

TENNESSEE REGULATORY AUTHORITY



502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

VIA E-MAIL and U.S. MAIL
June 8, 2015

William C. Bovender
Hunter Smith & Davis LLP
1212 North Eastman Road
P.O. Box 3740
Kingsport, TN 37664-0740

RE: Docket No. 15-00064 – *Petition of Kingsport Power Company d/b/a AEP Appalachian Power for Approval of Home Warranty Programs*

Dear Mr. Bovender:


In order to assist the Authority in its evaluation of the above-captioned *Petition* filed on June 2, 2015 by Kingsport Power Company d/b/a AEP Appalachian Power (“Kingsport Power”), it is requested that responses be provided to the following:

1. A breakdown of all revenues provided to Kingsport relating to the Home Warranty Programs (include any percentage of revenues retained from the warranty programs and projected revenues, projected billing and collection revenues, and royalties received from HomeServe for being allowed to utilize AEP Appalachian Power’s name in marketing).
2. Explain in detail how the rates, percentages and royalty amounts were determined.
3. Will Kingsport receive compensation for providing its customer names and addresses to HomeServe? If so, please explain how this value was determined. If not, please explain.
4. Does Kingsport currently provide its customers’ name and addresses to third parties? If so, what is the charge?
5. Does Kingsport plan to provide telephone numbers of its customers to HomeServe? If so, explain how Kingsport and HomeServe propose to comply with the Do Not Call/Fax provisions contained in state and federal laws.
6. Provide estimated savings, if any, from reduced call volumes regarding electrical problems.
7. List the exact functions that will “be performed by Kingsport under the Home Warranty Program that will be delegated to AEPSC under the existing service agreement between Kingsport and AEPSC” (Section 9 of Petition).

8. Provide copies of all contracts/service arrangements between HomeServe and AEP.
9. If a Kingsport customer fails to pay the Home Warranty portion of the electric bill, will service be subject to termination? If not, please explain in detail the procedures in place to ensure that a customer's service will not be terminated for failure to pay the Home Warranty portion of the electric bill.
10. Provide an itemized listing of the estimated costs to be incurred by Kingsport Power for:
 - The provision of names and addresses for use by HomeServe;
 - Providing and maintaining a unique identifying number for each enrolling customer;
 - Expenses incurred for billing the Home Warranty subscription as a line item on the customer's electric bill;
 - Collecting charges for the Home Warranty Program and remitting to HomeServe;
 - Reviewing and approving all marketing materials to be used by HomeServe; and
 - Establishing and maintaining a link for HomeServe on Kingsport's website.
11. A projection of all revenues and expenses associated with implementing and maintaining the HomeServe Warranty Programs for the next three years.

It is requested that all responses be provided no later than 4:00 p.m. Tuesday, June 16, 2015. In accordance with TRA rules submit either (1) original and thirteen written copies of your response or (1) original and four written copies and an electronic version. Should you have any questions or need clarification regarding any requested item, please contact me at (615) 770-6884.

Sincerely,



David Foster, Chief
Utilities Division

C: James R. Bacha, Esq.
Hector Garcia, Esq.
Docket File: