

Hunter Smith & Davis

LLP

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@hsdlaw.com

KPOW.85706

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
Joseph B. Harvey
Meredith Bates Humbert
Nathan M. Bays
Rachel E. Ralston

Counsel

Terry G. Kilgore
Michael A. Eastridge
Jason A. Creech
Thomas R. Wilson

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

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

Gate City, Virginia
197 West Jackson Street
P.O. Box 669
Gate City, VA 24251
Phone: (276) 386-7701
Fax: (276) 386-2377

PLEASE RESPOND TO:
KINGSPORT OFFICE

July 15, 2010

VIA EMAIL & FEDEX

ATTN: Sharla Dillon, Dockets & Records Manager
Mary Freeman, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

filed electronically in docket office on 07/15/10
Docket No. 10-00144

Re: Petition of Kingsport Power Company d/b/a
AEP Appalachian Power for Approval of
Deferred Accounting

Dear Chairman Freeman:

Please find enclosed the original and four (4) copies of the Petition of Kingsport Power Company d/b/a AEP Appalachian Power for Approval of Deferred Accounting. Please return a filed copy to our office in the enclosed envelope. Also enclosed is a check in the amount of \$25.00 to cover the filing fee.

If you have any questions, please do not hesitate to contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



William C. Bovender

Mary Freeman, Chairman
Page 2
July 15, 2010

WCB/slb

Enclosures

cc: William A. Bosta (via email w/enc.)
Hector Garcia, Esq. (via email w/enc.)
Cynthia L. Frazier-Keller (via email w/enc.)
David Foster (via email w/enc.)

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE:)
)
APPLICATION OF KINGSPORT POWER) DOCKET NO.: _____
COMPANY d/b/a AEP APPALACHIAN)
POWER FOR APPROVAL OF DEFERRED)
ACCOUNTING)

PETITION FOR APPROVAL OF DEFERRED ACCOUNTING

Comes Kingsport Power Company, d/b/a AEP Appalachian Power, (herein, "Kingsport") and respectfully requests that the Tennessee Regulatory Authority (herein, "TRA") approve the deferral of certain incremental storm costs incurred by Kingsport as a result of severe winter storms in December, 2009. In support hereof, Kingsport would show the following:

1. It is represented that any notices or other communications with respect to this application be sent to the following individuals on behalf of Kingsport:

A. William A. Bosta
American Electric Power Service Corporation
Three James Center, Suite 702
1051 E. Cary Street
Richmond, VA 23219-4029
Ph: (804) 698-5511; Fax: (804) 698-5526
Email: wabosta@aep.com

B. Hector Garcia, Esq.
Senior Counsel
American Electric Power Service Corporation
1 Riverside Plaza - 29th Floor
Columbus, OH 43215
Ph: (614) 716-3410; Fax: (614) 716-1613
Email: hgarcia1@aep.com

C. William C. Bovender, Esq.
Hunter, Smith & Davis, LLP
PO Box 3740
Kingsport, TN 37665
Ph: (423) 378-8858; Fax: (423) 378-8801
Email: Bovender@hsdlaw.com

2. Kingsport is a public utility with its principal office located in Kingsport, Tennessee, and is engaged in the business of distributing electric power to retail customers in its service area which includes parts of Sullivan, Washington and Hawkins Counties, Tennessee, the City of Kingsport, Tennessee, and the Town of Mt. Carmel, Tennessee. As a public utility operating in the electricity distribution business in Tennessee, Kingsport is subject to the regulation and supervision of the TRA.

3. Kingsport purchases all of its electric power requirements from Appalachian Power Company, whose wholesale rates and charges are subject to the jurisdiction of the Federal Energy Regulatory Commission.

4. In December, 2009, specifically on December 8, 2009, and again on December 18, 2009, Kingsport's service area was struck by two severe winter storms which caused power outages to Kingsport's customers and damage to the property and equipment of Kingsport.

5. The December 8, 2009 storm was primarily a high wind storm which included ice and freezing rain. The storm swept through West Virginia, Virginia and Tennessee causing extensive power outages. Approximately 5,514 customers were out of service in Kingsport at the height of the storm.

6. Of the two storms, the December 18, 2009 snow event was the most severe. It affected not only the Kingsport, Tri-Cities, Tennessee area, it also crippled the entire three state region served by Appalachian Power Company and Kingsport, which includes Tennessee, Virginia and West Virginia. The December 18, 2009 storm ranked as a Category 3 storm on the Northeast Snowfall Impact Scale, and caused both Virginia and West Virginia to declare states of emergency. It was the largest amount of snowfall experienced in the Kingsport region since the blizzard of January, 1996.

The nature of this snow was unusual in the degree of wetness of the snow, making it both heavy and adhesive and intensifying the effect of its accumulation on trees, especially evergreen trees. In computing a ratio of snow to liquid, anything 15:1 or less would typically be categorized as a “wet snow”, while a ratio above 15:1 is a “dry snow”. Snow to liquid ratio computations reveal very wet snow in Kingsport (6.5:1) on December 18, 2009, before a transition to gradually drier snow on December 19, 2009. The combination of rain, freezing rain, icing and heavy wet snow caused many large, healthy trees to uproot and fall, resulting in major damage.

Another early problem was the impact of the storm on major transportation arteries, impeding the ability of many out-of-state personnel (for whose service, arrangements had been made, such as contractors and neighboring utilities) to get to work destinations. Portions of Interstate 81 along with other highways were closed at times. Downed trees blocked secondary roads which interfered with crews' ability to access outage sites. The weather also prevented

aerial reconnaissance and damage assessment for four days. Attached as EXHIBIT "A" is the "Tennessee Restoration Curve for the Period of 12/18/09 – 01/04/10," which depicts the number of customers out of service at a given time.

7. As a result of these winter storms, Kingsport incurred incremental operating and maintenance costs directly related to the restoration of power to its customers and the repair/replacement of damaged property and equipment which were not anticipated nor previously budgeted. Kingsport, in the course of same, was required to pay overtime to its employees and bring in outside contractors to assist in the power restoration and repair/replacement activities. The majority of the expenses incurred were for wages, food, lodging and transportation for contractors and workers who assisted from other companies. The following is a breakdown of said December, 2009, incremental operating and maintenance storm costs:

Kingsport Incremental O&M Costs December 2009 Storms			
Cost Category	12/8/2009 Storm	12/18/2009 Storm	Total
Internal Overtime Labor	\$16, 633	\$157,975	\$174,608
Outside Services	\$92,638	\$1,225,606	\$1,318,244
Material	\$916	\$17,148	\$18,064
Other	\$12,310	\$106,126	\$118,436
Total	\$122,497	\$1,506,855	\$1,629,352

8. To put this \$1.6 million of incremental O&M Expense in perspective, Kingsport's net operating income for the 13 month period ending November 30, 2009 (prior to the storms), as reported on Form 3.05 to the TRA, was \$2,067,155 (See, EXHIBIT "B" hereto). A one-time O&M Expense like the Kingsport December 2009 incremental storm costs would essentially eliminate approximately half of the net after tax operating income for the 13 month period.

9. Unless the TRA grants appropriate relief, Kingsport will be required to absorb these substantial costs that are not being recovered in the currently allowed rates. These incremental expenses are obviously outside the norm and were not caused by the actions and/or inaction of Kingsport. Kingsport asserts that it would be unfair to require it to absorb these incremental storm costs when the excessive expenses arose because of acts of nature.

10. For the reasons set forth hereinabove, Kingsport respectfully requests that the TRA permit it to defer said incremental storm costs.

11. If the deferral is approved, it is the intention of Kingsport to request from the TRA authorization to recover said incremental storm costs at a later date.

WHEREFORE, Kingsport respectfully prays that the TRA issue an Order approving the accounting treatment in the manner set forth above.

Respectfully submitted this the 15th day of July, 2010.

**KINGSPORT POWER COMPANY d/b/a
AEP APPALACHIAN POWER**

By: _____



William C. Bovender, Esq.

HUNTER, SMITH & DAVIS, LLP

PO Box 3740

Kingsport, TN 37665

Ph: (423) 378-8858

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **Petition for Approval of Deferred Accounting** has been served by mailing a copy of same by United States mail, postage prepaid, to below on this the 15th day of July, 2010, as follows:

Cynthia Kinser
Consumer Advocate Division
Office of the Attorney General
P.O. Box 30207
Nashville, TN 37243

Richard Collier, General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

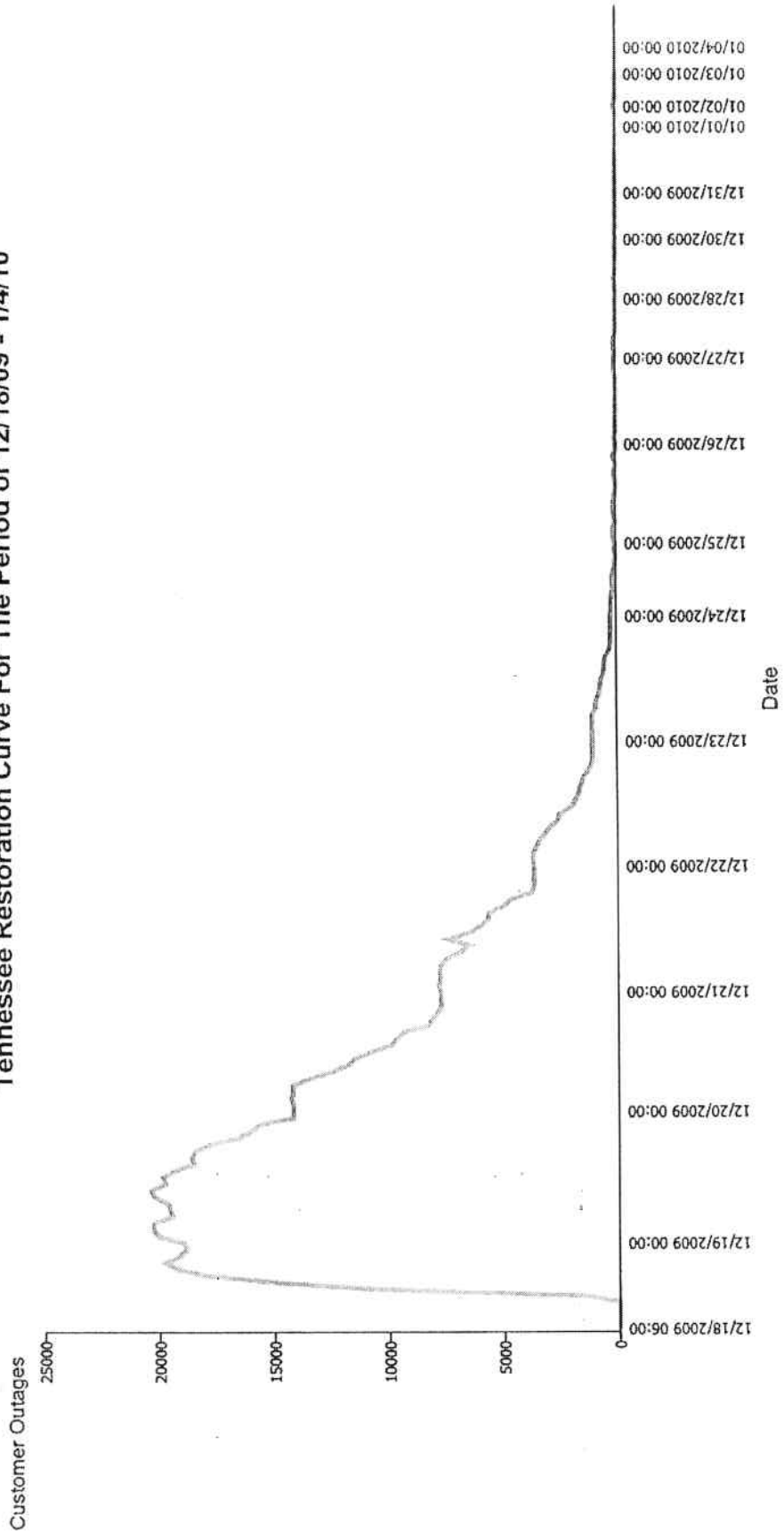
HUNTER, SMITH & DAVIS, LLP

By: _____



William C. Bovender, Esquire

Tennessee Restoration Curve For The Period of 12/18/09 - 1/4/10



KINGSPORT POWER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC 3.05
FOR THE MONTH OF (11) Nov - 2009

<u>LINE NO.</u>	<u>AVERAGE FOR 13 MONTHS-TO-DATE</u>
1. Electric Plant in Service (1) (3) (4)	\$119,715,498
2. Construction Work in Progress	2,444,931
3. Materials and Supplies paid for	213,467
4. Minimum Bank Balance (2)	1,185,013
5. Cash Allowance - Working Capital (2)	139,111
6. Total	<u>\$123,698,020</u>
Deductions:	
7. Accumulated Depreciation (3)	47,299,114
8. Unamortized Investment Tax Credit	243,046
9. Customer Advances in Aid of Construction	0
10. Customer Deposits	2,509,233
11. Deferred Income Taxes	11,051,070
12. Deferred Gain - Sale of Service Building	0
13. Total Deductions	<u>\$61,102,463</u>
14. Rate Base	<u><u>\$62,595,557</u></u>
15. Net Operating Income	\$2,067,155
16. Charitable Contributions (Net of Tax Effect)	(206,884)
17. Allowance for Funds Used During Construction	19,274
18. Interest on Customer Deposits (Net of Tax Effect)	(101,376)
19. Total	<u><u>\$1,778,169</u></u>
20. Rate of Return (Line 19/Line 14)	<u><u>2.84%</u></u>

(1) Includes Account 106 - Completed Construction not Classified.

(2) As calculated for 12 months ended December 1991, Docket 92-04425.

(3) Excludes effect of Capitalized Leases.

(4) Includes Contributions in Aid of Const. per Docket No. U-83-7268.

(5) 12 months ended balances.

CONTINUING SURVEILLANCE CONSIDERATIONS: Estimate the effect on net operating income of very significant known changes occurring within the period covered by the report which are not fully reflected in the revenue and expense amounts shown in the report.



KINGSPORT POWER COMPANY

CUSTOMER SERVICE DATA

(11) Nov - 2009

TYPE OF CUSTOMER (a)	NUMBER BILLED AT THE END OF PERIOD	
	THIS YEAR (b)	LAST YEAR (c)
36. RESIDENTIAL	41,106	41,044
37. COMMERCIAL	5,622	5,652
38. INDUSTRIAL	173	180
39. OTHER	152	154
40. TOTAL	47,053	47,030

INSTRUCTIONS

1. This report is required of electric companies which had operating revenues for the preceding year in excess of \$1,500,000 as provided in the Commission's rules. Prepare on a typewriter and file within 60 days after the end of the month covered by the report. Show amounts adjusted to the nearest dollar.
2. If any amount for the current month differs materially from that for the previous month or the same month a year ago and the difference is not self-explanatory annotate the amount and explain the occasioning facts under "Remarks".
3. List the type and number of other customers in the customer service data section under "Remarks".

REMARKS		
1. OTHER CUSTOMERS	THIS YEAR	LAST YEAR
<u>SALES TO PUBLIC AUTHORITIES</u>		
Public Street & Highway Ltd.	118	120
Public Schools	34	34
Other Than Public Schools	0	0
	<u>152</u>	<u>154</u>

I certify that to the best of my knowledge and belief this is a true and correct report:

Date Jan 29, 20 10

(Signed) Jamie Deauble

Title and Address Regulatory Consultant
AEP
Three James Center, Suite 702
1051 E. Cary Street
Richmond, VA 23219

Kingsport Power Consolidated
Monthly Report of Revenues, Expenses And Investments-Electric Companies
November 30, 2009

GLR4870V	Item (A)	Amount For This Month		Year To Date		12 Months To Date		12/29/03 16:21
		This Year (B)	Last Year (C)	This Year (D)	Last Year (E)	This Year (F)	Last Year (G)	
<u>Operating Revenues</u>								
1	Residential Sales	4,257,694.46	4,181,877.28	48,202,895.40	37,739,208.40	53,734,347.52	41,662,506.29	
2	Commercial Sales	2,584,795.91	2,159,510.73	28,009,293.28	22,308,127.51	30,012,551.11	23,974,090.49	
3	Industrial Sales	4,312,782.94	3,988,844.00	50,335,287.54	39,081,112.90	53,466,590.00	42,247,006.28	
4	Other Operating Revenues	437,026.82	394,342.54	4,578,291.80	4,403,038.98	5,001,230.77	4,853,805.41	
5	Total Operating Revenues	11,592,300.13	10,724,574.55	131,125,768.02	103,531,487.79	142,214,719.40	112,737,408.47	
<u>Operating Expenses</u>								
6	Power Production Expense	9,919,922.93	8,521,020.59	112,259,602.16	82,921,475.35	121,568,276.41	89,977,566.95	
7	Transmission & Distribution-Operation	157,403.20	119,751.20	1,700,246.35	1,535,476.88	2,104,411.79	1,721,420.93	
8	Transmission & Distribution-Maintenance	255,495.56	249,338.61	2,489,338.69	2,801,217.68	2,733,058.23	3,066,145.43	
9	Customer Accounts Expense	135,149.49	151,292.96	1,593,140.26	1,658,224.03	1,758,823.55	1,860,841.13	
9A	Accounts Receivable Factoring	43,584.34	44,438.98	456,553.99	507,497.37	508,716.31	564,212.00	
10	Customer Service & Information Exp. -Oper.	5,696.31	5,444.63	121,391.30	112,292.40	133,460.79	118,863.23	
10A	Sales Expense	0.00	0.00	9.26	0.00	9.26	0.00	
11	Administrative & General Expense	207,779.00	234,020.66	2,248,812.44	2,267,533.93	2,380,254.43	2,547,485.45	
12	Depreciation and Amortization Expense	338,910.35	345,631.81	3,893,875.66	3,825,545.12	4,240,425.77	4,173,143.87	
13	Taxes Other Than Income Taxes	387,602.44	365,435.25	4,174,878.18	3,623,369.61	4,542,435.73	3,796,521.08	
14	Income Taxes	328,813.98	209,258.60	721,307.91	979,597.79	656,634.03	1,155,909.15	
15	Total Operating Expenses (Items 6-14)	11,781,337.60	10,245,633.09	129,659,156.19	100,232,230.16	140,626,506.30	108,982,109.22	
15	Net Operating Income (Item 5 Less 15)	(189,037.47)	478,941.46	1,466,611.83	3,299,257.63	1,588,213.10	3,755,299.25	
17	Other Income	711.10	145.18	121,918.94	250,733.62	122,091.92	252,116.64	
18	Miscellaneous Income Deductions	11,739.34	6,545.81	79,479.83	115,158.03	249,942.79	195,974.58	
19	Interest Charges	105,289.92	134,447.67	1,168,021.51	1,423,606.58	1,300,607.41	1,568,847.06	
19A	Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00	
20	Net Income	(305,335.63)	338,093.16	341,029.42	2,011,226.64	159,754.82	2,242,594.25	

Selected Balance Sheet Items	Balance At End Of Month		Avg. For 13 Months To Date		Last Year
	This Year (H)	Last Year (I)	This Year (J)	Last Year (K)	
21 Utility Plant in Service (Acct. 101 and 106)	121,223,365.49	117,399,252.94	120,000,886.66	115,946,118.49	* Includes Capital Leases
22 Construction Work in Progress	2,202,755.86	2,443,542.40	2,444,931.34	1,342,994.98	
23 Utility Plant Acquisition Adj.	0.00	0.00	0.00	0.00	
24 Property Held For Future Use	246,973.16	34,829.00	100,104.13	34,829.00	
25 Accumulated Depreciation and Amortization	48,454,114.99	45,660,157.22	47,450,049.59	44,978,325.28	* Includes Capital Leases
26 Materials and Supplies	183,048.52	385,958.34	223,532.01	560,691.42	
27 Unamortized Investment Credit	217,041.00	266,096.00	243,046.31	282,374.69	
28 Deferred Income Tax (Net)	11,599,930.36	10,660,172.45	11,051,070.13	9,549,166.79	
29 Contributions In Aid Of Construction	0.00	0.00	0.00	0.00	
30 Customer Advances For Construction	0.00	0.00	0.00	0.00	
31 Preferred Stock	0.00	0.00	0.00	0.00	
32 Common Stock	4,100,000.00	4,100,000.00	4,100,000.00	4,100,000.00	
33 Premium On Capital Stock and Other Capital	13,806,942.94	13,800,000.00	13,803,112.39	13,800,000.00	
34 Retained Earnings	5,472,134.42	7,312,379.60	6,599,656.06	7,407,816.70	
35 Long Term Debt (Includes Current Portion)	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	

Kingsport Power Elim
Operation & Maintenance Summary
November 30, 2009

Page 1

12/29/09 16:03

GLR460V

Exhibit B
Page 4 of 6

ACCOUNT NUMBER	DESCRIPTION	LABOR 1xx Uxx	OUTSIDE SERVICES 2xx	MATERIAL 3xx	TRANSPORTATION 4xx	EMPLOYEE EXP 5xx	ALL OTHERS	TOTAL
4265009	Factored Cust A/R Exp - Affil	0.00	0.00	0.00	0.00	0.00	24,774.95	24,774.95
4265010	Fact Cust A/R-Bad Debts-Affil	0.00	0.00	0.00	0.00	0.00	18,769.39	18,769.39
5550027	Purch Pwr-Non-Fuel Portion-Affil	0.00	0.00	0.00	0.00	0.00	5,857,247.29	5,857,247.29
5550046	Purch Pwr-Fuel Portion-Affil	0.00	0.00	0.00	0.00	0.00	4,063,974.20	4,063,974.20
5560000	Sys Control & Load Dispatching	0.00	0.00	0.00	0.00	0.00	(254.33)	(254.33)
5570000	Other Expenses	0.00	0.00	0.00	0.00	0.00	(1,043.53)	(1,043.53)
5600000	Oper Supervision & Engineering	0.00	0.00	0.00	0.00	1.48	1,875.02	1,877.97
5610000	Load Dispatching	0.00	0.00	0.00	0.00	0.00	24.20	24.20
5611000	Load Dispatch - Reliability	0.00	0.00	0.00	0.00	0.00	33.26	33.26
5612000	Load Dispatch-Maint&Op TransSys	256.49	0.00	0.00	0.00	41.34	3,772.47	3,772.47
5613000	Load Dispatch-Trans Svcs&Sched	0.00	0.00	0.00	0.00	0.00	(0.34)	(0.34)
5615000	Reliability Plng&Sids Develop	0.00	0.00	0.00	0.00	0.00	301.51	301.51
5620000	Station Expenses - Nonassoc	2,926.06	0.00	21.22	0.51	0.00	702.73	3,650.50
5630000	Overhead Line Expenses	0.00	0.00	0.00	0.00	0.00	1.39	1.39
5660000	Misc Transmission Expenses	2,359.85	0.00	2,358.40	45.51	398.21	3,835.72	8,737.88
5670002	Rents - Associated	0.00	0.00	0.00	0.00	0.00	70.07	70.07
5680000	Maint Supv & Engineering	0.00	0.00	0.00	0.00	0.00	345.75	345.75
5690000	Maintenance of Structures	135.86	0.00	359.84	0.00	0.00	240.47	635.17
5691000	Maint of Computer Hardware	163.42	0.00	0.00	0.00	0.00	489.14	652.56
5692000	Maint of Computer Software	0.00	0.00	0.00	0.00	0.00	3,165.87	3,165.87
5693000	Maint of Communication Equip	1,659.48	0.00	397.91	0.00	149.74	3,395.94	5,453.13
5700000	Maint of Station Equipment	8,150.75	42.00	5,275.95	0.12	299.82	3,243.67	17,012.32
5710000	Maintenance of Overhead Lines	3,271.97	2,678.35	5,868.10	(12.04)	705.92	2,917.55	15,429.85
5730000	Maint of Misc Transmission Pit	0.00	0.00	0.00	0.00	0.00	14.44	14.44
5800000	Oper Supervision & Engineering	5,040.37	979.48	381.65	(259.42)	8.63	7,505.39	13,657.11
5810000	Load Dispatching	0.00	0.00	0.00	(73.83)	0.00	1,135.14	6,600.69
5820000	Station Expenses	5,569.38	1,903.16	173.36	0.45	0.00	7,446.35	14,989.35
5830000	Overhead Line Expenses	3,955.14	1,428.66	569.87	(207.37)	0.00	(2,744.59)	(6,750.24)
5840000	Underground Line Expenses	0.00	2,631.78	0.00	0.00	0.00	85.42	2,717.20
5850000	Street Lighting & Signal Sys E	0.00	0.00	4,870.43	0.00	0.00	0.00	4,870.43
5860000	Meter Expenses	3,594.45	235.44	17.73	(637.25)	0.00	2,895.57	6,205.95
5870000	Customer Installations Exp	3,560.51	19.25	0.00	(292.62)	0.00	1,868.67	5,155.81
5880000	Miscellaneous Distribution Exp	15,600.57	468.98	4,158.61	(404.03)	1,423.01	35,146.17	58,382.91
5890001	Rents - Nonassociated	0.00	0.00	0.00	0.00	0.00	41,251.39	41,251.39
5890002	Rents - Associated	0.00	0.00	0.00	0.00	0.00	366.59	366.59
5900000	Maint Supv & Engineering	870.20	0.00	73.08	0.00	0.00	(8.38)	934.90
5910000	Maintenance of Structures	23,654.77	565.15	1,857.57	(18.17)	0.00	7,204.65	33,570.77
5920000	Maint of Station Equipment	23,251.08	113,199.25	4,596.97	(1,801.28)	205.59	8,152.69	147,533.50
5930000	Maintenance of Overhead Lines	1,575.07	944.51	0.00	(87.71)	0.00	1,150.59	3,632.95
5950000	Maint of Line Trm Regulators&Dvi	5,318.28	47.24	517.95	(429.97)	0.00	4,075.34	9,528.85
5960000	Maint of Srt Lnghtng & Signal S	1,111.84	3,067.46	152.60	(81.00)	102.53	2,133.69	4,587.12
5970000	Maintenance of Meters	(755.21)	0.00	0.00	25.63	0.00	11.05	(639.16)
5980000	Maint of Misc Distribution Pit	12,796.40	2.91	14.56	(755.55)	212.77	6,473.63	18,704.72
9010000	Supervision - Customer Accis	6,424.89	0.00	0.00	(74.05)	0.00	4,586.40	10,937.23
9020000	Meter Reading Expenses	73.53	0.00	0.00	(7.25)	0.00	136.33	202.60
9020002	Meter Reading - Regular	2,578.10	0.00	0.00	(185.05)	0.00	1,000.85	3,393.91
9020003	Meter Reading - Large Power	(79.10)	0.00	0.00	(0.85)	0.00	732.24	652.29
9020004	Read-In & Read-Out Meters	4,671.80	0.00	0.00	(341.09)	0.00	1,760.52	6,091.23
9030000	Cust Records & Collection Exp	132.16	0.00	0.00	(12.60)	0.00	7,421.57	7,541.23
9030001	Customer Orders & Inquiries	2,159.68	0.00	0.29	(158.76)	0.00	50,326.48	52,327.69
9030002	Manual Billing	0.00	0.00	0.00	0.00	0.00	725.65	725.65
9030003	Postage - Customer Bills	0.00	0.00	0.00	0.00	0.00	19,431.91	19,431.91
9030004	Cashiering	0.00	0.00	0.00	0.00	0.00	1,702.48	1,702.48
9030005	Collection Agents Fees & Exp	0.00	0.00	0.00	0.00	0.00	6,142.14	6,142.14
9030006	Credit & Oth Collection Activi	547.67	0.00	0.00	(32.15)	0.00	6,448.51	6,994.05
9030007	Collectors	5,631.98	50.09	1,521.68	(262.60)	27.37	10,568.45	16,050.06
9050000	Misc Customer Accounts Exp	526.88	0.00	4.77	0.00	0.00	2,942.43	2,942.43
9070000	Supervision - Customer Service	0.00	0.00	1.13	0.00	0.00	14.50	14.50
9070001	Supervision - DSM	0.00	0.00	0.00	0.00	99.36	2,304.59	2,304.59
9080000	Customer Assistance Expenses	1,771.54	0.00	0.00	(126.33)	0.00	559.15	2,304.34
9080009	Cust Assistance Expense - DSM	0.00	0.00	0.00	0.00	0.00	492.59	492.59
9090000	Information & Instruct Advntis	0.00	64.00	0.00	0.00	0.00	1,228.31	1,292.31
9100000	Misc Cust Svcs&Informational Ex	280.29	0.00	0.00	0.00	0.00	280.29	280.29
9200000	Administrative & Gen Salaries	10,247.61	0.00	0.00	(78.83)	0.00	59,339.54	79,570.42
9210001	Off Supl & Exp - Nonassociated	0.00	4,419.85	165.01	0.00	(0.82)	2,295.11	6,879.05
9220001	Admin Exp Trm'l to Chstrtion	(7,689.00)	0.00	0.00	0.00	0.00	0.00	(7,689.00)
9220004	Admin Exp Trm'l to ABD	0.00	0.00	0.00	0.00	0.00	(1,126.20)	(1,126.20)

Kingsport Power Elim
Operation & Maintenance Summary
November 30, 2009

Page 2

Exhibit B
Page 5 of 6

GLR4860V		OUTSIDE SERVICES				MATERIAL		TRANSPORTATION		EMPLOYEE EXP		ALL OTHERS		TOTAL	
ACCOUNT NUMBER	DESCRIPTION	LABOR 1XX	2xx	3xx	4xx	5xx	6xx	7xx	8xx	9xx	10xx	11xx	12xx	13xx	14xx
9220125	SSA Expense Transfers BL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(24,385.59)	505.51
9230001	Outside Svcs Empl - Nonassoc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,395.56)	37,700.47
9230003	AEFSC Billed to Client Co	0.00	3,101.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37,700.47	2,292.43
9240000	Property Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,706.08	1.35
9250000	Injuries and Damages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	185.60	48.55
9250001	Safety Dinners and Awards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,395.56)	2,392.43
9250002	Emp Accident Privtn-Adm Exp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,022.03)	251.13
9250006	Wkrs Cmpnstrn Pre&Stf Ins Prv	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.00	19,908.81
9250007	Prsnl Injries&Prop Dmgge-Pub	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,185.14	42,546.49
9250010	Frg Ben Loading - Workers Comp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.17	2,127.22
9260001	Edit & Print Empl Pub-Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65.16	4.96
9260002	Pension & Group Ins Admin	0.00	56.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51,697.17	11,190.10
9260003	Pension Plan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(9,000.59)	(22,375.77)
9260004	Group Life Insurance Premiums	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(5,103.52)	(8,103.52)
9260005	Group Medical Ins Premiums	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(17,435.84)	(24,375.70)
9260006	Physical Examinations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(8,023.75)	6,954.43
9260009	Group Dental Insurance Prem	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3.34)	(1,530)
9260010	Training Administration Exp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(79.58)	5.88
9260012	Employee Activities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49.30	0.48
9260021	Postretirement Benefits - OPEB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	161.13	195.31
9260027	Savings Plan Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112.93	7,458.01
9260050	Frg Ben Loading - Pension	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,525.94	25,848.75
9260051	Frg Ben Loading - Grp Ins	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,355.50	2,395.50
9260052	Frg Ben Loading - Savings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.31)	(0.31)
9260053	Frg Ben Loading - OPEB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	782.46	12,625.80
9260055	IntercoFringeOffscr- Don't Use	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(51.55)	7,219.59
9260057	Postret Ben Medicare Subsidy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(176.00)	7,219.59
9260059	Frg Ben Loading - Accrual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(6,372.40)	10,414,137.33
9280000	Regulatory Commission Exp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,954.43	6,954.43
9280001	Regulatory Commission Exp-Adm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3.34)	(3.34)
9280002	Regulatory Commission Exp-Case	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,530)	(1,530)
9301010	Publicity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(79.58)	5.88
9301012	Public Opinion Surveys	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49.30	0.48
9301014	Video Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	161.13	195.31
9301015	Other Corporate Comm Exp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112.93	7,458.01
9302000	Misc General Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,525.94	25,848.75
9302003	Corporate & Fiscal Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,355.50	2,395.50
9302004	Research, Develop&Demonstr Exp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.31)	(0.31)
9302007	Assoc Business Development Exp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	782.46	12,625.80
9310001	Rents - Real Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(51.55)	7,219.59
9310002	Rents - Personal Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(176.00)	7,219.59
9350001	Maint of Structures - Owned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(6,372.40)	10,414,137.33
9350002	Maint of Structures - Leased	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,954.43	6,954.43
9350013	Maint of Communication Eq-Unall	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3.34)	(3.34)
TOTAL OPERATION & MAINT EXP		132,572.25	144,071.44	36,521.77	(6,372.40)	4,980.43								10,414,137.33	10,726,010.83

Kingsport Power Elim
 Operation & Maintenance Summary
 November 30, 2009

Page 3

12/29/09 16:03

GLR4860V

ACCOUNT NUMBER	DESCRIPTION	LABOR 1XX UXX	OUTSIDE SERVICES 2xx	MATERIAL 3xx	TRANSPORTATION 4xx	EMPLOYEE EXP 5xx	ALL OTHERS	TOTAL
-------------------	-------------	---------------------	-------------------------	-----------------	-----------------------	---------------------	------------	-------