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**Attorneys At Law**  
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S. Morris Hadden  
William C. Bovender  
William C. Argabrite  
Jimmie Carpenter Miller  
Mark S. Dessauer  
Gregory K. Haden  
Michael L. Forrester  
Stephen M. Darden  
Edward J. Webb, Jr.  
James N.L. Humphreys  
Suzanne Sweet Cook  
Michael S. Lattier  
Scott T. Powers  
Leslie Tentler Ridings  
Christopher D. Owens  
Chad W. Whitfield  
Jason A. Creech

Joseph B. Harvey  
Meredith Bates Humbert  
Rachel Ralston Mancl  
Caroline Ross Williams  
Sydney Koch

**Counsel**

Teresa Mahan Lesnak  
Walter Lee Davis, Jr.  
Michael A. Eastridge  
Thomas R. Wilson  
Jeannette Smith Tysinger

**Kingsport, Tennessee**  
1212 North Eastman Road  
P.O. Box 3740  
Kingsport, TN 37664-0740  
Phone (423) 378-8800  
Fax (423) 378-8801

**Johnson City, Tennessee**  
100 Med Tech Parkway  
Suite 110  
Johnson City, TN 37604  
Phone (423) 283-6300  
Fax (423) 283-6301

**PLEASE RESPOND TO:**  
KINGSPORT OFFICE

WRITER'S DIRECT DIAL NUMBER:  
(423) 378-8858

May 27, 2014

WRITER'S E-MAIL ADDRESS:  
bovender@hsdlaw.com

*VIA EMAIL & FEDEX*

KPOW.85706

ATTN: Sharla Dillon, Dockets & Records Manager  
Tennessee Regulatory Authority  
502 Deaderick Street, 4th Floor  
Nashville, TN 37243

Re: Kingsport Power Company d/b/a AEP Appalachian Power; **Docket No. 12-00051**

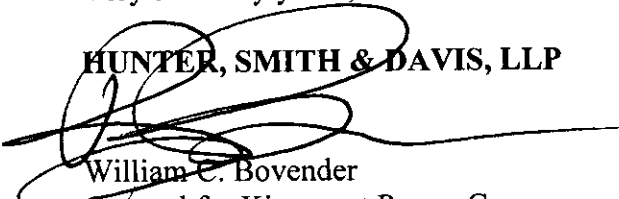
Dear Sharla:

Enclosed herewith is AEP's **revised** "SDR Reconciliation – Exhibit 2" for filing in the captioned Docket.

If you have any questions, please do not hesitate to contact the writer.

Very sincerely yours,

**HUNTER, SMITH & DAVIS, LLP**



William C. Bovender  
Counsel for Kingsport Power Company

**Enclosures**

c: Jean Stone, General Counsel (via email)  
Cynthia Kinser, Consumer Advocate Division (via email)  
David Foster (via email)  
Ed Petrini, Esq. (via email)  
James R. Bacha, Esq. (via email)  
Hector Garcia, Esq. (via email)  
William A. Bosta (via email)  
Isaac J. Webb (via email)  
Cynthia L. Frazier-Keller (via email)

**VIA OVER-NIGHT MAIL**

May 23, 2014

Mr. David Foster  
Chief-Utilities Division  
Tennessee Regulatory Authority  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243

**In re: Kingsport Power Company Storm Damage Rider ("SDR")  
Docket No. 2012-00051**

Dear Mr. Foster:

On behalf of Kingsport Power Company d/b/a AEP Appalachian Power ("Kingsport or the Company"), we submit herein, an original and four copies of the "Revised SDR reconciliation, Exhibit 2," pursuant to the Order in the above referenced docket.

If you have any questions regarding the enclosed documents, please call me at (804) 698-5522.

Sincerely,



Cynthia L. Frazier-Keller  
Sr. Regulatory Consultant, VA/TN

Cc: William C. Bovender, Esq.  
James R. Bacha, Esq.  
Isaac J. Webb  
William A. Bosta

Enclosures

**REVISED DEFERRED STORM EXPENSE AMORTIZATION**

12 month Recovery Period beginning November 2012

acct 1823078

23-May-14

Kingsport Power Company

Docket No. 2012-00051

Revised SDR Reconciliation

Exhibit No. 2

| (1)<br>Month | (2)<br>Beginning<br>Balance<br><br>Account 1823078 | (3)<br>SDR Rate<br><br>Billed Monthly<br>Amortization | (4)<br><br>Monthly Billing<br>Adjustments/<br>Rounding | (5)<br>SDR Rate<br><br>Booked Monthly<br>Amortization<br><b>Account 5930000</b><br>(Col. 3-4) | (6)<br>Ending Balance<br><br>Account 1823078<br>(Col. 2+5) |
|--------------|----------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 10/31/2012   | 1,629,352.00                                       |                                                       |                                                        |                                                                                               | 1,629,352.00                                               |
| 11/30/2012   | 1,629,352.00                                       | -97,939.46                                            | 0.00                                                   | -97,939.46                                                                                    | 1,531,412.54                                               |
| 12/31/2012   | 1,531,412.54                                       | -149,257.95                                           | -95.39                                                 | -149,162.56                                                                                   | 1,382,249.98                                               |
| 1/31/2013    | 1,382,249.98                                       | -172,487.02                                           | -1.39                                                  | -172,485.63                                                                                   | 1,209,764.35                                               |
| 2/28/2013    | 1,209,764.35                                       | -161,793.76                                           | 14.15                                                  | -161,807.91                                                                                   | 1,047,956.44                                               |
| 3/31/2013    | 1,047,956.44                                       | -147,402.00                                           | -5.29                                                  | -147,396.71                                                                                   | 900,559.73                                                 |
| 4/30/2013    | 900,559.73                                         | -121,120.28                                           | -32.52                                                 | -121,087.76                                                                                   | 779,471.97                                                 |
| 5/31/2013    | 779,471.97                                         | -94,671.23                                            | -5.67                                                  | -94,665.56                                                                                    | 684,806.41                                                 |
| 6/30/2013    | 684,806.41                                         | -116,526.70                                           | -482.21                                                | -116,044.49                                                                                   | 568,761.92                                                 |
| 7/31/2013    | 568,761.92                                         | -120,967.66                                           | -9.29                                                  | -120,958.37                                                                                   | 447,803.55                                                 |
| 8/31/2013    | 447,803.55                                         | -117,793.11                                           | -59.11                                                 | -117,734.00                                                                                   | 330,069.55                                                 |
| 9/30/2013    | 330,069.55                                         | -118,194.33                                           | -33.80                                                 | -118,160.53                                                                                   | 211,909.02                                                 |
| 10/31/2013   | 211,909.02                                         | -91,946.22                                            | 19.10                                                  | -91,965.32                                                                                    | 119,943.70                                                 |
| 11/30/2013   | 119,943.70                                         | -29,610.42                                            | 0.00                                                   | -29,610.42                                                                                    | 90,333.28                                                  |
| <b>Total</b> |                                                    |                                                       | <b>-691.42</b>                                         |                                                                                               |                                                            |

**REVISED DEFERRED STORM EXPENSE AMORTIZATION**

12 month Recovery Period beginning November 2012

acct 1823078

23-May-14

Kingsport Power Company

Docket No. 2012-00051

Revised SDR Reconciliation

Exhibit No. 2

| (1)<br>Month | (2)<br>Beginning<br>Balance<br><br>Account 1823078 | (3)<br>SDR Rate<br><br>Billed Monthly<br>Amortization | (4)<br><br>Monthly Billing<br>Adjustments/<br>Rounding | (5)<br>SDR Rate<br><br>Booked Monthly<br>Amortization<br>Account 5930000<br>(Col. 3-4) | (6)<br>Ending Balance<br><br>Account 1823078<br>(Col. 2+5) |
|--------------|----------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------|
| 10/31/2012   | 1,629,352.00                                       |                                                       |                                                        |                                                                                        | 1,629,352.00                                               |
| 11/30/2012   | 1,629,352.00                                       | -97,939.46                                            | 0.00                                                   | -97,939.46                                                                             | 1,531,412.54                                               |
| 12/31/2012   | 1,531,412.54                                       | -149,257.95                                           | -95.39                                                 | -149,162.56                                                                            | 1,382,249.98                                               |
| 1/31/2013    | 1,382,249.98                                       | -172,487.02                                           | -1.39                                                  | -172,485.63                                                                            | 1,209,764.35                                               |
| 2/28/2013    | 1,209,764.35                                       | -161,793.76                                           | 14.15                                                  | -161,807.91                                                                            | 1,047,956.44                                               |
| 3/31/2013    | 1,047,956.44                                       | -147,402.00                                           | -5.29                                                  | -147,396.71                                                                            | 900,559.73                                                 |
| 4/30/2013    | 900,559.73                                         | -121,120.28                                           | -32.52                                                 | -121,087.76                                                                            | 779,471.97                                                 |
| 5/31/2013    | 779,471.97                                         | -94,671.23                                            | -5.67                                                  | -94,665.56                                                                             | 684,806.41                                                 |
| 6/30/2013    | 684,806.41                                         | -116,526.70                                           | -482.21                                                | -116,044.49                                                                            | 568,761.92                                                 |
| 7/31/2013    | 568,761.92                                         | -120,967.66                                           | -9.29                                                  | -120,958.37                                                                            | 447,803.55                                                 |
| 8/31/2013    | 447,803.55                                         | -117,793.11                                           | -59.11                                                 | -117,734.00                                                                            | 330,069.55                                                 |
| 9/30/2013    | 330,069.55                                         | -118,194.33                                           | -33.80                                                 | -118,160.53                                                                            | 211,909.02                                                 |
| 10/31/2013   | 211,909.02                                         | -91,946.22                                            | 19.10                                                  | -91,965.32                                                                             | 119,943.70                                                 |
| 11/30/2013   | 119,943.70                                         | -29,610.42                                            | 0.00                                                   | -29,610.42                                                                             | 90,333.28                                                  |
| <b>Total</b> |                                                    |                                                       | <b>-691.42</b>                                         |                                                                                        |                                                            |