



A Registered Limited Liability Partnership

Attorneys At Law

Established 1916

www.hsdllaw.com

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
Suzanne Sweet Cook
Michael S. Lattier
Scott T. Powers
Leslie Tentler Ridings
Laura A. Steel
Christopher D. Owens
Chad W. Whitfield

Teresa Mahan Lesnak
Matthew H. Wimberley
R. Lee McVey II
Meredith Bates Humbert
Nathan M. Bays
Rachel E. Ralston

Counsel

Thomas R. Wilson
Michael A. Eastridge

Kingsport Office
1212 North Eastman Road
P.O. Box 3740
Kingsport, TN 37664-0740
Phone (423) 378-8800
Fax (423) 378-8801

Johnson City Office
100 Med Tech Parkway
Suite 110
Johnson City, TN 37604
Phone (423) 283-6300
Fax (423) 283-6301

PLEASE RESPOND TO:
KINGSPORT OFFICE

WRITER'S DIRECT DIAL NUMBER:
(423) 378-8858
bovender@hsdllaw.com

AMEP/Z

Ms. Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

December 4, 2009
VIA EMAIL AND FEDEX

filed electronically in docket office on 12/04/09

Docket No.09-00193

Re: AEP Appalachian Power / City of Kingsport
– Petition for Approval of Special Contract

Dear Chairman Kyle:

Enclosed are the original and five copies of the Petition for Approval of Special Contract, which has been electronically filed today. Please return one "stamped" copy to our office in the enclosed self-addressed, stamped envelope. Also enclosed is a check in the amount of \$25.00 to cover the filing fees.

We would appreciate if this matter could be considered at the December 14, 2009 conference.

If you have any questions, please feel free to contact our office.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

William C. Bovender

WCB/slb
Enclosures

Before the
Tennessee Regulatory Authority
Nashville, TN

**In Re: PETITION FOR APPROVAL OF A
NET METERING AND
INTERCONNECTION AGREEMENT
BETWEEN KINGSPORT POWER
COMPANY d/b/a AEP APPALACHIAN
POWER AND THE CITY OF
KINGSPORTY, TN**

TRA Docket No. _____

PETITION FOR APPROVAL OF SPECIAL CONTRACT

Pursuant to TRA Rule 1220-4-1-.07, Petitioner, Kingsport Power Company d/b/a AEP Appalachian Power (herein, "KgPCo") requests approval by the Tennessee Regulatory Authority ("TRA") of a SPECIAL CONTRACT it has entered into with the City of Kingsport, Tennessee ("City of Kingsport") subject to TRA approval, as described more fully herein below:

1. Kingsport is a public utility with its principal office in Kingsport, Tennessee, and is engaged in the business of furnishing electric power services to retail customers in its service delivery area which includes parts of Sullivan, Washington and Hawkins County, Tennessee, the City of Kingsport, Tennessee, and the Town of Mt. Carmel, Tennessee. Kingsport purchases all of its electric power requirements from Appalachian Power Company, whose rates and charges are subject to the jurisdiction of the Federal Energy Regulatory Commission.

2. The City of Kingsport is a Tennessee governmental entity lying fully within the service area of KgPCo and is a retail customer of Kingsport that purchases its power requirements from KgPCo.

3. The City of Kingsport has recently completed a new Higher Education Building on Center Street in Downtown Kingsport. As a part of this Higher Education Building, the City of Kingsport will initiate a Net Metering Facility ("Facility") consisting of a Renewable Fuel Generator, 30 kW Photovoltaic array. This Facility is designed and constructed to operate in parallel with KgPCo's electric transmission/distribution system without adversely affecting the operation of the equipment or service of KgPCo and its customers and without presenting safety hazards to the personnel of KgPCo or the City of Kingsport. The Net Metering Facility is intended primarily to offset all or part of the City of Kingsport's own electricity requirements.

4. The SPECIAL CONTRACT, a NET METERING and INTERCONNECTION AGREEMENT which KgPCo and the City of Kingsport have entered into, subject to TRA approval, is attached hereto as EXHIBIT 1 to this Petition.

5. All monthly charges billed to the City of Kingsport shall be in accordance with the tariff schedule under which the City of Kingsport takes electric service from KgPCo.

6. Kingsport deems it necessary to obtain the approval of the TRA for this SPECIAL CONTRACT, NET METERING and INTERCONNECTION AGREEMENT (EXHIBIT 1), under TRA Rule 1220-4-1-.07.

7. Pursuant to Section 6 of said SPECIAL CONTRACT, KgPCo is obligated to obtain authorization and approval of same by the TRA. The execution of said SPECIAL CONTRACT by the City of Kingsport evidences its support for this Petition.

8. The use of SPECIAL CONTRACTS between KgPCo and certain of its customers has previously been authorized by the TRA. Moreover, as recognized by

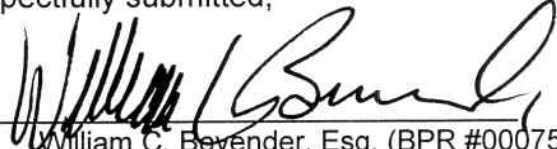
CONTRACTS is a preferred method for dealing with the particular needs of selected Kingsport retail customers. [See also, Docket No. 08-00173 (Petition of Kingsport Power Company d/b/a AEP Appalachian Power for Approval of a Special Contract with Tennessee Army National Guard)].

PREMISES CONSIDERED, Petitioner, Kingsport Power Company d/b/a AEP Appalachian Power, with the support and concurrence of its customer, City of Kingsport, pray:

1. That notice be issued pursuant to the Rules and Regulations of the TRA;
2. That the proposed SPECIAL CONTRACT, the NET METERING and INTERCONNECTION AGREEMENT (EXHIBIT 1) be reviewed and approved by the TRA; and
3. That Petitioner have such further specific and general relief as the TRA deems proper.

Respectfully submitted,

By:


William C. Bevender, Esq. (BPR #000751)
HUNTER, SMITH & DAVIS, LLP
1212 N. Eastman Road
P. O. Box 3740
Kingsport, TN 37664
(423) 378-8858; Fax: (423) 378-8801

By:


James R. Bacha, Esq.
American Electric Power Service Corporation
1 Riverside Plaza
Columbus, OH 43215
(614) 716-1615; Fax: (614) 716-2950

**Attorneys for Kingsport Power Company
d/b/a AEP Appalachian Power**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing Petition for Approval of Special Contract has been served upon J. Michael Billingsley, City Attorney, by mailing a copy of same by United States mail, postage prepaid, to 225 West Center Street, Kingsport, TN 37660, below on this the 4th day of December, 2009.

HUNTER, SMITH & DAVIS, LLP

By: 
William C. Bovender

NET METERING and INTERCONNECTION AGREEMENT

This Net Metering and Interconnection Agreement ("Agreement") is made and entered into this 17th day of September, 2009 by Kingsport Power Company ("Company") and the City of Kingsport ("Customer"), each hereinafter sometimes referred to individually as "Party" or collectively as the "Parties". In consideration of mutual covenants set forth herein, the Parties agree as follows:

Section 1. The Net Metering Facility

The Customer has recently completed a new Higher Education Building on Center Street in Kingsport, Tennessee. As part of this Higher Education Building the Customer plans on installing a Net Metering Facility ("Facility") consisting of a Renewable Fuel Generator ("RF Generator"), 30 kW Photovoltaic array. The Customer maintains this Facility is designed and constructed to operate in parallel with the Company's electric transmission/distribution system ("System") without adversely affecting the operation of the equipment or service of the Company and its customers, and without presenting safety hazards to the Company or the Customer personnel, and is intended primarily to offset all or part of the Customer's own electricity requirements.

Section 2. Governing Provisions

The terms of this agreement shall be interpreted under and subject to Tennessee Law. The Parties shall be subject to the Tennessee Regulatory Authority's Regulations for Electric Companies, the terms and conditions set forth in this Agreement, and the Company's applicable tariffs.

Section 3. Interruption or Reduction of Deliveries

The Company shall not be obligated to accept energy from the Customers and may require Customer to interrupt or reduce delivery of energy, when necessary, in order to construct, install, repair, replace, remove, investigate, or inspect any of the Company's equipment or part of its System; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices. Whenever possible, the Company shall give the Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required. Notwithstanding any other provision of this Agreement, if at any time the Company reasonably determines that either the Facility may endanger the Company's personnel or other persons or property, or the continued operation of the Facility may endanger the integrity or safety of the Company's System, the Company shall have the right to disconnect and lock out the Facility from the Company's System. The Facility shall remain disconnected until such time as the Company is reasonably satisfied that the conditions referenced in this Section have been corrected.

Section 4. Interconnection

Customer shall deliver the as-available energy to the Company at the Company's meter.

Company shall furnish and install a combination kilowatt demand and kilowatt-hour meter that can measure the flow of electricity in both directions. Customer shall provide and install a meter socket for the Company's meter and any related interconnection equipment per the Company's technical requirements, including safety and performance standards. Customer shall be responsible for all costs associated with installation of the standard kilowatt-hour meter and testing in conformity.

The RF Generator equipment and installations shall comply with the manufacturer's specifications, all applicable safety and performance standards of the National Electrical Code, the Institute of Electrical and Electronic Engineers Standard 1547 (Standard for Interconnecting Distributed Resources with Electric Power Systems), safety and performance standards established by local and national electrical codes including, the Institute of Electrical and Electronics Engineers, the National Electrical Safety Code, and Underwriters Laboratories. Customer's RF Generator equipment and installations shall also comply with the Company's Interconnection Guidelines. The Company shall provide a copy of its Interconnection Guidelines to the customer upon request.

The grounding scheme of the Customer's Facility shall comply with IEEE 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, July 2003, and shall be consistent with the grounding scheme used by the Company. If requested by the Customer, the Company shall assist the customer in selecting a grounding scheme that coordinates with the Company's System.

EXHIBIT

1

tabbies

Net Metering and Interconnection Agreement

conditions exists and such immediate action is necessary to protect persons, or the Company's facilities, or property of others from damage or interference caused by the Customer's facilities, or lack of properly operating protective devices.

Section 8. Limitation on Consequential, Incidental and Indirect Damages

To the fullest extent permitted by law, neither customer nor company, nor their respective officers, directors, agents, employees, members, parents or affiliates, successors or assigns, or their respective officers, directors, agents, nor employees successors or assigns, shall be liable to the other party or their respective members, parents, subsidiaries, affiliates, officers, directors, agents, employees, successors or assigns for claims, suits, actions or causes of action for incidental, indirect, special, punitive, multiple or consequential damages connected with or resulting from performance or non-performance of this agreement, or any actions undertaken in connection with or related to this agreement, including without limitation, any such damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty, strict liability, statute, operation of law, under any indemnity provision or any other theory of recover. The obligor's liability shall be limited to direct damages only, and such direct damages shall be the sole and exclusive measure of damages and all other judicial remedies or damages are waived. The provisions of this section shall apply regardless of fault and shall survive termination, cancellation, suspension, completion or expiration of this agreement. Notwithstanding anything in this section to the contrary, any provision or provisions of this section will not apply to the extent it is finally determined by a court of competent jurisdiction, including appellate review if pursued, to violate the laws or Constitution of the State of Tennessee.

Section 9. Facilities Charges

The Customer is responsible for all equipment and installation costs of the Facility.

The Company shall inspect the inverter settings of the RF Generator. The customer shall pay \$50 to the Company for each inspection.

The Customer shall pay to the Company any additional charges, as determined by the Company, for equipment, labor, metering, testing or inspections requested by the Customer.

Section 10. Monthly Charges

All monthly charges shall be in accordance with the tariff schedule under which the Customer takes service. Such charges shall be based on the Customer's net energy for the billing period, to the extent that the net energy exceeds zero. The Customer's net energy shall be calculated by subtracting the energy, if any, delivered by the Customer to the Company from the energy delivered by the Company to the Customer. To the extent that the Customer's net energy is zero or negative during the billing period, the Customer shall pay only the non-usage sensitive charges of the standard schedule. The Customer shall receive no compensation from the Company for negative net energy during the billing period. The negative energy during the billing period shall be carried forward and credited against positive energy usage in subsequent billing periods.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

Dated this 18th day of November, 2009.

Kingsport Power Company:

By: David M. Namer

Title: Customer Service Manager

City of Kingsport:

By: James Schaefer

Title: Mayer