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Fax (423) 283-6301

PLEASE RESPOND TO:
KINGSPORT OFFICE

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

June 1, 2015

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

VIA EMAIL & FEDEX

AMEP/z.91261

DOCKET NO. 15-00064

Mr. Herb Hilliard, Chairman
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power for
Approval of Home Warranty Programs

Dear Chairman Hilliard:

Enclosed are the original and five copies of the Petition for Approval of Home Warranty Programs, which has been electronically filed today. Please return one "stamped" copy to our office in the enclosed self-addressed, stamped envelope.

Also enclosed is a check in the amount of \$25.00 to cover the filing fees. If you have any questions, please feel free to contact our office.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

A handwritten signature in blue ink, appearing to read 'W. Bovender', is written over the printed name.

William C. Bovender

WCB/sel

Enclosures

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

**IN RE: PETITION OF KINGSPORT POWER
COMPANY d/b/a AEP APPALACHIAN
POWER FOR APPROVAL OF HOME
WARRANTY PROGRAMS**

TRA DOCKET NO.:

**PETITION FOR APPROVAL OF HOME
WARRANTY PROGRAMS**

Comes Kingsport Power Company d/b/a AEP Appalachian Power ("Kingsport"), and, pursuant to T.C.A. § 65-5-101 *et seq.*, requests the permission of the Tennessee Regulatory Authority for Home Warranty Programs to be offered to Kingsport customers by HomeServe USA Corp. ("HomeServe"), as described more fully herein:

1. All communications relative to this Petition should be directed to the following:
 - A. William C. Bovender, Esq.
Hunter, Smith & Davis, LLP
1212 North Eastman Road
Kingsport, TN 37664
 - B. James R. Bacha, Esq.
Hector Garcia, Esq.
American Electric Power
1 Riverside Plaza
Columbus, Ohio 43235
2. Kingsport is a Virginia corporation with its principal office located in Kingsport, Tennessee, and is engaged in the business of distributing electric power service to some 47,000 retail customers in its service delivery area which includes the City of Kingsport, Tennessee, and portions of the Town of Mount Carmel, Tennessee, Sullivan County, Tennessee, Washington

County, Tennessee, and Hawkins County, Tennessee. Kingsport purchases all of its electric power requirements from Appalachian Power Company, whose rates and charges to Kingsport are subject to the jurisdiction of the Federal Energy Regulatory Commission. Kingsport is a wholly-owned subsidiary of American Electric Power Company ("AEP"), a New York Corporation, having a principal office at 1 Riverside Plaza, Columbus, Ohio 43215.

3. American Electric Power Service Corporation ("AEPSC") is a New York corporation having a principal office located at 1 Riverside Drive, Columbus, Ohio 43215. AEPSC is a wholly-owned, special purpose subsidiary of AEP, which provides at-cost managerial, administrative, supervisory, accounting, financial, legal, technical and other services to AEP public utility subsidiaries, including Kingsport, pursuant to a service agreement.

4. HomeServe is a Pennsylvania corporation unaffiliated with Kingsport, AEP or AEPSC. HomeServe seeks to offer to Kingsport's residential customers certain Home Warranty Programs which would be completely optional to Kingsport's customers and cover any and all of the following systems: Exterior electrical lines, interior electrical lines, heating systems, cooling systems, water heater (repair/replacement), exterior water line service, exterior sewer/septic tank line service, interior plumbing and drainage systems, surge protection, and other systems as appropriate. (See, Products, EXHIBIT 1).

5. Kingsport will not provide warranty or repair services to its residential customers in connection with the Home Warranty Programs. Kingsport will incur no liability to customers under such programs and will not be a party to contracts for subscriptions thereto, which will be executed by and between HomeServe and Kingsport's residential customers. Kingsport will provide names and addresses for use by HomeServe in soliciting enrollment in Home Warranty Programs. Kingsport will also generate a unique identifying number for each enrolling

customer. This number will not be the customer's Kingsport account number and will not contain customer information provided in conjunction with the customer's electric service.

6. Kingsport will include as a line item on a subscribing customer's electric bill, charges for the Home Warranty Programs subscriptions. (See, Sample Bill, EXHIBIT 2). Kingsport will receive payment from customers and remit balances due to HomeServe. Kingsport will permit HomeServe to utilize AEP Appalachian Power marks in the marketing and administration of the Home Warranty Programs; and, Kingsport will review and approve all marketing materials prior to use. Kingsport generally will not become involved in the relationship between HomeServe and a Home Warranty Program customer. If customers contact Kingsport's call center with questions or complaints regarding the HomeServe Home Warranty Programs, Kingsport will direct such customers to HomeServe personnel. For the customer's convenience, Kingsport will also maintain a link on its website to a page owned and operated by HomeServe offering HomeServe Home Warranty Program subscriptions and service to customers within Kingsport's service territory.

7. As discussed hereinabove, the customers will have options which can be purchased. Currently projected initial per month costs to customers include:

- A. Exterior Electrical Line Coverage - \$4.99 per month with coverage up to \$3,000 per year;
- B. Interior Electrical Line Coverage - \$4.99 per month with coverage up to \$2,500 per year;
- C. Water Heater Coverage - \$7.99 per month with coverage up to \$850.00 per year;
- D. Heating System Coverage - \$10.99 per month with coverage up to \$1,750 per year;
- E. Cooling System Coverage - \$10.99 per month with coverage up to \$1,750 per year;

F. Water Service Line Coverage - \$4.99 per month with coverage up to \$10,000 per year; and

G. Sewer/Septic Tank Coverage - \$8.99 per month with coverage up to \$10,000 per year.

All plans will include multiple service calls up to the stated annual benefit amount. The plans start the day the customer's order is processed and there is an initial 30-day waiting period, giving the customer 11 months of coverage the first year. The customer may cancel within 30 days of the start date for a full refund. Cancellation after the first 30 days will result in a pro-rata refund less any claims paid. The coverage is based on an annual contract and is billed, as discussed, on a monthly basis. The agreement with the customer will be automatically renewed annually at the then-current renewal price. Coverage will remain in effect unless the customer cancels.

8. Customers who purchase HomeServe Home Warranty Programs will, as noted above, pay for same as part of the Kingsport bill, with Kingsport retaining a percentage of the purchase price. Revenue derived by Kingsport will be dedicated to reduce the costs of residential service, and as such, will reduce the amount of revenues collected from Kingsport's residential customers.

9. Certain of the functions required to be performed by Kingsport under the Home Warranty Programs will be delegated to AEPSC under the existing service agreement between Kingsport and AEPSC.

PREMISES CONSIDERED, Kingsport respectfully requests the following:

1. That the TRA approve the HomeServe USA Corp. Home Warranty Programs as outlined herein;

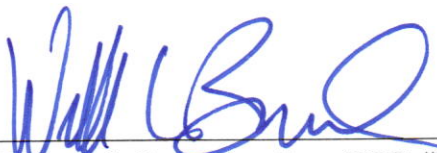
2. That it be permitted to bill the programs/services purchased by its customers and include the charges on Kingsport's monthly bill (EXHIBIT II hereto);

3. That it be permitted to retain revenue from said programs/services and dedicate said revenue to the reduction of costs of service to Kingsport's residential customers in its service territory; and

4. That the TRA grant to Kingsport such further and other relief as may be necessary to implement and maintain the proposed programs and services.

Respectfully submitted,

**KINGSPORT POWER COMPANY d/b/a AEP
APPALACHIAN POWER**

By: 
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By:  
James R. Bacha, Esq. (VSB #74536)
Hector Garcia, Esq. (VSB #48304)
American Electric Power Service Corporation
1 Riverside Plaza
Columbus, OH 43215
(615) 716-1615; Fax: (614) 716-2950
Email: jrbacha@aep.com
Email: hgarcia1@aep.com

per permission

*Attorneys for Kingsport Power Company
d/b/a AEP Appalachian Power*

VERIFICATION

I, William K Castle on behalf of Kingsport Power Company d/b/a AEP Appalachian Power ("Kingsport"), being duly sworn, state that: I am Director, Regulatory Services of Kingsport; the facts and allegations contained in the foregoing application are true, except so far as they are therein stated to be upon information, and that so far as they are therein stated to be upon information, I believe them to be true; and, as representative of Kingsport, I am signing on behalf thereof.

W Castle

STATE OF Virginia)
CITY/COUNTY OF Richmond)

Before me, a Notary Public in and for the aforesaid jurisdiction, personally appeared William K. Castle, who, being by me first duly sworn, did depose and say that he/she is a Director/Regulatory Services of Kingsport Power Company d/b/a AEP Appalachian Power, that he/she has read the foregoing Application and knows the contents thereof and that the facts therein stated are true to the best of his/her knowledge and belief. Subscribed and sworn to before me this 1st day of June, 2015.



Donna W. Davidson
NOTARY PUBLIC

My Commission Expires: 8/31/2017

Product Name	Monthly Pricing	Coverage
Exterior Electrical Line	\$4.99	Exterior Electrical \$3,000 unlimited calls. Incl. new coverages
Interior Electrical Line	\$4.99	Interior Electrical \$2,500 unlimited calls
Heating System	\$10.99	Heating \$1,750 unlimited calls
Cooling System	\$10.99	Cooling \$1,750 unlimited calls
Water Heater Repair and Replacement Plan	\$7.99	Water Heater(Rep/Rplce) - \$850 coverage unlimited calls
Exterior Water Service Line	\$4.99	Water Service Line \$10,000 unlimited calls
Exterior Sewer/Septic Line	\$8.99	Sewer/Septic Line \$10,000 unlimited calls
Interior Plumbing and Drainage System	\$10.49	IPD 2 calls @ \$2,500/year
Surge	\$5.99	\$3000 coverage





Account Number
010-000-000-0-0
CY 15
13905

\$144.04 Net Amount Due	\$ _____ Amount Enclosed
Gross Amount Due After Jun 10 \$146.16	

Send Inquiries To:
PO BOX 24401
CANTON, OH 44701-4401
R-01-999999999

4086-1
010004086 01 AV 0.378

|||||
TN HOMESERVE CUSTOMER
3220 ANY ST
ANY CITY, TN 39999-9999

☐ The Neighbor to Neighbor program helps disadvantaged customers pay their electric bill. I want to help. My payment reflects my gift of \$ _____

Make Check Payable and Send To:
AEP - APPALACHIAN POWER
PO BOX 24414
CANTON OH 44701-4414



0000139050000141170100000000000166241200420051206015900000

Please tear on dotted line

Return top portion with your payment

Service Address:
TN HOMESERVE CUSTOMER
3220 ANY ST
ANY CITY, TN 39999-9999

Rate Tariff: Residential Service-015

Account Number	Total Amount Due	Due Date
010-000-000-0-0	\$144.04	Jun 10, 2015
Meter Number	Cycle-Route	Bill Date
999999999	15-07	May 20, 2015

Previous Charges:

Total Amount Due At Last Billing \$ 146.34
Payment 05/01/15 - Thank You -146.34
Previous Balance Due \$.00

Current TN APCO Charges:

Tariff 015 - Residential Service 05/20/15
Rate Billing \$ 87.41
Fuel Adj @ 0.0109852 Per KWH 18.06
Purchased Power Adjust Rdr-Energy 35.28
TN Inspection Fee Surcharge .42
Prompt Payment Discount -2.12
Current Electric Charges Due \$ 139.05

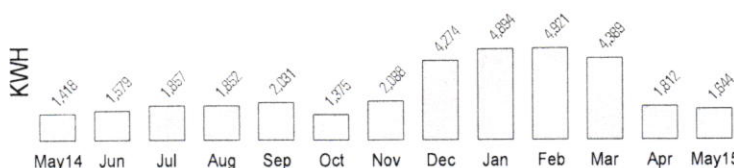
Nonregulated Charge:

Homeserve USA Warranty Service (844-874-4446) \$ 4.99
Warranty Service Due \$ 4.99
Net Amount Due **\$144.04**

Gross Amount Due After Jun 10 \$146.16

Meter	Service Period		Meter Reading Detail			
Number	From	To	Previous	Code	Current	Code
999999999	04/20	05/20	9662	Actual	11306	Actual
Multiplier 1.0000			Metered Usage 1,644 KWH			
Next scheduled read date should be between Jun 18 and Jun 23						

13 Month Usage History Total KWH for Past 12 Months is 32,490



Month	Total KWH	Days	KWH Per Day	Cost Per Day	Average Temperature
Current	1,644	30	55	\$4.64	63°F
Previous	1,812	32	57	\$4.57	56°F
One Year Ago	1,418	33	43	\$3.85	62°F
Your Average Monthly Usage: 2,708 KWH					

Kingsport Power doing business as AEP-Appalachian Power
Visit us at www.AppalachianPower.com
Rates available on request
See other side for Important Information

