

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 16, 2014

IN RE:

PETITION OF KINGSPORT POWER COMPANY
D/B/A AEP APPALACHIAN POWER TO
IMPLEMENT A STORM DAMAGE RIDER TARIFF
FOR RECOVERY OF STORM COSTS

DOCKET NO.
12-00051

ORDER APPROVING UNRECOVERED AMOUNT OF STORM DAMAGE COST

This matter came before Vice Chairman Herbert H. Hilliard, Director Kenneth C. Hill, and Director Robin Bennett of the Tennessee Regulatory Authority (“Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on June 16, 2014 for consideration of a Request for Approval of Unrecovered Amount of Storm Damage Cost (“*Request for Unrecovered Cost*”) filed by Kingsport Power Company d/b/a AEP Appalachian Power (“Company” or “Kingsport”) on April 14, 2014.¹

BACKGROUND AND REQUEST FOR UNRECOVERED COST

On October 15, 2012 in Docket No. 10-00144, the Authority approved Kingsport’s Storm Damage Rider (“SDR”) Tariff to recover \$1,629,352 of incremental Operation & Maintenance expense associated with the severe winter storms of 2009.² The SDR Tariff was to apply to all volumetric usage for the Company’s retail customer classes, with the exception of the Industrial Power Transmission, for a twelve-month period.³ At the end of twelve months, the Company was to file a true-up with the Authority for any under- or over-recovery from its customers.⁴

¹ On April 14, 2014, the Company filed its Revised Detailed Records of Recoveries from Customers in which it also requested recovery for its unrecovered cost.

² See *Petition for Approval of a Storm Damage Rider Tariff*, pp. 4-5 (June 11, 2012).

³ *Id.* at 5.

⁴ *Id.*

On March 13, 2014, Kingsport filed its Detailed Records of Recoveries from Customers in the current docket and filed its Revised Detailed Records of Recoveries from Customers on April 14, 2014. The Company's records state that the Company recovered \$1,539,018.72 of the \$1,629,352 in storm costs approved to be recovered, leaving \$90,333.28 unrecovered.⁵ Kingsport requests that it be allowed to continue the deferral of the under-recovery of \$90,333.28 related to 2009 storm costs that were partially collected through an SDR tariff that was previously approved in this docket by an order issued on November 28, 2012.⁶ Kingsport further requests that the under-recovered 2009 storm costs in this docket be added to the deferred 2013 storm costs previously approved by the Authority in Docket No. 13-00121.⁷

JUNE 16, 2014 AUTHORITY CONFERENCE

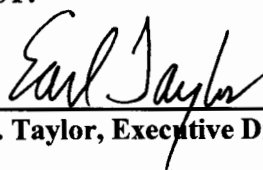
At the regularly scheduled Authority Conference held on June 16, 2014, the panel considered Kingsport's request. Based on the record, the panel voted unanimously to approve Kingsport's request to continue the deferral of the under-recovered amount of \$90,333.28 for potential recovery in future periods. The panel also advised Kingsport that deferral of these costs does not equate to a determination that the Company will be allowed to recover such costs when they are considered by the Authority.

IT IS THEREFORE ORDERED THAT:

Kingsport Power Company d/b/a AEP Appalachian Power's Request for Approval of Unrecovered Amount of Storm Damage Cost is granted.

Vice Chairman Herbert H. Hilliard, Director Kenneth C. Hill, and Director Robin Bennett concur.

ATTEST:



Earl R. Taylor, Executive Director

⁵ See *AEP's Revised SDR Reconciliation, Exhibit 2* (May 27, 2014).

⁶ See *Request for Unrecovered Cost*, p. 2 (April 14, 2014).

⁷ *Id.* See *In re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power For Approval Of Deferred Accounting*, Docket No. 13-000121, *Order Granting Deferred Accounting* (November 13, 2013).