

BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

In Re:

PETITION OF EASTMAN CHEMICAL COMPANY
AND AIR PRODUCTS AND CHEMICALS, INC., FOR
EXPEDITED REVIEW TO ALLOW CERTAIN END USE
CUSTOMERS OF KINGSPORT POWER COMPANY TO
PARTICIPATE IN PJM INTERCONNECTION DEMAND
RESPONSE PROGRAMS

Docket No.: 12-00026

PETITION OF KINGSPORT POWER COMPANY d/b/a AEP APPALACHIAN POWER TO
INTERVENE IN DOCKET NO. 12-00026

Comes Kingsport Power Company d/b/a AEP Appalachian Power (herein "KgPCo"), and, pursuant to T.C.A. §§ 15-2-107, 65-4-104, 65-4-115, 65-4-117 and TRA Rules and Regulations § 1220-1-2-.08, moves to intervene in this Docket No. 12-00026 for the reasons set forth herein below:

1. KgPCo, a subsidiary of American Electric Power Company, Inc., ("AEP"), is a public utility corporation organized and existing under the laws of the Commonwealth of Virginia, doing business in the State of Tennessee, with its principal place of business located at 420 Riverport Road, Kingsport, Sullivan County, Tennessee. KgPCo is the electric distribution company to approximately 47,000 customers in its service territory, which consists of portions of Sullivan and Hawkins Counties, Tennessee, including the City of Kingsport, Tennessee.

2. All correspondence and communications with respect to this Petition should be sent to the following on behalf of KgPCo:

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3. On February 7, 2012, KgPCo filed a Petition for Approval of Demand Response Programs and Associated Demand Response Tariffs in what has now been designated as Docket No. 12-00012, to which reference is hereby made.

4. On or about March 30, 2012, Eastman Chemical Company (herein, "Eastman") and Air Products and Chemicals, Inc., (herein "Air Products") filed a Joint Petition for Expedited Review to Allow Certain End Use Customers of Kingsport Power Company to Participate in PJM Interconnection Demand Response Programs, which was assigned Docket No. 12-00026. Eastman and Air Products also have filed a Joint Petition to Intervene in Docket No. 12-00012, so they may oppose the programs and tariffs KgPCo seeks approval of in that Docket.

5. By Consent Order filed March 30, 2011, (herein, "Consent Order"), the Tennessee Regulatory Authority (herein, "TRA") granted permission to certain customers of

KgPCo, including Eastman, to participate in PJM's Demand Response Programs for the period June 1, 2011 – May 31, 2012. See, Docket No. 11-00039, to which reference is hereby made.

6. Neither KgPCo nor its non-participating customers benefit when a customer participates directly in a PJM Demand Response program. On the other hand, customers who would enroll in KgPCo's proposed PSEDR program would allow KgPCo to create a benefit for all customers when it registers that capacity with PJM as a resource used to comply with the AEP-East operating companies' PJM capacity obligation as Fixed Resource Requirement entities. The same capacity can only be registered by one party in PJM's programs, and therefore KgPCo proposed to be the exclusive provider of Demand Response programs in its service territory. A similar exclusive provider arrangement was approved by the Indiana Utility Regulatory Commission ("IURC") for Indiana Michigan Power Company, another AEP-East operating company. The IURC order in that proceeding is attached to the Company's Petition in Docket 12-00012 as Exhibit 4.

7. In this Docket No. 12-00026, Eastman and Air Products seek to circumvent KgPCo's Demand Response Programs which are the subject of Docket No. 12-00012, and participate otherwise in PJM Demand Response Programs, even through May 31, 2015, a three year period. Their participation in the PJM Demand Response Programs would provide no generation capacity benefit to KgPCo's other customers, as explained in the pre-filed direct testimony of Company witness Martin in Docket No. 12-00012.

8. KgPCo seeks to intervene in this Docket No. 12-00026 to oppose the relief sought by Eastman and Air Products.

9. KgPCo distributed 4 million MWh or less in its service territory in the previous fiscal year and is subject to the jurisdiction of the TRA as to its retail rates and services. Eastman and Air Products are two of KgPCo's Industrial Customers.

10. KgPCo believes its Petition in Docket No. 12-00012 should be granted and the relief sought by Eastman and Air Products in this Joint Petition should be denied.

11. KgPCo has proposed an interim solution in its separately-filed Statement of Position (filed in both Docket No. 12-00012 and this Docket No. 12-00026). Said interim solution would include an Interim Order which would permit Eastman and Air Products to participate directly in the PJM Demand Response Program for the period June 1, 2012 – May 31, 2013, and would allow the TRA and parties to litigate the issues in Docket No. 12-00012 and Docket No. 12-00026 in compliance with the principles of due process and reasoned regulatory determination. The accelerated relief sought by Eastman and Air Products in both Dockets would deny KgPCo and its other customers fundamental due process by prohibiting even discovery.

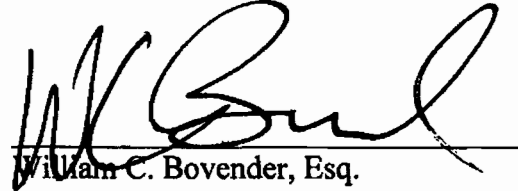
PREMISES CONSIDERED, Petitioner Kingsport Power Company d/b/a AEP Appalachian Power prays for the following relief:

1. That the TRA grant its Petition to Intervene in this Docket;
2. That the TRA consider and order the interim relief which is discussed in the Statement of Position which KgPCo has filed separately in both this Docket and in Docket No. 12-00012.

Respectfully submitted this the 9th day of April, 2012.

**Kingsport Power Company, d/b/a
AEP Appalachian Power**

By Counsel:

A handwritten signature in black ink, appearing to read 'W. C. Bovender', is written over a horizontal line.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of the foregoing **PETITION OF KINGSPORT POWER COMPANY d/b/a AEP APPALACHIAN POWER TO INTERVENE IN DOCKET NO. 12-00026** has been served upon the following:

David Foster, Chief-Utilities Division
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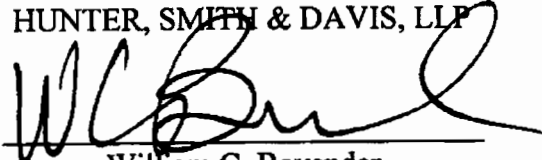
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by mailing a true and accurate copy via U.S. Mail, postage prepaid, this the 9th day of April, 2012.

HUNTER, SMITH & DAVIS, LLP


William C. Bovender