



Demand Response Partners, Inc.

Andrew W. Dorn IV
President & Chief Operating Officer
Demand Response Partners, Inc.
360 Delaware Ave., Suite 406
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March 14, 2011

filed electronically in docket office on 03/14/11
Docket No. 11-00039

Chairman Mary Freeman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Petition for Expedited Review to Allow End Use Customers on
Kingsport Power Co. to Continue their Participation in the PJM
Interconnection's Demand Response Program

Dear Chairman Freeman:

Enclosed are an original and four (4) copies of our Petition for Expedited Review to Allow End Use Customers on Kingsport Power Co. to Continue their Participation in the PJM Interconnection's Demand Response Program. This petition has been electronically filed today.

Additionally, enclosed is a check in the amount of \$25.00 to cover the filing fees. If you have any questions, please feel free to contact our office.

Sincerely Yours,

A handwritten signature in blue ink, appearing to read "Andrew W. Dorn, IV", is written over a large, stylized blue oval. The signature is fluid and cursive.

Andrew W. Dorn, IV

AWD

Enclosures

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

In Re: PETITION FOR EXPEDITED REVIEW TO ALLOW END USE CUSTOMERS ON KINGSFORT POWER CO.
TO CONTINUE THEIR PARTICIPATION IN THE PJM INTERCONNECTION'S DEMAND RESPONSE PROGRAM

PETITION FOR EXPEDITED REVIEW OF CONTINUED PARTICIPATION IN PJM PROGRAM

Demand Response Partners Inc. ("DRP"), a curtailment service provider authorized to conduct the demand response program in the PJM Interconnection, does hereby file with the Tennessee Regulatory Authority (TRA) this Petition pursuant to PJM Open Access Transmission Tariff (OATT) and in consideration of T.C.A. § 65-4-126 to allow end use customers on Kingsport Power Company to continue to participate in the PJM energy efficiency program known as demand response. In support of this request, DRP states the following:

1. Kingsport Power Company is a public utility as defined in T.C.A. § 65-4-101 and is engaged in providing residential, commercial, and industrial electrical service, and is subject to the jurisdiction and supervision of the Authority pursuant to Chapter 4 of Title 65 of Tennessee Code Annotated.
2. Kingsport Power Company, d/b/a AEP Appalachian Power, is part of PJM Interconnection Regional Transmission Organization, and participation in PJM Interconnection requires compliance with the Open Access Transmission Tariff (OATT) which includes the provisions governing the PJM emergency load response program, commonly referred to as the demand response program.
3. PJM Interconnection's demand response program ("the program") functions to improve the reliability of electric service to all PJM end use customers by implementing load management

procedures to relieve congestion constraints. End use customers who participate in the program are asked to reduce their electricity usage when operating reserves are tight and the reliability of the grid is in jeopardy. This provides a significant reliability benefit to all rate payers.

5. Rate payers on Kingsport Power Company, both those participating in the program and those not participating, benefit financially. Participants in the program are incentivized to use electricity more efficiently by reducing their electricity demand during times of extreme or unforeseen grid constraints. In return for their participation, the end use customers receive PJM capacity payments. Additionally, this program provides significant financial benefit to all rate payers by reducing the real time energy prices during these operating emergencies.

6. End use customers on Kingsport Power have been participating in the PJM program for the past two years. DRP is a curtailment service provider who manages load for customers in accordance with the PJM program rules.

7. AEP Appalachian, the parent company of Kingsport Power Co., has recently identified a procedural issue in regards to the program. According to the PJM OATT, (accepted by FERC in compliance with FERC Order No. 719), electric distribution companies which deliver less than 4 million MWh per fiscal year, such as Kingsport Power Co., must receive approval in order to participant in PJM load response programs. This approval must occur through the Relevant Electric Retail Regulatory Authority (RERRA) which has been identified by AEP Appalachian to be the Tennessee Regulatory Authority. Specifically, this procedural clause requires :

(a) an order, resolution or ordinance of the Relevant Electric Retail Regulatory Authority permitting or conditionally permitting the end-use customer's participation, (b) an opinion of the Relevant Electric Retail Regulatory Authority's legal counsel attesting to the existence of a

regulation or law permitting or conditionally permitting the end-use customer's participation, or (c) an opinion of the state Attorney General, on behalf of the Relevant Electric Retail Regulatory Authority, attesting to the existence of a regulation or law permitting or conditionally permitting the end-use customer's participation. -- PJM OATT, Page 987

8. In order to allow end users to continue participation, DRP presents this Petition to the Authority in accordance with PJM OATT and FERC Order 719, for continuance of end use customer program participation on Kingsport Power Co. pursuant to PJM OATT and T.C.A. § 65-4-126, and for the benefit of program participants and the Kingsport Power rate payers. We respectfully ask for expedited review in consideration of the program enrollment deadline set by PJM for March 31, 2011 at 24:00 for the 2011/2012 program year (which runs June 1, 2011 through May 31, 2012). If participant enrollments are not submitted to PJM and approved prior to the March 31st deadline they will not be eligible again until June 1, 2012.

WHEREFORE, DRP request that the Tennessee Regulatory Authority approve the continued program participation of the Kingsport Power end use customers.

Respectfully submitted this 14th day of March, 2011.

A handwritten signature in blue ink, appearing to read 'Andrew Dorn', is written over a horizontal line.

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