,839,987	835,539	
EHG	2,040,552	(41,105)	448,665	70,773	2,601,095	2,412,692	
CS	662,509	(11,988)	148,061	23,112	845,671	129,366	
PS	1,613,912	(45,176)	399,006	64,010	2,122,105	42,793	
DL	665,064	(696)	28,524	5,241	699,545	115,348	
Total	99,348,099	(2,400,953)	24,647,977	3,997,765	130,394,785	7,118,964	
Year 3 - 2011							
Class	2007 Revenues Includ. Fuel	2007 PP Adjustment Rider Credit	Y3 PP Generation	Y3 PPAR Transmission	Y3 Revenues	Difference Y2 to Y3	
Residential	39,406,210	(1,054,096)	14,869,007	(148,319)	55,180,994		
SGS	1,699,144	(24,300)	334,500	(1,050)	2,056,893	2,113,550	
MGS	5,784,946	(104,438)	1,701,403	(14,313)	7,576,475	48,296	
LS	13,235,766	(290,244)	3,918,942	(1,431)	17,443,522	243,313	
PP	34,239,975	(828,910)	11,372,940	83,670	46,525,465	566,334	
EHG	2,040,552	(41,105)	611,607	(4,938)	2,686,327	1,685,508	
CS	662,509	(11,988)	201,856	(2,019)	874,334	87,231	
PS	1,613,912	(45,176)	543,922	(2,599)	2,200,411	78,307	
DL	665,064	(696)	38,883	850	705,514	5,969	
Total	99,348,099	(2,400,953)	33,593,061	(90,148)	135,111,965	4,857,171	

**2011 Purchased Power Adjustment Rider
Kingsport Power Company
Transmission Demand and Energy Rate Computation**

Billing Month Cost Based Upon	Year 1-2009			Year 2-2010		Year 3-2011	
	Jan & Feb	Mar - Dec	2007	Jan - Dec	TME Sept 2009	Jan-Dec	TME Sept 2010
PJM Administration Service Fees	701,724	701,724		753,735		592,879	
Point-to-Point Transmission Revenues	(240,632)	(240,632)		(319,751)		(247,080)	
PJM Transmission Enhancement Charges	5,026	5,026		257,784		456,815	
RTO Formation Charges	40,189	40,189		45,930		31,766	
Total	506,306	506,306		737,699		834,381	
KWH	2,233,440,877	2,233,440,877		2,237,120,399		2,201,508,325	
Composite Energy Rate	0.000226693	0.000226693		0.000329754		0.000379004	
Schedule 1a	0.000068600	0.000055000		0.000071100		0.000101900	
Total Energy Rate (\$/kWh)	0.000295293	0.000281693		0.000400854		0.000480904	
Network Integration Transmission Service (NITS)	1.757400000	1.971000000		2.112000000		1.965670000	
Expansion Cost Recovery Charge (ECRC)	0.005200000	0.005200000		0.005200000		0.005250000	
Total Demand Rate (\$/kW)	1.762600000	1.976200000		2.117200000		1.970920000	

Kingsport Power Company
2011 Purchased Power Adjustment Rider Adjustment
Calculation of Kingsport's Allocation of Transmission Expense
Twelve Months Ended September 30, 2010

(A)		(B)	(C)	(D)	(E) (B) * (C)
<u>Line No.</u>	<u>Description</u>	<u>AEP System Transmission Expense</u>	<u>KqPCo 12CP</u>	<u>Allocator Description</u>	<u>Kingsport's Transmission Expense</u>
1	Point to Point Transmission Service Credits	\$ (14,303,120.13)	1.73%	Demand	(\$247,079.87)
2	PJM Transmission Enhancement Charges (Schedule 12)	\$ 26,444,393.67	1.73%	Demand	\$456,814.82
3	<u>PJM Administrative Charges</u>				
4	P i te a	1 33 2	1.73%	e a	2 23 21
5	P i P te a	3 1 2 1	1.73%	e a	3 2 1 1
6	P i te a	1 11 2	1.73%	e a	2 2 13
7	P i efa t E	1 1 3	1.73%	e a	1 2
8	PJM Adminstrative Charges (Line 4 - 7)	\$ 34,320,976.50			\$ 592,879.19
9	AEP RTO Formation Cost Recovery Charges	\$ 1,838,918.02	1.73%	Demand	\$31,766.47
10	Demand Response Program Cost Recovery	\$0.00	1.73%	Demand	\$0.00
11	Total (Line 1 + 2 + 8 - 10)	\$ 48,301,168.06			\$ 834,380.62

AEP East System
PJM Administrative Charges
12 Months Ended 9/30/10

Line No.	Schedule	Notes	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
1	Point to Point Transmission Revenue		(\$847,392)	(\$806,123)	(\$943,191)	(\$869,314)	(\$1,277,682)	(\$1,158,489)	(\$1,341,559)	(\$855,306)	(\$904,559)	(\$1,586,739)	(\$2,171,640)	(\$1,441,127)	(\$14,303,120)
2	PJM Enhancement Revenue		\$1,454,487	\$1,460,500	\$1,478,228	\$1,816,245	\$1,886,536	\$1,849,000	\$1,841,343	\$1,924,986	\$1,716,443	\$3,602,369	\$3,495,506	\$3,924,139	\$26,444,394
3	PJM Admin - SSC & DS - Internal	(A)	\$354,033	\$416,984	\$533,412	\$1,708,818	\$1,770,877	\$1,333,245	\$1,240,002	\$1,352,883	\$1,305,866	\$1,661,837	\$1,543,951	\$1,611,154	\$14,833,053
4	PJM Admin - RP & SDS - Internal	(B)	\$150,114	\$198,843	\$190,695	\$620,547	\$346,969	\$318,333	\$293,804	\$274,374	\$287,989	\$331,009	\$345,276	\$345,717	\$3,661,562
5	PJM Admin - NAM & SC - Internal	(C)	\$672,899	\$797,996	\$959,772	\$1,835,853	\$1,700,957	\$1,562,147	\$1,432,344	\$1,367,248	\$1,402,410	\$1,631,180	\$1,792,057	\$1,736,897	\$16,911,520
6	PJM Admin - Default LSE		(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
7	AEP RTO Formation Cost Recovery Charges		\$181,873	\$176,066	\$175,472	\$187,287	\$164,206	\$181,443	\$175,802	\$181,325	\$175,385	\$181,080	(\$149,064)	(\$121,615)	(\$1,085,158)
8	PJM Administrative Charges (Line 1-7)		\$1,985,004	\$2,191,377	\$2,394,279	\$5,195,447	\$4,593,862	\$4,105,380	\$3,641,737	\$4,245,571	\$3,985,525	\$4,885,242	\$5,037,029	\$6,085,268	\$48,301,168

Notes

- (A) PJM Administrative Service Fees for Scheduling, System Control and Dispatching Services
 (B) PJM Administrative Service Fees for Reliability Planning and Standards Development Services
 (C) PJM Administrative Service Fees for Market Administration, Monitoring and Compliance Services

[illegible]

11/12/10

Kingsport Power Company
Typical Monthly Bills
Bill Impacts -With Fuel Rates as of Sept 1, 2010 and Proposed 2011 Purchased Power Adjustment Rider

RESIDENTIAL					
	1	2		1	
	h	h	h	h	h
iffe e e	2		1 1	2 1	2 1
iffe e e	1 2	2 3	3 1	3 3	3
	1	2	3		
	h	h	h	h	h
iffe e e	23	3		1	21 1
iffe e e	3	3 3	3	3	3

SMALL GENERAL SERVICE					
	3	3			
	h	3	1	2	
iffe e e		2 2	1		
iffe e e	2 1	2 3	2 3	2	

MEDIUM GENERAL SERVICE - Sec						
	12	12	3	3		
	h	1		1	1	1
iffe e e	3	1	1 1	2	2	3
iffe e e	2	3 3	2	3 1	2	3 21
	12	1	1	3		
iffe e e	33	33	2		13 23	
iffe e e	2 1	3 2	2 1	3 3	3	
	1	1				
	h	3	3			
iffe e e						
iffe e e	3 11	3 2				

11/12/10

Kingsport Power Company
Typical Monthly Bills
Bill Impacts -With Fuel Rates as of Sept 1, 2010 and Proposed 2011 Purchased Power Adjustment Rider

LARGE GENERAL SERVICE - Sec		11	11	1	1	1
		1	1	1	1	1
	h	3	3	3		1
iffe e e		2		11	1 2	1
iffe e e		3	3 2	1	3 3	3
		3 3	3 3	3 3	3 3	3 3
	h	3	3	3	3	3
iffe e e		22 1	2 2	12 3 1 2	1 33	2 3
iffe e e			3	3	3 22	3 2
		h 1	1	1	2	32
iffe e e		3 1	2 1	2	2 3	2
iffe e e			3	3	3 1	3

LARGE GENERAL SERVICE - Pri		11	11	11	11	11
		1	1	1	1	1
	h	2	3	3		
iffe e e		3 1	32		1 3	13
iffe e e		33	3 2	3	3	32

INDUSTRIAL POWER - Pri		Ex	11	11	11
			1	1	1
	h	1	2	3 2	3
iffe e e		3	23	2	2 3
iffe e e		3	32	3 1	3 3 2
		Ex	2 3	2 3	2 3
	h	2	2	2	2
iffe e e		1	2	13	22
iffe e e		3	1 3	32	3 1

INDUSTRIAL POWER - Tran		Ex	11	11	11
			1	1	1
	h	1	2	32	
iffe e e		3	2 2	1	2 2
iffe e e		3	3 3	3 32	

Kingsport Power Company
Calculation of Customer Totals 2007-2009
Purchased Power Adjustment Rider

Customer Totals

Class	December 2007 Customer Totals	December 2008 Customer Totals	Difference between 2007 & 2008 Customers	December 2009 Customer Totals	Difference between 2008 & 2009 Customers	Difference between 2007 & 2009 Customers
Residential	41,038	41,146	108	41,236	90	198
SGS	3,492	3,506	14	3,499	(7)	7
MGS	1,296	1,325	29	1,334	9	38
LGS - Sec	301	251	(50)	245	(6)	(56)
LGS - Pri	10	10	-	9	(1)	(1)
Total LGS	311	261	(50)	254	(7)	(57)
IP - Pri	3	3	-	3	-	-
IP - Tran	4	4	-	4	-	-
Total IP	7	7	-	7	-	-
EHG	677	655	(22)	642	(13)	(35)
CS	193	188	(5)	185	(3)	(8)
PS	37	34	(3)	34	-	(3)
OL	-	-	-	-	-	-
Total	47,051	47,122		47,191		

Kingsport Power Company
Calculation of Demand Allocation Factors 2007-2009
Purchased Power Adjustment Rider

Demand Allocation Factors

Class	2007 Loss Adjusted Load	2007 Allocation Factor	2008 Loss Adjusted Load	2008 Allocation Factor	Difference between 2007 & 2008	2009 Loss Adjusted Load	2009 Allocation Factor	Difference between 2008 & 2009	Difference between 2007 & 2009
Residential	156,716	44.76%	179,334	47.82%	3.06%	166,153	46.39%	-1.43%	1.63%
SGS	3,489	1.00%	3,769	1.00%	0.01%	3,803	1.06%	0.06%	0.07%
MGS	17,889	5.11%	21,318	5.68%	0.58%	20,961	5.85%	0.17%	0.74%
LGS - Sec	36,359	10.38%	34,539	9.21%	-1.17%	33,089	9.24%	0.03%	-1.15%
LGS - Pri	4,360	1.25%	3,561	0.95%	-0.30%	2,838	0.79%	-0.16%	-0.45%
Total LGS	40,719	11.63%	38,100	10.16%	-1.47%	35,927	10.03%	-0.13%	-1.60%
IP - Pri	17,240	4.92%	18,453	4.92%	0.00%	17,226	4.81%	-0.11%	-0.11%
IP - Tran	99,473	28.41%	99,906	26.64%	-1.77%	99,814	27.87%	1.23%	-0.54%
Total IP	116,713	33.33%	118,359	31.56%	-1.77%	117,040	32.68%	1.12%	-0.66%
EHG	6,427	1.84%	5,834	1.56%	-0.28%	4,920	1.37%	-0.18%	-0.46%
CS	2,127	0.61%	2,392	0.64%	0.03%	1,999	0.56%	-0.08%	-0.05%
PS	5,687	1.62%	5,509	1.47%	-0.16%	6,553	1.83%	0.36%	0.21%
OL	390	0.11%	434	0.12%	0.00%	822	0.23%	0.11%	0.12%
Total	350,157	100%	375,051	100%		358,179	100%		

Kingsport Power Company
Calculation of Energy Allocation Factors 2007-2009
Purchased Power Adjustment Rider

Energy Allocation Factors

Class	2007 Loss Adjusted Load	2007 Allocation Factor	2008 Loss Adjusted Load	2008 Allocation Factor	Difference between 2007 & 2008	2009 Loss Adjusted Load	2009 Allocation Factor	Difference between 2008 & 2009	Difference between 2007 & 2009
Residential	797,167,164	34.79%	780,161,394	34.35%	-0.44%	755,939,804	33.49%	-0.86%	-1.30%
SGS	22,571,561	0.99%	23,720,823	1.04%	0.06%	23,915,348	1.06%	0.02%	0.07%
MGS	96,156,447	4.20%	110,161,225	4.85%	0.65%	110,161,902	4.88%	0.03%	0.68%
LGS - Sec	255,359,763	11.14%	246,173,279	10.84%	-0.31%	240,640,473	10.66%	-0.18%	-0.48%
LGS - Pri	30,463,011	1.33%	25,253,576	1.11%	-0.22%	20,531,363	0.91%	-0.20%	-0.42%
Total LGS	285,822,774	12.47%	271,426,855	11.95%	-0.52%	261,171,836	11.57%	-0.38%	-0.90%
IP - Pri	149,539,222	6.53%	155,635,881	6.85%	0.33%	140,026,526	6.20%	-0.65%	-0.32%
IP - Tran	854,316,608	37.28%	845,764,347	37.24%	-0.05%	884,730,823	39.20%	1.96%	1.91%
Total IP	1,003,855,830	43.81%	1,001,400,228	44.09%	0.28%	1,024,757,349	45.40%	1.31%	1.59%
EHG	35,384,124	1.54%	34,215,058	1.51%	-0.04%	31,447,664	1.39%	-0.11%	-0.15%
CS	10,849,084	0.47%	10,576,538	0.47%	-0.01%	10,307,359	0.46%	-0.01%	-0.02%
PS	34,927,152	1.52%	35,005,855	1.54%	0.02%	34,880,865	1.55%	0.00%	0.02%
OL	4,582,946	0.20%	4,567,869	0.20%	0.00%	4,544,461	0.20%	0.00%	0.00%
Total	2,291,317,082	100%	2,271,235,845	100%		2,257,126,588	100%		

Kingsport Power Company
Calculation of 2007 Demand Allocation Factors
Purchased Power Adjustment Rider

Demand Allocation Factors					
Class	2007 Load Research	2007 Loss Factor	Loss Adjusted Load (to Transmission)	2007 Allocation Factor	
Residential	147,475	1.06266	156,716	44.76%	
SGS	3,283	1.06266	3,489	1.00%	
MGS	16,834	1.06266	17,889	5.11%	
LGS - Sec	34,215	1.06266	36,359	10.38%	
LGS - Pri	4,219	1.03337	4,360	1.25%	
Total LGS	38,434		40,719	11.63%	
IP - Pri	16,683	1.03337	17,240	4.92%	
IP - Tran	99,473	1.00000	99,473	28.41%	
Total IP	116,156		116,712	33.33%	
EHG	6,048	1.06266	6,427	1.84%	
CS	2,002	1.06266	2,127	0.61%	
PS	5,352	1.06266	5,687	1.62%	
OL	367	1.06266	390	0.11%	
Total	335,950		350,155	100%	

Kingsport Power Company
Calculation of 2007 Energy Allocation Factors
Purchased Power Adjustment Rider

Energy Allocation Factors					
Class	2007 Metered kWh	2007 Loss Factor	Loss Adjusted Load (to Transmission)	2007 Allocation Factor	2007 Allocation Factor
Residential	752,889,720	1.05881	797,167,164	34.79%	34.79%
SGS	21,317,858	1.05881	22,571,561	0.99%	0.99%
MGS	90,815,583	1.05881	96,156,447	4.20%	4.20%
LGS - Sec	241,176,191	1.05881	255,359,763	11.14%	11.14%
LGS - Pri	29,739,450	1.02433	30,463,011	1.33%	1.33%
Total LGS	270,915,641		285,822,774	12.47%	12.47%
IP - Pri	145,987,350	1.02433	149,539,222	6.53%	6.53%
IP - Tran	854,316,608	1.00000	854,316,608	37.28%	37.28%
Total IP	1,000,303,958		1,003,855,830	43.81%	43.81%
EHG	33,418,766	1.05881	35,384,124	1.54%	1.54%
CS	10,246,488	1.05881	10,849,084	0.47%	0.47%
PS	32,987,176	1.05881	34,927,152	1.52%	1.52%
OL	4,328,393	1.05881	4,582,946	0.20%	0.20%
Total	2,217,223,583		2,291,317,082	100%	100%

Kingsport Power Company
Class Load Research Analysis Results
Demand Allocation Support - 2007 Metered KW

	Jan 1/29	Feb 2/6	Mar 3/5	Apr 4/9	May 5/30	Jun 6/27	Jul 7/9	Aug 8/8	Sep 9/5	Oct 10/30	Nov 11/30	Dec 12/18	Sum Peak in MW	Sum Peak in kW	Average Monthly (kW)
Kingsport Total	393.6	430.5	367.6	339.9	313.9	339.0	336.5	361.2	332.4	297.0	337.6	404.1	4253.2	4,253,179	
Coincident Peak	205.0	204.8	165.8	138.8	103.1	121.0	120.1	148.4	134.7	100.3	140.2	187.5	1769.7	1,769,699	147,475
Residential	6.8	7.9	6.1	2.5	5.9	6.5	7.8	7.2	7.0	4.5	4.3	6.1	72.6	72,572	6,048
Electric Heat General	1.9	2.5	1.3	1.0	2.2	2.3	2.2	3.1	2.7	1.2	1.6	2.0	24.0	24,021	2,002
Church Service	7.0	7.0	6.4	3.7	4.0	3.7	4.3	4.8	5.8	6.0	6.0	5.5	64.2	64,221	5,352
Public Schools	3.7	5.1	2.7	3.1	2.9	3.5	2.8	3.5	3.8	2.0	2.6	3.6	39.4	39,399	3,283
Small General Service	21.1	15.7	17.9	14.1	15.3	17.8	18.1	19.5	16.3	12.1	14.7	19.5	202.0	202,009	16,834
Medium General Service	43.6	39.8	36.5	33.8	38.5	42.1	41.7	42.1	37.5	32.4	33.6	39.6	461.2	461,209	38,434
Large General Service	17.5	16.7	16.7	15.9	15.7	17.9	18.2	17.3	15.5	16.1	15.2	17.4	200.2	200,194	16,683
Industrial Power - Primary	69.9	101.3	102.0	99.2	103.2	102.7	99.6	102.4	101.6	104.2	102.4	105.1	1193.7	1,193,672	99,473
Industrial Power - Transmission	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.7	1.5	4.4	4,400	367
Lighting	17.0	28.2	12.1	27.8	23.1	21.5	21.7	12.9	7.5	17.5	16.3	16.3	221.8	221,782	
Losses & Unaccounted	4.3%	6.5%	3.3%	8.2%	7.4%	6.3%	6.4%	3.6%	2.2%	5.9%	4.8%	4.0%			
Losses & Unaccounted %															

**Kingsport Power Company
Twelve Months Ended Billed December 2007
Energy Allocation Support - Metered KWH**

TARIFF CODE	TARIFF	REVENUE	FUEL CLAUSE	REVENUE EXCL FUEL CLAUSE	METERED KWH	OFF PK KWH	BILLING DEMAND	# OF CUST INCL	# OF CUST EXCL	# OF LAMPS	REALIZATION	
											INCL FUEL	EXCL FUEL
11 RS-LMWH		38,185.65	755.56	37,430.09	783,848	0	255.1	36	0	0	4.87	4.78
15 RS		39,270,757.80	734,072.12	38,536,685.68	749,936,630	0	12,307.1	41,499	0	0	5.24	5.14
18 RS EMP		95,355.16	2,012.54	93,342.62	2,124,130	0	0.0	98	0	0	4.49	4.39
51 RSW-LM-EM		1,911.87	43.55	1,868.32	45,112	0	0.0	2	0	0	4.24	4.14
93 OL 7000		58,808.53	0.00	58,808.53	457,894	0	0.0	0	494	534	12.84	12.84
94 9500 HPS		248,491.79	0.00	248,491.79	1,360,066	0	0.0	0	2,348	2,839	18.27	18.27
95 OL 20000		11,861.03	0.00	11,861.03	117,815	0	0.0	0	36	63	10.07	10.07
97 22000 HPS		89,923.78	0.00	89,923.78	634,214	0	0.0	0	394	633	14.18	14.18
99 OL 7000PT		31.79	0.00	31.79	192	0	0.0	0	0	0	16.56	16.56
107 22000HPSF		65,148.67	0.00	65,148.67	428,250	0	0.0	0	236	427	15.21	15.21
109 50000HPSF		7,979.16	0.00	7,979.16	76,095	0	0.0	0	13	38	10.49	10.49
110 17000 MH		8,686.84	0.00	8,686.84	63,727	0	0.0	0	29	54	13.63	13.63
111 9500HPSPT		47,114.13	0.00	47,114.13	149,509	0	0.0	0	89	319	31.51	31.51
115 9500 HPSF		12,989.33	0.00	12,989.33	56,029	0	0.0	0	81	117	23.18	23.18
116 28800 MH		108,493.94	0.00	108,493.94	968,580	0	0.0	0	160	518	11.20	11.20
122 16000SVPT		2,489.73	0.00	2,489.73	4,278	0	0.0	0	3	6	58.20	58.20
126 36000MH-HPF		3065.66	0.00	3065.66	11,744	0	0.0	0	4	6	26.10	26.10
208 EHG		1,691,075.26	27341.79	1,663,733.47	27,748,307	0	122279.6	530	0	0	6.09	6.00
209 EHG MIN		349,476.81	5,507.18	343,969.63	5,670,459	0	25,340.4	145	0	0	6.16	6.07
221 CS		662,508.50	9,876.19	652,632.31	10,246,488	0	56,770.1	184	0	0	6.47	6.37
229 MGS TODON		39,844.23	00,705.07	39,139.16	687,520	347160	0.0	3	0	0	5.80	5.69
231 SGS FIXED		1,491,801.57	18,438.48	1,473,365.09	18,450,512	0	18881.2	3158	0	0	8.09	7.99
232 SGS MEAS		189,173.40	002,644.57	186,528.83	2,661,104	0	8,135.1	265	0	0	7.11	7.01
233 SGS NMTR		18,168.61	198.58	17,970.03	206,242	0	0.0	60	0	0	8.81	8.71
235 MGS SEC		5,719,211.83	88,247.01	5,630,964.92	89,742,438	0	346845.0	1288	0	0	6.37	6.27
237 MGS PRI		25,890.41	399.58	25,490.83	385,625	0	002,593.0	3	0	0	6.71	6.61
240 LGS SEC		11,567,558.56	233,210.07	11,334,348.49	236,298,591	0	685,396.0	296	0	0	4.90	4.80
242 LGS M SEC		228,152.06	4,746.61	221,405.45	4,877,600	0	012,058.0	4	0	0	4.64	4.54
244 LGS PRI		1,442,055.83	31,051.95	1,411,003.88	29,739,450	0	102,585.0	9	0	0	4.85	4.74
322 IP PRI		5,215,029.06	144,299.98	5,070,729.08	145,967,350	0	222,629.2	3	0	0	3.57	3.47
324 IP TRAN		29,024,946.22	820,672.92	28,204,273.30	854,316,608	0	1,807,782.8	4	0	0	3.40	3.30
523 SL		01,272,553.87	0.00	1,272,553.87	7,403,170	0	0,000,000.0	4	0	0	17.19	17.19
640 PS		498,287.25	8238.42	490,048.83	8,293,710	0	33722.0	17	0	0	6.01	5.91
641 PS UNITS		58,405.58	1,205.24	57,200.34	1,234,800	0	4,355.4	1	0	0	4.73	4.63
642 PS ALL E		1,057,219.24	22,756.86	1,034,462.38	23,458,666	0	82,161.3	16	0	0	4.51	4.41

Kingsport Power Company
One Month Ended Billed December 2007
Customer Support - # of Cust Incl.

TARIFF CODE	TARIFF	REVENUE	FUEL CLAUSE	REVENUE EXCL FUEL CLAUSE	METERED KWH	OFF PK KWH	BILLING DEMAND	# OF CUST INCL	# OF CUST EXCL	# OF LAMPS	REALIZATION		
											INCL FUEL	EXCL FUEL	
11 RS-LMWH		3,715.22	118.15	3,597.07	75,598	0	0	21.8	35	0	0	4.91	4.76
15 RS		3,841,513.71	115,135.59	3,726,378.12	73,645,061	0	0	1,116.0	40,907	0	0	5.22	5.06
18 RS EMP		8,759.96	305.03	8,454.93	195,184	0	0	0.0	94	0	0	4.49	4.33
51 RSW-LM-EM		209.65	7.71	201.94	4,934	0	0	0.0	2	0	0	4.25	4.09
93 OL 7000		4,689.04	0.00	4,689.04	46,814	0	0	0.0	0	472	511	10.02	10.02
94 9500 HPS		20,439.05	0.00	20,439.05	144,745	0	0	0.0	0	2,318	2,806	14.12	14.12
95 OL 20000		966.78	0.00	966.78	12,383	0	0	0.0	0	35	61	7.81	7.81
97 22000 HPS		7,455.92	0.00	7,455.92	67,484	0	0	0.0	0	391	627	11.05	11.05
107 22000HPSF		5343.85	0.00	5343.85	44,748	0	0	0.0	0	236	417	11.94	11.94
109 50000HPSF		647.72	0.00	647.72	7,918	0	0	0.0	0	13	38	8.18	8.18
110 17000 MH		750.60	0.00	750.60	7,119	0	0	0.0	0	31	56	10.54	10.54
111 9500HPSPT		3,951.39	0.00	3,951.39	16,265	0	0	0.0	0	66	313	24.29	24.29
115 9500 HPSF		1,082.34	0.00	1,082.34	6,037	0	0	0.0	0	81	117	17.93	17.93
116 28800 MH		9,433.35	0.00	9,433.35	108,111	0	0	0.0	0	164	536	8.73	8.73
122 16000SVPT		305.29	0.00	305.29	675	0	0	0.0	0	4	9	45.23	45.23
126 36000MHF		247.22	0.00	247.22	948	0	0	0.0	0	4	6	26.08	26.08
208 EHG		134872.48	3479.26	131393.22	2,173,911	0	0	10684.9	532	0	0	06.20	06.04
209 EHG MIN		33,096.71	858.22	32,238.49	540,108	0	0	2494.7	145	0	0	6.13	5.97
221 CS		50,905.36	1,283.03	49,622.33	773,412	0	0	4,994.8	193	0	0	6.58	6.42
229 MGS TODON		6,077.59	169.35	5,908.24	108,360	58240		0.0	4	0	0	5.61	5.45
231 SGS FIXED		142,562.52	02,680.84	139,681.68	1,827,933	0	0	2,018.5	3166	0	0	7.80	7.64
232 SGS MEAS		16,046.34	359.51	15,686.83	225,097	0	0	672.4	264	0	0	7.13	6.97
233 SGS NMTR		1,241.05	000,026.79	1,214.26	16,790	0	0	0.0	62	0	0	7.39	7.23
235 MGS SEC		475,834.69	11,933.96	463,900.73	7,352,834	0	0	29,852.0	1289	0	0	6.47	6.31
237 MGS PRI		3,037.38	72.22	02,965.16	46,210	0	0	226.0	3	0	0	6.57	6.42
240 LGS SEC		942,382.88	31,426.91	910,955.97	19,209,940	0	0	053,392.0	297	0	0	4.91	4.74
242 LGS M SEC		19,867.73	777.94	19,089.79	424,400	0	0	1,009.0	4	0	0	4.68	4.50
244 LGS PRI		135,492.96	4,364.26	131,098.70	2,712,200	0	0	008,571.0	10	0	0	5.00	4.83
322 IP PRI		480,302.25	21,406.15	458,896.10	13,697,300	0	0	19,025.0	3	0	0	3.51	3.35
324 IP TRAN		2,553,702.50	114,978.55	2,438,723.95	73,572,146	0	0	116,077.0	4	0	0	3.47	3.31
523 SL		106,277.62	0.00	106,277.62	793,956	0	0	000,000.0	4	0	0	13.39	13.39
640 PS		00,043,652.77	1,196.28	42,456.49	718,901	0	0	0,002,592.3	17	0	0	6.07	5.91
641 PS UNITS		4,417.18	143.47	4,273.71	91,800	0	0	295.8	1	0	0	4.81	4.66
642 PS ALL E		108,403.94	3,801.13	104,602.81	2,370,598	0	0	8,642.9	19	0	0	4.57	4.41

Kingsport Power Company
Calculation of 2008 Demand Allocation Factors
Purchased Power Adjustment Rider

Demand Allocation Factors					
Class	2008 Load Research	2008 Loss Factor	Loss Adjusted Load (to Transmission)	2008 Allocation Factor	
Residential	168,760	1.06266	179,334	47.82%	
SGS	3,547	1.06266	3,769	1.00%	
MGS	20,061	1.06266	21,318	5.68%	
LGS - Sec	32,502	1.06266	34,539	9.21%	
LGS - Pri	3,446	1.03337	3,561	0.95%	
Total LGS	35,949		38,100	10.16%	
IP - Pri	17,857	1.03337	18,453	4.92%	
IP - Tran	99,906	1.00000	99,906	26.64%	
Total IP	117,763		118,359	31.56%	
EHG	5,490	1.06266	5,834	1.56%	
CS	2,251	1.06266	2,392	0.64%	
PS	5,184	1.06266	5,509	1.47%	
OL	408	1.06266	434	0.12%	
Total	359,414		375,051	100%	

Kingsport Power Company
Calculation of 2008 Energy Allocation Factors
Purchased Power Adjustment Rider

Energy Allocation Factors					
Class	2008 Metered kWh	2008 Loss Factor	2008 Adjusted Load (to Transmission)	2008 Allocation Factor	
Residential	736,828,509	1.05881	780,161,394	34.35%	
SGS	22,403,286	1.05881	23,720,823	1.04%	
MGS	104,042,486	1.05881	110,161,225	4.85%	
LGS - Sec	232,499,957	1.05881	246,173,279	10.84%	
LGS - Pri	24,653,750	1.02433	25,253,576	1.11%	
Total LGS	257,153,707		271,426,855	11.95%	
IP - Pri	151,939,200	1.02433	155,635,881	6.85%	
IP - Tran	845,764,347	1.00000	845,764,347	37.24%	
Total IP	997,703,547		1,001,400,228	44.09%	
EHG	32,314,634	1.05881	34,215,058	1.51%	
CS	9,989,080	1.05881	10,576,538	0.47%	
PS	33,061,508	1.05881	35,005,855	1.54%	
OL	4,314,154	1.05881	4,567,869	0.20%	
Total	2,197,810,911		2,271,235,845	100%	

**Kingsport Power Company
Class Load Research Analysis
Demand Allocation Support - 2008 Metered KW**

	Jan 1/25	Feb 2/14	Mar 3/9	Apr 4/15	May 5/31	Jun 6/9	Jul 7/21	Aug 8/6	Sep 9/3	Oct 10/30	Nov 11/22	Dec 12/22	Sum of Peaks in MW	Sum of Peaks in kW	Average Monthly (kW)
Kingsport Total	460.9	402.4	378.7	318.2	286.2	343.5	338.3	343.2	338.5	330.4	406.4	441.3	4387.7	4,387,747	
Coincident Peak	259.0	217.7	209.5	143.4	99.7	135.0	131.1	133.3	123.5	129.9	207.6	235.4	2025.1	2,025,118	168,760
Residential															
Electric Heat General	6.8	6.9	6.4	3.3	2.4	5.7	6.1	5.8	5.6	4.2	4.8	7.7	65.9	65,879	5,490
Church Service	2.6	2.1	3.4	1.2	1.5	2.6	2.3	2.6	2.7	1.6	2.2	2.3	27.0	27,015	2,251
Public Schools	7.3	6.4	4.1	6.0	3.2	4.4	4.8	3.9	5.7	6.7	4.2	5.5	62.2	62,210	5,184
Small General Service	5.2	3.9	3.6	2.1	2.1	3.6	3.5	3.6	3.7	3.4	3.6	4.1	42.6	42,564	3,547
Medium General Service	26.3	22.7	18.5	16.1	11.3	21.8	22.8	20.9	21.1	18.0	17.7	23.5	240.7	240,734	20,061
Large General Service	34.8	34.3	31.2	32.1	30.4	42.6	43.9	40.3	40.3	32.8	30.8	37.9	431.4	431,385	35,949
Industrial Power - Primary	18.0	16.5	17.4	17.6	18.5	17.6	19.2	18.7	18.4	17.6	18.5	16.4	214.3	214,286	17,857
Industrial Power - Transmission	101.4	100.5	95.6	97.5	100.3	96.8	98.9	106.5	110.0	100.2	99.3	91.8	1198.9	1,198,875	99,906
Lighting	0.7	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.7	0.7	0.7	4.9	4,900	408
Losses & Unaccounted	-1.2	-9.4	-11.7	-1.6	16.8	13.3	5.6	7.5	7.5	15.2	16.9	16.0	74.8	74,781	
Losses & Unaccounted %	-0.3%	-2.3%	-3.1%	-0.5%	5.9%	3.9%	1.6%	2.2%	2.2%	4.6%	4.2%	3.6%			

**Kingsport Power Company
Twelve Months Ended Billed December 2008
Energy Allocation Support - Metered KWH**

TARIFF CODE	TARIFF	REVENUE	FUEL CLAUSE	REVENUE EXCL FUEL CLAUSE	METERED KWH	OFF PK KWH	BILLING DEMAND	# OF CUST INCL	# OF CUST EXCL	# OF LAMPS	REALIZATION	
											INCL FUEL	EXCL FUEL
11 RS-LMW		41,134.93	4,106.49	37,028.44	775,432	0	244.8	34	0	0	5.30	4.78
15 RS		41,795,384.27	4,108,553.82	37,686,830.45	733,959,033	0	13,197.4	40,855	0	0	5.69	5.13
18 RS EMP		101,382.46	11,342.69	90,039.77	2,051,794	0	0.0	95	0	0	4.94	4.39
51 RSW-LM-EM		1,976.28	223.47	1,752.81	42,250	0	0.0	2	0	0	4.08	4.15
93 OL 7000		54,643.83	0.00	54,643.83	426,829	0	0.0	0	457	487	12.80	12.80
94 9500 HFS		246,610.56	0.00	246,610.56	1,353,819	0	0.0	0	2,347	2,818	18.22	18.22
95 OL 20000		10,871.83	0.00	10,871.83	108,458	0	0.0	0	34	58	10.02	10.02
97 22000 HPS		88,429.61	0.00	88,429.61	622,921	0	0.0	0	391	618	14.20	14.20
103 27500SVPT		509.35	0.00	509.35	1,676	0	0.0	0	0	1	30.39	30.39
107 22000HPSF		61,839.79	0.00	61,839.79	409,223	0	0.0	0	230	405	15.11	15.11
109 50000HPSF		7,967.89	0.00	7,967.89	76,527	0	0.0	0	14	39	10.41	10.41
110 17000 MH		8,710.35	0.00	8,710.35	64,465	0	0.0	0	29	54	13.51	13.51
111 9500HPSPT		46,920.77	0.00	46,920.77	150,885	0	0.0	0	64	316	31.10	31.10
115 9500 HPSF		12,472.03	0.00	12,472.03	53,979	0	0.0	0	78	113	23.11	23.11
116 28800 MH		114,710.67	0.00	114,710.67	1,024,975	0	0.0	0	166	544	11.19	11.19
122 16000SVPT		3,663.48	0.00	3,663.48	6,336	0	0.0	0	4	9	57.82	57.82
124 50000SVPF		552.12	0.00	552.12	2,720	0	0.0	0	0	1	20.30	20.30
126 36000HHPF		2,957.00	0.00	2,957.00	11,341	0	0.0	0	4	6	26.07	26.07
208 EHG		1,758,139.53	152,911.19	1,605,628.34	26,784,471	0	119,924.4	518	0	0	6.57	6.00
209 EHG MIN		365,915.38	29,412.84	336,402.54	5,550,163	0	25,081.7	142	0	0	6.59	6.08
221 CS		683,281.16	56,335.80	636,955.36	9,989,080	0	57,139.3	189	0	0	6.84	6.38
229 MGS TOON		40,483.70	3,641.06	36,842.64	626,755	300,371	0.0	4	0	0	6.46	5.88
231 SGS FIXED		1,645,708.49	113,401.30	1,532,307.19	19,617,439	0	22,190.1	3,165	0	0	8.39	7.81
232 SGS MEAS		195,224.43	14,669.82	180,554.61	2,572,598	0	8,194.5	259	0	0	7.59	7.02
233 SGS NMTR		20,022.59	1,216.39	18,806.20	213,249	0	0.0	61	0	0	9.39	8.82
235 MGS SEC		7,027,154.87	615,862.43	6,411,292.44	102,942,246	0	392,087.0	1,321	0	0	6.83	6.23
237 MGS PRI		34,640.11	2,655.02	31,985.09	473,485	0	3,479.0	3	0	0	7.32	6.76
240 LGS SEC		12,172,589.31	1,339,987.36	10,832,601.95	227,505,557	0	653,591.0	255	0	0	5.35	4.76
242 LGS M SEC		254,341.56	26,568.61	227,772.95	4,984,400	0	12,725.0	4	0	0	5.09	4.56
244 LGS PRI		1,152,231.62	132,334.71	1,019,896.91	24,653,750	0	80,997.0	10	0	0	4.67	4.14
322 IP PRI		6,205,775.99	917,288.75	5,288,487.24	151,939,200	0	234,811.0	3	0	0	4.08	3.48
324 IP TRAN		32,783,552.60	4,866,536.88	27,917,015.72	845,764,347	0	1,342,091.0	4	0	0	3.88	3.28
523 SL		1,276,437.91	0.00	1,276,437.91	7,426,388	0	0.0	4	0	0	17.19	17.19
640 PS		555,760.24	50,352.73	505,407.51	8,566,108	0	33,167.4	17	0	0	6.49	5.90
641 PS UNITS		59,516.96	6,899.61	52,617.35	1,133,400	0	4,006.8	1	0	0	5.25	4.64
642 PSALL E		1,160,079.35	131,713.14	1,028,366.21	23,362,000	0	80,858.5	16	0	0	4.97	4.40

Kingsport Power Company
One Month Ended Billed December 2008
Customer Support - # of Cust Incl.

TARIFF CODE	TARIFF	REVENUE	FUEL CLAUSE	REVENUE EXCL FUEL CLAUSE	METERED KWH	OFF PK KWH	BILLING DEMAND	# OF CUST INCL	# OF CUST		# OF LAMPS	REALIZATION	
									EXCL	INCL		INCL FUEL	EXCL FUEL
11 RS-LMWH		5,320.42	851.82	4,468.60	94,632	0	0	24.2	35	0	0	5.62	4.72
15 RS		5,291,609.79	810,515.14	4,481,094.65	90,043,831	0	0	1,223.5	41,010	0	0	5.88	4.98
18 RS EMP		12,424.40	2,162.78	10,261.61	240,395	0	0	0.0	99	0	0	5.17	4.27
51 RSWLM-EM		264.13	47.81	216.32	5,314	0	0	0.0	2	0	0	4.97	4.07
93 OL 7000		4,479.84	0.00	4,479.84	44,718	0	0	0.0	0	449	487	10.02	10.02
94 9500 HPS		20,689.96	0.00	20,689.96	146,182	0	0	0.0	0	2,380	2,820	14.15	14.15
95 OL 20000		873.80	0.00	873.80	11,191	0	0	0.0	0	33	56	7.81	7.81
97 22000 HPS		7,468.36	0.00	7,468.36	67,180	0	0	0.0	0	397	626	11.12	11.12
103 27500SVPT		145.53	0.00	145.53	528	0	0	0.0	0	1	4	27.56	27.56
107 22000HPSF		5,150.70	0.00	5,150.70	43,541	0	0	0.0	0	228	404	11.83	11.83
109 50000HPSF		678.64	0.00	678.64	8,346	0	0	0.0	0	14	39	8.13	8.13
110 17000 MH		685.14	0.00	685.14	6,628	0	0	0.0	0	29	52	10.49	10.49
111 9500HPSPT		3,813.68	0.00	3,813.68	16,172	0	0	0.0	0	57	311	23.58	23.58
115 9500 HPSF		1,002.41	0.00	1,002.41	5,616	0	0	0.0	0	75	108	17.85	17.85
116 28800 MH		9,515.23	0.00	9,515.23	109,304	0	0	0.0	0	164	538	8.71	8.71
122 16000SVPT		305.29	0.00	305.29	675	0	0	0.0	0	4	9	45.23	45.23
124 50000SVPF		157.75	0.00	157.75	856	0	0	0.0	0	1	4	18.43	18.43
126 36000MHPF		247.22	0.00	247.22	948	0	0	0.0	0	4	6	26.08	26.08
208 EHG		174,415.63	23,492.86	150,922.77	2,537,580	0	0	11,300.1	514	0	0	6.87	5.95
209 EHG MIN		45,104.80	6,161.33	38,943.27	689,189	0	0	2,488.9	141	0	0	6.74	5.82
221 CS		74,736.31	9,854.23	64,882.08	1,030,350	0	0	5,203.0	188	0	0	7.25	6.30
229 MGS TODON		4,054.39	545.43	3,508.96	60,744	30,379	0	0.0	5	0	0	6.67	5.78
231 SGS FIXED		166,243.14	18,108.72	148,134.42	1,994,932	0	0	2,004.9	3,187	0	0	8.33	7.43
232 SGS MEAS		19,219.38	2,327.63	16,891.75	248,460	0	0	733.6	257	0	0	7.74	6.80
233 SGS NMTR		1,683.72	157.18	1,526.54	17,065	0	0	0.0	62	0	0	9.93	8.00
235 MGS SEC		665,679.09	88,505.59	577,173.50	9,400,137	0	0	34,289.0	1,317	0	0	7.08	6.14
237 MGS PRI		3,167.48	394.32	2,773.16	43,830	0	0	198.0	3	0	0	7.23	6.33
240 LGS SEC		1,102,694.45	189,156.24	913,538.21	19,676,518	0	0	51,844.0	247	0	0	5.60	4.64
242 LGS M SEC		27,276.55	5,332.26	21,944.29	484,000	0	0	1,233.0	4	0	0	5.64	4.53
244 LGS PRI		106,559.40	17,687.61	88,871.79	1,854,250	0	0	7,598.0	10	0	0	5.75	4.79
322 IP PRI		569,775.23	117,918.88	451,856.35	13,107,050	0	0	19,854.0	3	0	0	4.35	3.45
324 IP TRAN		2,730,290.95	614,443.65	2,115,847.30	60,844,765	0	0	108,304.0	4	0	0	4.49	3.48
523 SL		108,242.25	0.00	108,242.25	803,093	0	0	0.0	4	0	0	13.48	13.48
640 PS		52,989.30	7,551.33	45,437.97	771,576	0	0	2,766.0	17	0	0	6.87	5.89
641 PS UNITS		5,504.46	896.06	4,608.39	99,600	0	0	346.2	1	0	0	5.53	4.63
642 PSALL E		131,937.67	23,279.92	108,657.75	2,472,203	0	0	8,508.1	16	0	0	5.34	4.40

Kingsport Power Company
Calculation of 2009 Demand Allocation Factors
Purchased Power Adjustment Rider

Demand Allocation Factors					
Class	2009 12 CP Average Peak Load (KW)	2009 Loss Factor	Loss Adjusted Load (to Transmission)	2009 Allocation Factor	
Residential	156,356	1.06266	166,153	46.39%	
SGS	3,579	1.06266	3,803	1.06%	
MGS	19,725	1.06266	20,961	5.85%	
LGS - Sec	31,138	1.06266	33,089	9.24%	
LGS - Pri	2,746	1.03337	2,838	0.79%	
Total LGS	33,884		35,927	10.03%	
IP - Pri	16,670	1.03337	17,226	4.81%	
IP - Tran	99,814	1.00000	99,814	27.87%	
Total IP	116,484		117,040	32.68%	
EHG	4,630	1.06266	4,920	1.37%	
CS	1,881	1.06266	1,999	0.56%	
PS	6,167	1.06266	6,553	1.83%	
OL	774	1.06266	822	0.23%	
Total	343,480		358,179	100%	

Kingsport Power Company
Calculation of 2009 Energy Allocation Factors
Purchased Power Adjustment Rider

Energy Allocation Factors				
Class	2009 Metered kWh	2009 Loss Factor	Loss Adjusted Load (to Transmission)	2009 Allocation Factor
Residential	713,952,271	1.05881	755,939,804	33.49%
SGS	22,587,006	1.05881	23,915,348	1.06%
MGS	104,043,126	1.05881	110,161,902	4.88%
LGS - Sec	227,274,462	1.05881	240,640,473	10.66%
LGS - Pri	20,043,700	1.02433	20,531,363	0.91%
Total LGS	247,318,162		261,171,836	11.57%
IP - Pri	136,700,600	1.02433	140,026,526	6.20%
IP - Tran	884,730,823	1.00000	884,730,823	39.20%
Total IP	1,021,431,423		1,024,757,349	45.40%
EHG	29,700,951	1.05881	31,447,664	1.39%
CS	9,734,852	1.05881	10,307,359	0.46%
PS	32,943,460	1.05881	34,880,865	1.55%
OL	4,292,046	1.05881	4,544,461	0.20%
Total	2,186,003,297		2,257,126,588	100%

Kingsport Power Company
Class Load Research Analysis
Demand Allocation Support - Metered KW 2009

Date	Jan 1/16 0800	Feb 2/5 0800	Mar 3/3 0800	Apr 4/8 0800	May 5/28 1700	Jun 6/28 1700	Jul 7/8 1600	Aug 8/10 1700	Sep 9/23 1700	Oct 10/19 0800	Nov 11/6 0800	Dec 12/11 0800	Sum of Peaks in MW	Sum Peak in KW	Average in KW
Kingsport Total	489.5	475.6	437.6	320.7	297.4	320.9	323.3	355.3	321.2	321.1	307.3	397.3	4377.2	4,377,200	
Residential	271.8	247.9	220.3	135.5	102.0	121.5	109.7	125.8	104.7	138.8	121.2	179.2	1878.3	1,878,279	156,356
Electric Heat General	6.3	5.8	6.0	3.4	3.7	5.3	4.3	5.0	3.9	3.0	3.0	5.8	55.6	55,557	4,630
Coincident Peak	2.5	2.5	2.1	1.3	1.4	2.1	1.3	2.3	1.8	1.3	1.4	2.6	22.6	22,570	1,881
Church Service	7.1	7.7	7.8	6.2	4.8	4.1	4.6	4.7	5.4	7.3	6.8	7.6	74.0	74,002	6,167
Public Schools	4.8	5.0	4.4	2.6	3.7	4.4	3.8	2.9	3.0	2.2	2.4	3.8	42.9	42,943	3,579
Small General Service	24.7	25.4	24.2	15.8	19.5	20.5	20.1	23.4	17.9	14.1	12.3	18.9	236.7	236,886	19,725
Medium General Service	35.4	35.5	35.4	31.5	41.5	36.1	39.8	38.8	31.9	24.9	25.3	26.4	406.6	406,609	33,884
Large General Service	16.7	16.9	14.7	16.0	17.5	17.6	16.8	17.5	17.7	16.2	15.4	17.2	200.0	200,046	16,670
Industrial Power - Primary	100.9	98.0	98.9	100.1	97.2	99.6	95.8	98.7	107.6	101.3	99.7	100.1	1197.8	1,197,772	99,814
Coincident Peak	1.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	2.1	2.7	9.3	9,280	774
Lighting	27.3	26.1	23.9	8.3	6.2	9.6	27.4	36.1	27.5	12.4	17.7	33.1	255.4	255,439	
Losses & Unaccounted %	5.5%	5.5%	5.5%	2.6%	2.1%	3.0%	8.5%	10.2%	8.6%	3.8%	5.8%	8.3%			

TARIFF SUMMARY BILLED REVENUE - ALL REVENUE CLASSES
12 MONTHS BILLED - MCSR0162 - FINAL

Prepared: 01/11/2010 06:25:51 AM
American Electric Power
KINGSFORD POWER COMPANY

TARIFF	REVENUE	FUEL CHARGE	REVENUE EXCL FUEL CHARGE	METERED KW/H	OFF PKW/H	BILLING DEMAND	# OF CLUST INCL	# OF CLUST EXCL	# OF LAMPS	December 2009			Page: 1
										REALIZATION	INCL FUEL	EXCL FUEL	
011 RS-LAMH	52,607.47	8,188.04	44,419.43	725,661	0	125.9	34	0	0	7.21	6.09	0.00	0.00
015 RS	54,029,279.06	7,572,242.12	46,457,036.94	711,485,649	0	13,526.2	40,938	0	0	7.60	6.48	0.00	0.00
018 RS-EMP	136,979.41	22,002.67	114,976.74	2,000,868	0	0.0	100	0	0	6.55	5.74	0.00	0.00
051 RSW-LAMH	2,394.10	404.07	1,989.03	36,094	0	0.0	2	0	0	6.61	5.49	0.00	0.00
093 CL 7000	62,813.53	0.00	62,813.53	386,244	0	0.0	0	0	424	13.34	13.34	55.40	55.40
094 5500 HPB	260,597.31	0.00	260,597.31	1,355,960	0	0.0	0	2,381	2,382	19.23	19.23	13,046.19	13,046.19
095 CL 30000	10,756.37	0.00	10,756.37	104,792	0	0.0	0	33	55	10.26	10.26	0.00	0.00
097 22000 HPB	93,203.06	0.00	93,203.06	634,174	0	0.0	0	400	632	14.70	14.70	11,313.74	11,313.74
103 27000 HPB	1,764.39	0.00	1,764.39	4,944	0	0.0	0	1	4	35.69	35.69	0.00	0.00
107 23000 HPB	62,021.11	0.00	62,021.11	388,906	0	0.0	0	226	397	15.55	15.55	7,756.29	7,756.29
109 50000 HPB	90,541.60	0.00	90,541.60	98,500	0	0.0	0	19	51	10.70	10.70	1,142.33	1,142.33
110 17000 MH	8,432.10	0.00	8,432.10	60,879	0	0.0	0	30	51	13.63	13.63	364.49	364.49
111 9500 HPB	47,373.65	0.00	47,373.65	150,879	0	0.0	0	59	314	31.40	31.40	2,255.21	2,255.21
115 9500 HPB	12,902.51	0.00	12,902.51	53,869	0	0.0	0	76	112	23.95	23.95	488.67	488.67
116 28000 MH	115,155.04	0.00	115,155.04	1,008,428	0	0.0	0	164	585	11.42	11.42	13,035.36	13,035.36
122 16000 HPB	3,704.67	0.00	3,704.67	6,336	0	0.0	0	4	9	58.47	58.47	0.00	0.00
124 50000 HPB	1,910.92	0.00	1,910.92	8,000	0	0.0	0	1	4	23.89	23.89	0.00	0.00
126 36000 HPB	2,898.48	0.00	2,898.48	11,035	0	0.0	0	4	6	26.27	26.27	115.89	115.89
208 ENG	2,067,344.07	277,205.32	1,790,138.65	24,255,510	0	114,541.2	507	0	0	8.35	7.23	0.00	0.00
209 ENG MIN	417,209.55	55,373.26	361,836.29	4,544,441	0	23,252.1	138	0	0	8.44	7.32	0.00	0.00
221 CB	862,210.77	109,432.43	752,778.34	9,734,852	0	55,272.4	168	0	0	9.75	7.64	0.00	0.00
229 MCS TOCCH	51,415.67	7,033.14	44,382.53	624,734	308,315	0.0	5	0	0	8.23	7.10	0.00	0.00
231 6000 FIED	1,979,006.12	222,448.69	1,756,557.43	19,632,301	0	35,445.3	3,162	0	0	9.97	8.85	0.00	0.00
232 603 MEAS	232,993.40	28,354.82	204,638.58	2,531,978	0	8,438.1	259	0	0	9.20	8.08	0.00	0.00
233 605 WATR	34,726.39	2,482.78	32,243.61	282,727	0	0.0	67	0	0	11.10	9.99	0.00	0.00
235 MCS SEC	8,833,842.75	1,151,666.47	7,682,176.29	102,859,942	0	387,853.4	1,324	0	0	8.59	7.47	0.00	0.00
237 MCS PRE	48,171.81	5,394.55	42,777.26	567,450	0	2,586.0	4	0	0	8.49	7.36	0.00	0.00
240 160 SEC	15,923,946.36	2,450,654.30	13,473,292.06	222,452,062	0	652,419.7	242	0	0	7.16	6.04	0.00	0.00
242 160 M SEC	329,350.11	53,305.94	276,044.17	4,822,400	0	12,834.0	4	0	0	6.83	5.73	0.00	0.00
244 160 PRE	1,402,329.55	224,555.39	1,177,774.16	20,043,700	0	66,299.0	9	0	0	7.00	5.89	0.00	0.00
322 IP PRE	7,487,625.36	1,536,221.35	5,951,404.01	136,700,600	0	218,764.0	3	0	0	5.48	4.35	0.00	0.00
324 IP WATR	46,011,077.30	9,865,330.16	36,145,747.14	884,730,823	0	1,381,298.8	4	0	0	5.20	4.09	0.00	0.00
523 SL	1,345,751.53	0.00	1,345,751.53	7,547,241	0	0.0	4	0	0	17.43	17.43	0.00	0.00
640 PS	641,116.36	87,565.02	553,551.33	7,888,471	0	32,095.6	17	0	0	8.13	7.01	0.00	0.00
641 PS UNITS	71,672.14	11,533.94	60,138.20	1,038,600	0	4,061.4	1	0	0	6.90	5.78	0.00	0.00
642 PS ALL E	1,591,116.58	289,461.19	1,301,655.39	24,046,388	0	82,278.5	19	0	0	6.63	5.50	0.00	0.00



American Electric Power

KINROSSPORT POWER COMPANY

TARIFF SUMMARY BILLED REVENUE - ALL REVENUE CLASSES

12 MONTHS BILLED - MCSR0162 - FINAL

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Page: 2

TARIFF	REVENUE	FUEL CLAUSE	REVENUE EXCL FUEL CLAUSE	METERED KWH	OFF PK KWH	BILLING DEMAND	# OF CUST		# OF LAMPs	REALIZATION		FACILITY CHARGE
							INCL	EXCL		INCL FUEL	EXCL FUEL	
Standard Term	144,186,887.88	24,402,795.56	115,780,132.13	2,193,000,538	308,315	3,051,345.6	47,028	3,021	5,454	6.57	5.46	50,002.57

AMERICAN ELECTRIC POWER KINSPORT POWER COMPANY		TARIFF SUMMARY BILLED REVENUE - ALL REVENUE CLASSES 1 MONTH BILLED - MCSR0162 - FINAL										Prepared:	01/11/2010 06:28:35 AM		Page: 1
TARIFF	REVENUE	FUEL CLAUSE	REVENUE EXCL FUEL CLAUSE	METERED KWH	OFF PK KWH	SELLING DEMAND	# OF CUST %WOL	# OF CUST EXCL	# OF LAMPS	REALIZATION			December 2009		Page: 1
										INCL FUEL	EXCL FUEL	FACILITY CHARGE			
011	855-LAMH	5,947.47	5,947.72	82,151	0	0.0	34	0	0	7.34	6.13	0.00			
015	RS	6,230,325.80	924,636.77	92,942,608	0	1,214.3	41,089	0	0	7.51	6.40	0.00			
018	RS EMP	16,196.83	2,481.97	223,566	0	0.0	101	0	0	6.80	5.68	0.00			
051	RSW-LM-EM	288.24	46.82	4,362	0	0.0	2	0	0	6.61	5.49	0.00			
053	OL 7000	4,252.91	0.00	40,710	0	0.0	0	407	446	10.45	10.45	7.95			
054	5500-SPB	21,737.95	0.00	143,503	0	0.0	0	2,378	2,810	14.94	14.94	1,093.61			
055	CL 20000	886.30	0.00	11,498	0	0.0	0	34	56	8.00	8.00	0.00			
057	23000-HP-6	7,669.50	0.00	68,517	0	0.0	0	405	644	11.48	11.49	562.80			
103	27500-HP-1	147.11	0.00	538	0	0.0	0	1	4	27.96	27.96	0.00			
107	23000-HP-6F	5,122.46	0.00	42,128	0	0.0	0	222	382	12.16	12.16	0.00			
109	55000-HP-6F	976.26	0.00	11,957	0	0.0	0	32	56	8.23	8.23	99.46			
110	17000-MH	675.95	0.00	6,395	0	0.0	0	31	50	10.57	10.57	17.30			
111	55000-HP-PT	3,628.10	0.00	16,112	0	0.0	0	59	314	24.38	24.38	273.44			
115	9500-HP-6F	1,079.98	0.00	5,809	0	0.0	0	75	112	18.59	18.59	41.50			
116	28800-MH	5,532.58	0.00	107,184	0	0.0	0	163	531	8.89	8.89	1,076.41			
122	16000-HP-PT	308.84	0.00	675	0	0.0	0	4	9	46.75	46.75	0.00			
124	50000-HP-PT	159.32	0.00	856	0	0.0	0	1	4	18.51	18.51	0.00			
126	36000-HP-PT	249.58	0.00	948	0	0.0	0	4	6	26.33	26.33	10.44			
208	EH3	172,635.61	22,841.26	2,034,391	0	10,361.0	525	0	0	8.48	7.36	0.00			
209	EH3-MN	46,105.52	6,211.51	564,568	0	2,488.8	137	0	0	8.31	7.19	0.00			
211	CS	72,101.79	9,201.01	813,010	0	4,729.8	185	0	0	8.07	6.95	0.00			
215	MBS TOCOW	5,778.08	798.29	71,516	37,181	0.0	5	0	0	9.73	8.52	0.00			
216	5500-HP-6F	187,598.27	21,506.25	1,925,360	0	2,296.5	3,175	0	0	9.16	8.03	0.00			
231	5500-HP-6F	21,087.82	2,590.63	230,217	0	708.9	257	0	0	11.41	10.29	0.00			
233	5500-MHTR	2,010.40	197.53	17,626	0	0.0	67	0	0	8.67	7.54	0.00			
235	MBS SEC	743,320.97	56,558.92	8,572,867	0	33,189.0	1,325	0	0	8.57	7.44	0.00			
237	MBS PR	4,172.95	543.37	46,800	0	222.0	4	0	0	8.55	7.44	0.00			
240	LG3 SEC	1,321,967.11	209,593.67	18,371,824	0	52,841.0	241	0	0	7.20	6.06	0.00			
242	LG3 M BEC	26,935.26	4,390.36	371,600	0	980.0	4	0	0	6.98	5.83	0.00			
244	LG3 PR	123,053.43	19,252.78	1,659,200	0	5,613.0	9	0	0	7.24	6.11	0.00			
302	IP PR	704,359.34	148,723.05	555,868.25	0	18,764.0	3	0	0	5.28	4.16	0.00			
304	IP TRM	4,018,627.53	866,646.33	77,369,422	0	113,751.0	4	0	0	5.20	4.08	0.00			
523	EL	110,979.41	0.00	914,957	0	0.0	4	0	0	13.62	13.62	0.00			
640	PS	54,250.51	7,506.74	659,561	0	2,554.9	17	0	0	8.23	7.09	0.00			
641	PS UNIT8	5,811.35	881.70	63,400	0	303.0	1	0	0	6.97	5.86	0.00			
642	PS ALL E	163,220.42	27,366.71	2,438,210	0	7,708.9	16	0	0	6.63	5.57	0.00			
Grand Total		14,092,493.60	2,371,955.55	213,129,595	37,181	257,702.1	47,195	3,810	5,434	6.61	5.50	4,229.61			

KINGSPORT POWER COMPANY

NOTICE TO PUBLIC

Kingsport Power Company, d/b/a AEP Appalachian Power ("Kingsport"), hereby gives notice that on November 12, 2010, it made a tariff filing with the Tennessee Regulatory Authority ("TRA") relative to changes in Kingsport's Purchased Power Adjustment Rider ("PPAR") surcharges. The PPAR authorizes Kingsport, upon no less than 30-days notice, to apply a surcharge to all customer bills rendered by it to allow for changes in the non-fuel cost of purchased power from Kingsport's wholesale power supplier, under rate schedules implemented by the Federal Energy Regulatory Commission ("FERC"). Changes in fuel costs associated with power from Kingsport's wholesale supplier would continue to be reflected in Kingsport's fuel adjustment clause. Kingsport's current tariffs, and its filing regarding changes to its PPAR surcharges, are on file with the TRA at 460 James Robertson Parkway, Nashville, Tennessee, and are available for public inspection.

On December 2, 2008, the FERC accepted for filing, effective January 1, 2009, an Amended and Restated Interconnection Agreement ("Agreement") between Appalachian Power Company ("APCo") and Kingsport, which APCo designated as Appalachian Power Company First Revised Rate Schedule 23 ("Revised Rate Schedule 23"). Revised Rate Schedule 23 provides for three annual step increases in APCo's generation rates to Kingsport, as of January 1, 2009, 2010 and 2011, and changes in FERC-approved charges for transmission services. Following a public hearing on December 15, 2008, the TRA approved changes to Kingsport's PPAR, including surcharges designed to recover increases in its 2009 generation and transmission costs, which became effective January 1, 2009. On November 13, 2009, Kingsport made a tariff filing that revised its PPAR surcharges for 2010 to recover increases in Kingsport's non-fuel purchased power charges implemented by the FERC. Following a review by the TRA's Staff, which found KgPCo's tariff filing to be compliant with the TRA's rules and its December 15, 2008 Order, KgPCo's proposed 2010 PPAR surcharges were allowed to become effective January 1, 2010.

Pursuant to Revised Rate Schedule 23, Kingsport's non-fuel cost of purchased power will increase on January 1, 2011. In its November 12, 2010 tariff filing with the TRA, Kingsport provided new PPAR surcharges, calculated in accordance with the provisions of its PPAR, to recover those increased purchased power costs. The surcharges to be applied to customer bills beginning January 1, 2011 would result in average increases of about 3.3% for Kingsport's residential, general service, and industrial customers.