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PLEASE RESPOND TO:
KINGSPORT OFFICE

WRITER'S DIRECT DIAL NUMBER:
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June 16, 2015

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

VIA EMAIL & FEDEX

AMEP/z.91261

ATTN: Sharla Dillon, Dockets & Records Manager
Herb Hillard, 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; Docket No.: 15-00064

Dear Mr. Hillard

Enclosed with this letter is Appalachian Power Company's Responses to the Staff's Data Request posed in Mr. Foster's letter to me dated June 8, 2015. We will be shipping the original and four copies via FedEx. Also enclosed is a proposed Protective Order.

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

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

A handwritten signature in dark ink, appearing to read 'W. Bovender', is written over the firm's name.

William C. Bovender
Counsel for Appalachian Power Company

Enclosures

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSFORT POWER COMPANY
DOCKET NO. 15-00064**

**Data Requests and Requests for the Production
of Documents by the TRA Staff of the
Tennessee Regulatory Authority (First Set)
To Kingsport Power Company**

Data Request Staff 1-001:

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).

Response Staff 1-001:

Response subject to entry of Protective Order.

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Data Request Staff 1-002:

Explain in detail how the rates, percentages and royalty amounts were determined.

Response Staff 1-002:

The rates, percentages and royalty amounts were determined through negotiation.

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Data Request Staff 1-003:

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.

Response Staff 1-003:

This service is not itemized separately. Kingsport will receive compensation for this portion of the process as part of the annual revenues it will retain from HomeServe.

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Data Request Staff 1-004:

Does Kingsport currently provide its customers' name and addresses to third parties? If so, what is the charge?

Response Staff 1-004:

Kingsport provides certain customer names and addresses to Allconnect for move-related services. That service is not itemized separately. Kingsport receives compensation for this portion of the process as part of the annual revenues it receives from Allconnect.

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Data Request Staff 1-005:

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.

Response Staff 1-005:

No, Kingsport will not provide phone numbers.

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Data Request Staff 1-006:

Provide estimated savings, if any, from reduced call volumes regarding electrical problems.

Response Staff 1-006:

Reduced call volume will be minimal.

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Data Request Staff 1-007:

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).

Response Staff 1-007:

AEPSC will coordinate efforts between various departments and Kingsport for the Warranty Program, including billing and payment processing, providing residential customer information to HomeServe, reviewing marketing materials, accounting with regard to the Warranty Program, customer services assistance, and other activities to support Kingsport in connection with the Warranty Program. AEPSC will also complete the programming to place the charges on the customer bill.

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Data Request Staff 1-008:

Provide copies of all contracts/service arrangements between HomeServe and AEP.

Response Staff 1-008:

Response subject to entry of Protective Order.

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Data Request Staff 1-009:

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.

Response Staff 1-009:

No. Programming has been completed to separate Home Warranty charges as non-tariffed charges on the customer bill. This programming has been completed and is functioning properly in Ohio, Indiana and Michigan. Additionally, a disclaimer is placed on the bill to separate the Warranty Program and regular electric charges.

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Data Request Staff 1-010:

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.

Response Staff 1-010:

Total on-going costs associated with HomeServe are expected to be less than \$10,000 annually (see response to Staff 1-011).

- The provision of names and addresses for use by HomeServe;
Minimal
- Providing and maintaining a unique identifying number for each enrolling customer;
Minimal
- Expenses incurred for billing the Home Warranty subscription as a line item on the customer's electric bill;
Programming and testing cost provided by AEPSC will cost about \$10,000
- Collecting charges for the Home Warranty Program and remitting to HomeServe;
Minimal
- Reviewing and approving all marketing materials to be used by HomeServe;
Minimal
- Establishing and maintaining a link for HomeServe on Kingsport's website;
Minimal

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Data Request Staff 1-011:

A projection of all revenues and expenses associated with implementing and maintaining the HomeServe Warranty Programs for the next three years.

Response Staff 1-011:

	Year 1	Year 2	Year 3
KgPCo Revenues	\$20,000	\$30,000	\$45,000
KgPCo Expenses	\$20,000	\$7,500	\$10,000