

## Tiffany Underwood

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**From:** Mike Quinan [mquinan@cblaw.com]  
**Sent:** Thursday, May 10, 2012 3:02 PM  
**To:** Jean A. Stone; David Foster  
**Cc:** Jim Bacha; wabosta@aep.com; bovender@hdsdlaw.com;  
adorn@demandresponsepartners.com; Greg Geller (ggeller@enernoc.com); Tiffany Underwood; Kelly Grams  
**Subject:** TRA Docket Nos 12-00012 and 12-00026 - Kingsport DR Tariffs  
**Attachments:** 2091\_001.pdf

Dear Ms. Stone and Mr. Foster: Attached is a letter regarding Kingsport's implementation of its modified Demand Response tariffs per the Consent Order entered by the Authority in these dockets.

Please let me know if you have any questions. Many thanks. Mike

*Michael J. Quinan*  
**CHRISTIAN & BARTON LLP**  
ATTORNEYS AT LAW  
909 East Main Street, Suite 1200  
Richmond, Virginia 23219  
804.697.4149 tel  
804.697.6149 fax  
[mquinan@cblaw.com](mailto:mquinan@cblaw.com)  
[www.cblaw.com](http://www.cblaw.com)

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**CHRISTIAN & BARTON, LLP**  
ATTORNEYS AT LAW

MICHAEL J. QUINAN  
Direct Dial: 804.697.4149  
Direct Fax: 804.697.6149  
E-mail: mquinan@cblaw.com

May 10, 2012

Jean Stone, General Counsel  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

David Foster, Utility Division Chief  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

Re: Petition of Kingsport Power Company for Approval of Demand Response Programs and  
Associated Demand Response Tariffs  
Docket No. 12-00012

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

Dear Ms. Stone and Mr. Foster:

Pursuant to the Consent Order approved by the Authority in these consolidated cases, Kingsport Power Company recently submitted slightly modified Tariffs PSDR and PSEDR. This letter will confirm that the industrial customers who are parties in these actions, Eastman and Air Products, have no objection to the implementation of the modified tariffs for the period from June 1, 2012 to May 31, 2013, per the Consent Order. I am also authorized to inform you that the other parties in this matter, EnerNOC and Demand Response Partners, concur with this letter.

Specifically, we understand that the modified tariffs updated the numbers used to calculate Curtailment Credits. The tariffs, however, were not revised to reflect implementation on a one-year basis. Instead, it was decided that during the temporary implementation period, Kingsport would merely implement them as necessary and appropriate for the one year period. For example, while the PSEDR tariff calls for an initial contract period of four years, customers may use the tariff on a one-year basis during the 2012-13 program period and will therefore be able to discontinue participation in the PSEDR program if they wish after May 31, 2013. This was discussed with the Hearing Officer and agreed among the parties during the Authority's status conference in these dockets. This will allow the tariffs as implemented on a temporary basis to reflect the terms of the tariffs proposed by Kingsport on a continuing basis.

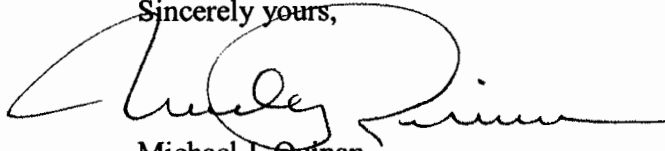
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Thank you for your kind attention to this matter.

Sincerely yours,



Michael J. Quinan

MJQ

cc: Mr. James R. Bacha  
Mr. William A. Bosta  
Mr. William C. Bovender  
Mr. Andrew W. Dorn, IV  
Mr. Greg Geller  
Ms. Tiffany Underwood  
Ms. Kelly Cashman-Grams

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