

# TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

VIA FAX AND US MAIL

March 7, 2012

William C. Bovender  
Hunter, Smith, & Davis, LLP  
1212 North Eastman Road  
P.O. Box 3740  
Kingsport, TN 37664

RE: Docket No. 12-00012 – Petition for Approval of Demand Response Program and Associated Demand Response Tariffs on behalf of Kingsport Power Company d/b/a AEP Appalachian Power

Dear Mr. Bovender:

In order to assist the TRA in its investigation in the above captioned docket, it is requested that you furnish the following information.

Please provide the information requested on the attached Staff Data Request No. 1. Please pay particular attention to the directions provided in the first section labeled "Administrative." If you have questions regarding any item number in the attached request, please contact Tiffany Underwood (extension 172) for clarification before responding.

Thank you for your attention to this matter. Please provide all responses by March 12, 2012 and reference Docket No 12-0012 on the response.

Sincerely,

David Foster  
Chief  
Utilities Division

Enclosure

Cc: Ryan McGehee, Assistant Attorney General

## **TRA DATA REQUEST NO. 1**

### **ADMINISTRATIVE**

⇒The Tennessee Regulatory Authority (“TRA”) requires an original and thirteen (13) copies of the filing or (an original and four (4) copies accompanied by an electronic filing).

⇒All schedules requested as an electronic file are to be provided in Microsoft Excel (with working formulas) or Microsoft Word readable format.

1. The Indiana Demand Response Program has been in operation since the end of April 2011. Provide the number of customers enrolled in Demand Response Programs and the number of curtailments that customers have experienced since initiation of the program.
2. The Virginia Demand Response Program has been in operation since September of 2011. Provide the number of customers enrolled in Demand Response Programs and the number of curtailments that the customers have experienced since initiation of the program.
3. Please explain and provide a summary of expense savings that the AEP subsidiaries have realized as a direct result of the Indiana and Illinois programs.
4. Provide any reports submitted to the Indiana or Virginia Commissions regarding updates of the demand response programs.
5. Has the Company received any customer complaints regarding the Demand Response Programs in Virginia or Indiana? If so, provide a list of customer complaints and any actions taken to resolve such complaints.
6. Provide the cost associated with the demand response program in Tennessee for the next five years. (Include calculations and assumptions made.)
7. Please explain the costs associated with interval metering that the company plans to defer.
8. Provide the anticipated benefits i.e. cost savings that the Company will receive from the Demand Response Program over the next five years. (Include calculations and assumptions made.)

9. Will deferred cost of the Demand Response Programs include any labor? If so, identify any additional personnel that the Company will hire.
10. Provide a list of all customers and CSPs that have been noticed regarding this docket and a copy of the notice sent.
11. Provide the cost of an interval meter. Provide an approximation of how many potential customers currently have the necessary interval meter. Also provide an estimate of the number of interval meters the Company anticipates supplying to customers over the next five years.
12. The PSEDR Tariff is for an initial term of four (4) years and will remain in effect until either party provides a three years' written notice of its intentions to discontinue service. Are there any conditions under which the Company would waive this notice?
13. The Company proposed a maximum of 10 curtailments under each tariff. Does the Company anticipate curtailing customers 10 times per year?
14. Will the customer have to reduce load manually, or does the Company have technology in place that will reduce unnecessary load for the customer?
15. Provide an example of how the PSDR and PSEDR tariff incentives would show up on a customer bill.
16. Provide a calculation of a customer incentive assuming the following:
  - a) The customer falls under the PSDR Tariff and no event occurs;
  - b) The customer falls under the PSEDR Tariff and no event occurs;
  - c) The customer falls under the PSDR Tariff, uses the Guaranteed Load Drop Method, exceeds guaranteed load curtailment, and one curtailment occurs.
  - d) The customer falls under the PSDR Tariff, uses the Firm Service Level Method, exceeds their peak load contribution, and one curtailment occurs.
  - e) The Customer falls under the PSEDR Tariff, uses the Guaranteed Load Drop Method, exceeds guaranteed load curtailment, and one curtailment occurs.
  - f) The Customer falls under the PSEDR Tariff, uses the Guaranteed Load Drop Method, exceeds their peak load contribution, and one curtailment occurs.
17. Provide an example of a calculation of the noncompliance charge.
18. Would the Company be willing to offset its deferred cost with non-compliance payments to PSDR and PSEDR Programs?