

Tiffany Underwood

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@hsdlaw.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
www.cblaw.com

NOTICE: This message and its attachments are confidential and may be protected by the attorney/client privilege. If you have received it in error, please notify the sender immediately by e-mail and delete and destroy this message and its attachments. IRS Circular 230 Disclosure: Any statements regarding federal tax law contained in this communication (including any attachments) are not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed by the IRS on the taxpayer or for promoting, marketing or recommending to another party any transaction or tax-related matter addressed herein.



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.

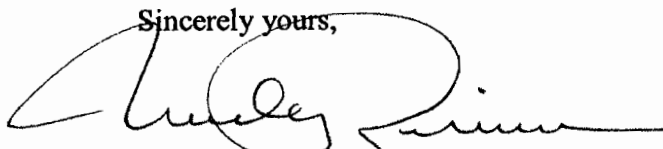
Specifically, we understand that the modified tariffs updated the numbers used to calculate Curtailment Credits. The tariffs, however, were not revised to reflect implementation on a one-year basis. Instead, it was decided that during the temporary implementation period, Kingsport would merely implement 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.

May 10, 2012

Page 2

Thank you for your kind attention to this matter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Michael J. Quinan", written over the closing "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

1271706