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**PLEASE RESPOND TO:**
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**WRITER'S DIRECT DIAL NUMBER:**
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KPOW.91564

September 28, 2015

*VIA EMAIL & FEDEX*

Docket No. 15-00093

Sharla Dillon, Dockets & Records Manager
Herbert 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 General Rate Case

Dear Chairman Hilliard:

Please find enclosed the original and four (4) copies of the Petition of Kingsport Power Company d/b/a AEP Appalachian Power General Rate Case, a disk containing the Exhibits, and a check in the amount of $25.00 to cover the filing fee. Please return a filed copy of the Petition only to our office in the enclosed envelope.

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

Very sincerely yours,

**HUNTER, SMITH & DAVIS, LLP**

William C. Bovender

Enclosures

c: Jean A. Stone, General Counsel (via US Mail)
Cynthia E. Kinser (Mills), Esq. (via US Mail)
David Foster (via email)
James R. Bacha, Esq. (via email)
Larry Foust (via email)
Brian West (via email)
John Shepelwich (via email)
Isaac Webb (via email)
Jennifer Sebastian (via email)

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

IN RE:

PETITION OF KINGSPORT POWER COMPANY
d/b/a AEP APPALACHIAN POWER
GENERAL RATE CASE

DOCKET NO.: 15-_____

Comes Petitioner, Kingsport Power Company d/b/a AEP Appalachian Power ("Kingsport" or "KgPCo"), and, pursuant to T.C.A. § 65-5-101 and § 65-5-103, and the Rules and Regulations of the Tennessee Regulatory Authority ("TRA"), requests that the TRA approve this Petition relative to adjustments to its rates and charges for the provision of electric service and to put into effect revised tariffs. In support hereof, KgPCo would show the following:

1. It is represented that any notice or communication with respect to this or any related Petition be sent to the following:

A. William K. Castle, Director, Regulatory Services VA/TN
Appalachian Power Company
Three James Center
Suite 1100 1051 E. Cary Street
Richmond, VA 23219-4029
Ph: (804) 698-5540
Email: wkcastle@aep.com

B. James R. Bacha, Esq.
Hector Garcia, Esq.
American Electric Power Service Corporation
P. O. Box 16637
Columbus, Ohio 43216
Ph: (614) 716-1615
Email: jrbacha@aep.com

C. William C. Bovender, Esq.
Hunter, Smith & Davis, LLP
PO Box 3704
Kingsport, TN 37664
Ph: (423) 378-8858
Email: bovender@hsdlaw.com

2. Kingsport is a Virginia corporation with its principal office located in Kingsport, Sullivan County, Tennessee. It is engaged in the business of distributing electric power to approximately 47,000 customers in its service area which includes parts of Sullivan, Washington and Hawkins Counties, Tennessee, the City of Kingsport, Tennessee, and the Town of Mount Carmel, Tennessee. KgPCo purchases all of its electric power requirements from Appalachian Power Company, whose rates and charges are subject to the jurisdiction of the Federal Energy Regulatory Commission.

3. In this Petition, KgPCo requests an increase in its base rates to reflect, among other items, current levels of capital investment and expenses, increased spending for forestry to improve customer reliability, recovery of costs for the current and proposed Demand Side Management ("DSM") programs, inclusion of an average level of major storm expenses, and updates to certain other costs.

4. KgPCo will, at the proper, statutorily-mandated time, pursuant to T.C.A. § 65-5-103(d), request approval of deferred accounting for specific costs and their subsequent recovery through a single, consolidated Variable Cost Rider ("VCR"), which fits within the definition of an alternative regulatory method as envisioned by T.C.A.§ 65-5-103(d). In addition, Kingsport is requesting revenue-neutral rate adjustments, through a Rate Realignment Surcharge, in order to annually adjust rates over a five- year period to continue the gradual progress toward cost alignment among tariffs.

5. With respect to said VCR (or alternative regulatory method), it is noted that T.C.A. § 65-5-103(a) and (b) require the TRA to rule within nine (9) months of the filing of a petition for a general rate increase. However, T.C.A. § 65-5-103(d) imposes a one hundred twenty (120) day limit on the TRA to act on any alternative regulatory method. In order to meet the timing requirements of a base rate case filing and a filing under T.C.A. § 65-5-103(d), and to coordinate the implementation of rates under the two filings, KgPCo will not file its Petition for approval of the VCR until 120 days prior to the anticipated completion date of the base rate case, which it assumes will be nine months from the date of this filing. As such, KgPCo is not formally seeking approval of the VCR in this Petition; it will, however, discuss in this Petition certain elements and features of the VCR so as to allow the TRA and other interested parties adequate time to comprehensively evaluate KgPCo's rate case in conjunction with its proposed VCR.

6. KgPCo's current base rates were established in a proceeding before the Tennessee Public Service Commission, predecessor of the TRA, in 1992. Since that time, periodic adjustments to those rates have occurred pursuant to a Fuel Adjustment Clause ("FAC") and a Purchased Power Adjustment Rider ("PPAR"). The FAC is adjusted monthly and the PPAR rate has, most recently, been adjusted annually.

7. KgPCo's existing rates are not adequate to permit it an opportunity to recover its reasonable operating costs and to earn a fair and reasonable rate of return on its investment. In order for KgPCo to maintain its facilities and provide services in accordance with the requirements of its customers and the requirements of the TRA, attract capital on terms which are reasonable, and to produce a reasonable rate of return, KgPCo must be granted a general

increase in its rates. As supported by the information contained in this filing, Kingsport is requesting a rate increase of $12,118,173.

8. KgPCo continues to operate very efficiently; yet it is not achieving a fair return on its investment with the rates currently in effect. KgPCo's per books total company rate of return, as of June, 2015, was 1.11%. Such a return is not fair and reasonable.

9. KgPCo seeks approval of an increase in revenues of approximately $12 million. The increase to the bill of a typical residential customer using 1,500 kWh/month would be approximately $17.21 per month in the first year, or 13.2 %.

10. The requested rate increase would provide a projected rate of return of 6.69% on an adjusted total rate base of approximately $71.5 million, and a 10.66% rate of return on common equity.

11. In support of the request for an increase in base rates, submitted herewith are EXHIBITS including KgPCo's consolidated income statement as reflected on KgPCo's books for the twelve months ending December 31, 2014, inEXHIBIT No. 1(AWA). KgPCo also submits its consolidated balance sheets, in EXHIBIT No. 2(AWA). KgPCo proposes setting rates based on a 2014 test year, with certain adjustments through the rate year ending 2016. Each going level adjustment proposed by KgPCo is listed in EXHIBIT No. 3(AWA). The adjustments are grouped into revenue, expense, and rate base categories and further grouped into sub-categories such as operating revenues, operation and maintenance expenses, depreciation and amortization expenses, federal income taxes, and utility plant in service.

## VARIABLE COST RIDER

12. Subject to approval of the annual review mechanism discussed herein (but not part of this Petition), KgPCo will eliminate the current riders, FAC and PPAR. Kingsport's

filing includes a going level of FAC and PPAR costs in the base rates to be established in this case, to be followed by the simultaneous establishment of a new rider, the VCR mentioned above. The VCR would initially be set at zero (dollars) and be designed to collect from, or credit to, customers the incremental cost of specific items above or below what is actually recovered through base rates.

13. Kingsport's VCR petition, which is to be made later pursuant to T.C.A. § 65-5-103(d), will propose deferred accounting for certain costs. Deferral accounting will allow KgPCo to collect from customers, over time, the actual amount of cost incurred – no more and no less. The VCR petition will contain a request that there be an annual true-up for the items included in the VCR, with exceptions for more frequent filings under extraordinary circumstances.

14. In its VCR filing, KgPCo will propose that the difference between actual costs for the following items, and the level embedded in base rates, be tracked and subject to deferred accounting, for future recovery through a VCR designed to collect from or credit to customers, under – or over – recovered balances, respectively, for: (a) fuel (currently in base rates and FAC); (b) purchased power costs (currently in base rates and PPAR); (c) transmission costs (currently in base rates and PPAR); (d) demand-side management; (e) distribution reliability costs; (f) major storm recovery costs; and (g) emerging costs, such as cyber and physical security.

In support of the Petition, KgPCo submits herewith the pre-filed testimony of the following witnesses:

(A) Isaac J. Webb III

(B) William K. Castle

(C) Dr. Phillip R. Daves

(D) Patrick M. Bourke

(E) Phillip A. Wright

(F) Jason A. Cash

(G) A. Wayne Allen

(H) Douglas R. Buck

(I) Teresa A. Caudill

(J) Garry H. Simmons

KgPCo, further, submits herewith a proposed Protective Order which would allow it to file un-redacted versions of confidential documents as necessary.

WHEREFORE, Petitioner Kingsport Power Company d/b/a AEP Appalachian Power requests that the TRA:

1. Docket the matter and schedule the proceeding for hearing;
2. Grant and enter the Protective Order submitted herewith;
3. Grant KgPCo's request to increase its base rates as discussed herein;
4. Approve KgPCo's Tariff No. 2, including its revised Terms and Conditions of Service, as filed;
5. Receive for filing in the future and grant the request for any alternative ratemaking mechanism (Variable Cost Rider);
6. Resolve issues set forth in this Petition; and
7. Grant such further and other relief as the TRA finds appropriate.

Respectfully submitted,

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

By: _____

William C. Bovender, Esq. (BPR #000751)
**HUNTER, SMITH & DAVIS, LLP**
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By: _____

James R. Bacha, Esq.
Hector Garcia, Esq.
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

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

**VERIFICATION**

I, Charles Patton on behalf of Kingsport Power Company d/b/a AEP Appalachian Power ("Kingsport"), being duly sworn, state that: I am President + COO 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.

Charles Patton

STATE OF WV )

CITY/COUNTY OF Kanawha )

Before me, a Notary Public in and for the aforesaid jurisdiction, personally appeared Charles Patton, who, being by me first duly sworn, did depose and say that he/she is a President and COO 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 16th day of September, 2015.

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
DOROTHY E. PHILYAW
APPALACHIAN POWER
PO BOX 1986
CHARLESTON, WV 25327-1986
My commission expires October 2, 2019

Dorothy E. Philyaw
NOTARY PUBLIC

My Commission Expires: October 2, 2019

**KINGSPORT POWER COMPANY**
**d/b/a AEP Appalachian Power**
**Kingsport, Tennessee**

**Original Sheet Number 17-1**
**T.R.A. Tariff Number 1**

**TARIFF N.M.S.**
**(Net Metering Service Rider)**

**AVAILABILITY OF SERVICE**

Available for new or existing Customers who operate an eligible renewable fuel generator designed to operate in parallel with the Company's system and who request Net Metering Service (NMS) from the Company. NMS Customers must take service under Tariff R.S., Tariff S.G.S., Tariff M.G.S.-Secondary, or Tariff P.S. NMS is limited to those customers who do not utilize time-of-day energy charge provisions. Tariff N.M.S. is closed to new customers effective January 1, 2017.

The total capacity of all NMS Customers shall be limited to 1% of the Company's Tennessee peak load forecast ("Renewable Generator Limit"), and shall be available to customers with eligible renewable fuel generators on a first come, first serve basis. Customer's may not take service under this tariff and simultaneously take service under any alternative co-generation agreement.

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**DEFINITIONS**

The following terms shall solely be used to define the applicability of Schedule N.M.S.

"Billing Period Credit" means the quantity of electricity generated and fed back into the electric grid by the customer's renewable fuel generator in excess of the electricity supplied to the customer over the billing period.

"Excess Generation" means the amount of electricity generated by the renewable fuel generator in excess of the electricity consumed by the customer over the course of the net metering period.

"Net Metering Customer (Customer)" means a customer owning and operating, or contracting with other persons to own or operate, or both, a renewable fuel generator under a net metering service arrangement.

"Net Metering Service" means providing retail electric service to a customer operating a renewable fuel generator and measuring the difference, over the net metering period between electricity supplied to the customer from the electric grid and the electricity generated and fed back to the electric grid.

" Person" means any individual, corporation, partnership, association, company, business, trust, joint venture, or other private legal entity and the State or any municipality.

"RF Generator" is an electrical generating facility which complies with all of the following requirements:

(a) has an alternating current capacity less than or equal to 10 KW for customers taking service under Schedule R.S.;
(b) uses solar, wind or hydro energy as its total fuel source;
(c) the Net Metering Customer's facility is located on the customer's premises and is connected to the customer's wiring on the customer's side of it's interconnection with the distributor;
(d) is designed and installed to operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers and without presenting safety hazards to the Company and Customer personnel; and
(e) is intended primarily to offset all or part of the customer's own electricity requirements.

**KINGSPORT POWER COMPANY**
**d/b/a AEP Appalachian Power**
**Kingsport, Tennessee**

**Original Sheet Number 17-2**
**T.R.A. Tariff Number 1**

**TARIFF N.M.S.**
**(Net Metering Service Rider)**

**CONDITIONS OF SERVICE**

**A. Notification**

1. For a renewable fuel generator with an alternating current capacity of 25 KW or less, the customer shall submit the required Company Interconnection Notification Form to the Company at least thirty (30) days prior to the date the customer intends to interconnect the renewable fuel generator to the Company's facilities. For a renewable fuel generator with an alternating current capacity greater than 25 KW, the customer shall submit the required Interconnection Notification Form to the Company at least sixty (60) days prior to the date the customer intends to interconnect the renewable fuel generator to the Company's facilities. The submission may either be directly to the Company or by registered mail with return receipt. All sections, including appropriate signatures, of the Interconnection Notification Form must be completed for the notification to be valid. The customer shall have all equipment necessary to complete the interconnection prior to such notification. For renewable fuel generators with capacities greater than 25 KW, the customer should contact the Company prior to making financial commitments. If mailed, the date of notification shall be the third day following the mailing of the Interconnection Form. The Company shall provide a copy of the Interconnection Notification Form to the customer upon request

2. The Company shall, within thirty (30) days of the date of notification for RF Generators with a rated capacity of 25 KW or less, and within sixty (60) days of the date of notification for RF Generators with a rated capacity greater than 25 KW, either return to the customer a copy of the valid Interconnection Notification Form or return any incomplete form. If the Company determines that the Interconnection Notification Form is incomplete or that any of the other requirements for interconnection are not satisfied, the customer shall submit another completed Interconnection Notification Form and notify the Company once the customer has completed all work necessary to satisfy the deficiencies prior to interconnection. This notification requirement shall not replace or supersede any other applicable waiting period, or required interconnection authorization when other applicable law, rule, regulation or code would permit authorization to be withheld or delayed.

3. The Net Metering Customer shall immediately notify the electric distribution company of any changes in the ownership of, operational responsibility for, or contact information for the generator. The Net Metering Customer shall not assign this tariff or any part hereof without the prior written consent of the Company, and such authorized assignment may result in the termination of availability of tariff to Customer.

**B. Conditions of Interconnection**

1. RF Generator equipment shall be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code. Renewable fuel generator equipment and installations shall comply with all applicable safety and performance standards of the National Electrical Code, the Institute of Electrical and Electronic Engineers and accredited testing laboratories in accordance with IEEE Standard 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, July 2003, and safety and performance standards established by local and national electrical codes including, the institute of Electrical and Electronics Engineers, the National Electrical Safety Code, and Underwriters Laboratories.. Customer's renewable fuel generator equipment and installations shall also comply with the Company's Interconnection Guidelines. The Company shall provide a copy of its Interconnection Guidelines to the customer upon request.

2. The Customer shall obtain any governmental authorizations and permits required for the construction and operation of the RF Generator facility and interconnection facilities.

**KINGSPORT POWER COMPANY**
**d/b/a AEP Appalachian Power**
**Kingsport, Tennessee**

**Original Sheet Number 17-3**
**T.R.A. Tariff Number 1**

**TARIFF N.M.S.**
**(Net Metering Service Rider)**

**CONDITIONS OF SERVICE** (Cont'd)

3. In the case of renewable fuel generators with an alternating current capacity greater than 25 KW, the following requirements shall be met before interconnection may occur:

   a. Electric Distribution Facilities and Customer Impact Limitations. A renewable fuel generator shall not be permitted to interconnect to the Company's distribution facilities if the interconnection would reasonably lead to damage of any of the Company's facilities or would reasonably lead to voltage regulation or power quality problems at other customer revenue meters due to the incremental effect of the Company's electric distribution system, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection.

   b. Secondary, Service and Service Entrance Limitations. The capacity of the RF Generator shall be less than the capacity of the Company-owned secondary, service, and service entrance cable connected to the point of interconnection, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection.

   c. Transformer Loading Limitations. The RF Generator shall not have the ability to overload the Company's transformer, or any transformer winding, beyond manufacturer or nameplate ratings, unless the customer reimburses the Company for its costs to modify any facilities needed to accommodate the interconnection.

   d. Integration With Company Facilities Grounding. The grounding scheme of the renewable fuel generator shall comply with IEEE 1547, Standard for Interconnecting Distributed Resources With Electric Power Systems, July 2003, and shall be consistent with the grounding scheme used by the Company. If requested by a prospective net metering customer, the Company shall assist the customer in selecting a grounding scheme the coordinates with the Company's distribution system.

   e. Balance Limitation. The RF Generator shall not create a voltage imbalance of more than 3.0% at any other customer's revenue meter if the Company's transformer, with the secondary connected to the point of interconnection, is a three-phase transformer, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection.

4. The customer shall provide a copy of its insurance policy to the Company. If the customer's renewable fuel generator does not exceed 10 KW, then such coverage shall be an amount of at least $100,000 ~~per claim~~ for the liability of the insured against loss arising out of the use of a generation facility. If the customer's renewable fuel generator exceeds 10 KW, then such coverage shall be an amount of at least $300,000 ~~per claim~~ for the liability of the insured against loss arising out of the use of a generation facility. The customer must submit evidence of such insurance to the Company with the Interconnection Notification Form.

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   The Company's receipt of evidence of liability insurance does not imply an endorsement of the terms and conditions of the coverage.

   Neither party assumes any responsibility of any kind with respect to the construction, maintenance, or operation of the system or other property owned or used by the other party. The Customer agrees that the Company shall not be liable for any claims, costs, losses, suits or judgments for damages to any Person or property in any way resulting from, growing out of, or arising in or in connection with the use of, or contact with, energy delivered after it is delivered to Customer and while it is flowing through the lines of Customer, or is being distributed by Customer, or is being used by retail load.

5. Following Notification by the Customer, the Company shall have the right to inspect and test the RF Generator equipment and installation prior to interconnection. The nature and extent of these tests shall be determined solely by the Company. The Company reserves the right to conduct additional tests and inspections and to install additional equipment or meters at any time following interconnection of the RF Generator. The Customer shall not commence parallel operation of the RF Generator until the facility has been approved by the Company. Notwithstanding the foregoing, the Company's approval to operate the facility in parallel with the Company's system should not be construed as an endorsement, confirmation, warranty, guarantee, or representation concerning the safety, operating characteristics, durability of reliability of the RF Generator.

**TARIFF N.M.S.**
**(Net Metering Service Rider)**

6. The RF Generator installation must have a visibly open, lockable, manual disconnect switch which is accessible by the Company at all hours and clearly labeled. A licensed certified technician must certify via the Interconnection Notification Form that the disconnection switch has been installed properly. The Company reserves the right to install any additional equipment, including controls and meters, at the facility.

7. The Customer shall periodically maintain and test the RF Generator in accordance with the manufacturer's specifications and all applicable safety and performance standards. The Customer shall notify the Company at least fourteen (14) days prior to making any material changes to the renewable fuel generator facility or installation, including, but not necessarily limited to, any modification to the equipment or protective equipment settings or disconnection of the RF Generator from the Company's system, excluding temporary disconnects for routine maintenance. Modifications or changes made to the RF Generator shall be evaluated by the Company prior to being made. The Customer shall provide detailed information describing the modifications of changes to the Company in writing prior to making the modification the RF Generator. The Company shall review the proposed changes to the RF Generator and provide the results of its evaluation to the Customer within sixty (60) days of receipt of the Customer's proposal. Any items that would prevent parallel operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy violations. Following a notification of disconnection of the renewable fuel generator, the customer must again complete the Notification process specified above prior to any subsequent reconnection.

   In addition, the customer shall notify the Company immediately regarding either any damage to the RF Generator facility or safety-related emergency disconnections.

8. The Company may enter the Customer's premises to inspect the Customer's protective devices and read or test the meter. The Company may disconnect the interconnection facilities without notice if the Company reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or the Company's facilities, or property of others from damage or interference caused by the Customer's facilities.

9. Interconnection authorization is not transferable or assignable to other persons or service locations.

**C. Other**

1. The Company shall not be obligated to accept energy from the Customer and may require Customer to interrupt or reduce delivery of energy, when necessary, in order to construct, install, repair, replace, remove, investigate, or inspect any of the Company's equipment or part of it's system; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outage, force majeure, or compliance with prudent electrical practices. Whenever possible, the Company shall give the Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required. Notwithstanding any other provision of this tariff, if at any time the Company reasonably determines that either the Renewable fuel generator facility may endanger the Company's personnel or other persons or property, or the continued operation of the RF Generator may endanger the integrity of safety of the Company's system, the Company shall reserve the right to disconnect and lock out the RF Generator from the Company's system. The RF Generator shall remain disconnected until such time as the Company is reasonably satisfied that the conditions referenced in this section have been satisfied.

2. To the fullest extent permitted by law, neither customer nor company, nor their respective officers, directors, agents, and employees members parents or affiliates, successors or assigns, or their respective officers directors, agents, nor employees successors or assigns shall be liable to the other party or their respective members, parents, subsidiaries, affiliates, officers, directors, agents employees successors or assigns, for claims ,suits, actions or causes of action for incidental, indirect, special, punitive ,multiple, or consequential damages connected with or resulting from performance or non-performance of such agreement , or any actions undertaken in connection with or related to this agreement, including without limitation, any such damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty, strict liability, statute, operation of law under any indemnity provision or any other theory of recovery. The obligor's liability shall be limited to direct damages only, and such direct damages shall be the sole and exclusive measure of damages and all other judicial remedies or damages are waived. The provisions of this section shall apply regardless of fault and shall survive termination, cancellation, suspension, completion or expiration of this agreement. Notwithstanding anything in this section to the contrary, any provisions of this section will not apply to the extent it is finally determined by a court of competent jurisdiction, including appellate review if pursued, to violate the laws of the Constitution of the State of Tennessee.

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

**1st Revised Sheet No. 20**
**T.R.A. Tariff Number 1**

**FACILITIES CHARGES**

The customer is responsible for all equipment and installation costs of the renewable fuel generator facility.

The Company shall inspect the inverter settings of a static inverter-connected renewable fuel generator prior to interconnection. The customer shall pay $50 to the Company for each generator that requires inspection.

The Company shall inspect the protective equipment settings of a non-static inverter-connected renewable fuel generator prior to interconnection. The customer shall pay $50 to the Company for each generator that requires inspection.

The customer shall pay to the Company any additional charges, as determined by the Company, for equipment, labor, metering, testing or inspections requested by the customer.

**METERING**

Net metered energy shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions.

In instances where a Net Metering Customer has requested, and where the electric distribution company would not have otherwise installed, metering equipment, the Company may charge the Net Metering Customer its actual cost of installing any additional equipment necessary to implement Net Metering Service.

**MONTHLY CHARGES**

All monthly charges shall be in accordance with the Schedule under which the customer takes service. Such charges shall be based on the customer's net energy for the billing period, to the extent that the net energy exceeds zero. To the extent that a customer's net energy is zero or negative during the billing period, the customer shall pay only the non-usage sensitive charges of the Schedule. The customer shall receive no compensation from the Company for Excess Generation during the billing period. The Excess Generation during the billing period shall be carried forward and credited against positive energy usage in subsequent billing periods.

The Net Metering Period shall be defined as each successive 12-month period beginning with the first meter reading date following the date of interconnection of the RF Generator with the Company's facilities. Any Excess Generation at the end of a Net Metering Period shall be carried forward to the next Net Metering Period only to the extent that the Excess Generation does not exceed the customer's billed consumption for the current net metering period, adjusted to exclude accumulated billing credit carried forward and applied from the previous net metering period.

Excess generation is not transferable, and the Customer, shall receive no compensation from the Company for any Excess generation upon termination of service from the Company.

# Residential Low Income Program
# Kingsport Power Company - Tennessee

| | |
|---|---|
| **Objective:** | Generate energy savings for high usage residential low income customers through evaluation and implementation of energy saving improvement opportunities. The program will provide participants with the installation of cost-effective weatherization and energy saving product upgrades based upon auditor recommendations in eligible dwellings. The Residential Low Income Program will also include an education component for participating customers on ways to most effectively manage their energy usage.<br><br>Enhance services available to low income customers in KgPCo's Tennessee service territory through a coordinated effort with existing local Weatherization Assistance Program (WAP) providers in order to provide comprehensive assistance at lower administration costs.<br><br>Distribute energy efficient light bulbs to area Food Bank recipients. The program will assist those facing economic hardships in KgPCo's service territory reduce energy costs. |
| **Target Market:** | The KgPCo Residential Low Income Program will target electrically heated homes of customers including those that have above average electric usage, have a total annual household income (before taxes) below the amounts used in the Tennessee WAP, and receive electric service from KgPCo Tennessee. Services would be targeted to those living in single family buildings, both homeowners and renters.<br><br>Only customers living in electrically heated homes will be weatherized using KgPCo funds. KgPCo customers who are identified as "high users" with excessive use of kilowatt hours per year will be a priority, but the program will not be exclusive to "high users."<br><br>The partnership with area Food Banks will allow compact fluorescent lamps (CFLs) to be distributed to customers in KgPCo's Tennessee service territory. The Food Banks will distribute the CFLs to the local food pantries who will then distribute the CFLs along with energy educational materials to the recipients of their goods. |
| **Program Duration:** | This program will operate for an initial three-year period. The first program year should begin approximately 120 days after Tennessee Regulatory Authority approval. Depending upon the results of this three-year initiative, the Residential Low Income Program will be evaluated and, if deemed appropriate, could become an ongoing element of the KgPCo Tennessee program portfolio.<br><br>The Food Bank distribution of CFLs will operate for a one-year period. |
| **Program Description:** | The Residential Low Income Program is designed to provide home energy services to KgPCo's Tennessee customers with limited income to assist them in reducing their electric energy use and to manage their utility costs. This program would help |

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| | facilitate the implementation of cost-effective electric energy-savings measures in residential low income households. These services would be provided free of charge to qualifying participants.<br><br>Weatherization services utilizing KgPCo funds will generally be provided by non-profit WAP providers, as well as any approved subcontractors, to provide services through the Low-income Weatherization Assistance Program. This will include the initial energy audit and some or all of the subsequent work prescribed and identified by the audit. All work will adhere to a set of prescribed installation standards, which are approved by the U.S. Department of Energy and monitored by the Tennessee Housing Development Agency. Some slight variation of these standards may be allowed in order to make the weatherization services provided more focused on electricity reduction.<br><br>The program will also reduce energy consumption by educating residential customers about the energy and money saving benefits associated with energy efficiency in the home. All customers participating in this program will receive educational materials and an opportunity to discuss ways that they can continue to conserve and maintain the energy efficiency of their home after the weatherization process has been completed.<br><br>The Food Bank distribution will assist those facing economic hardships in KgPCo's service territory to reduce energy costs and free up limited resources for other necessities. KgPCo will participate with the local Food Banks to determine a set amount of CFLs to be distributed. Once the final amount is decided, the CFLs will be delivered to the Food Bank in bulk. The Food Bank will then distribute the CFLs to the pantries that participate. The number of CFLs allotted to each pantry will be based on the number of customers served in that area. The pantry will then provide the CFLs to customers on a first-come basis. |
| **Incentive Strategy:** | Equipment and installation costs for all eligible measures as well as CFLs distributed through Food Banks would be provided free of charge to eligible customers and properties. Residential Low Income Program funding, to the extent possible, will supplement the existing WAP funding during the weatherization of the homes. |
| **Eligible Measures:** | The measures listed below have been specified for planning purposes. KgPCo may revise eligible measures as needed in accordance with current market conditions, technology development, Evaluation Measurement and Verification (EM&V) results, and program implementation experience.<br><br>The Low-Income Weatherization Assistance Program targets measures which have been proven to save energy, reduce consumption, and protect the health and safety of occupants while helping to lower their energy bills. KgPCo will establish eligible measures and incentive levels as needed in accordance with current market conditions, planning studies, technology development, EM&V results, and program implementation experience. |

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| | Eligible measures may include, but are not limited to, those listed below.<br><br>Electric Baseload and Water Heating Measures<br>• CFLs (screw-in)<br>• Refrigerator and freezer replacement based on metered usage of existing equipment<br>• Efficient showerheads<br>• Efficient faucet aerators<br>• Water heater insulation<br>• Hot water pipe insulation<br>• Hot Water Tank temperature reduction<br>• Water heater replacement<br><br>Weatherization Measures<br>• HVAC measures to include electric furnace repair, heat pump tune-up, repair or replacement. Any system replacement will need to be verified by an approved whole-house savings calculation.<br>• Insulation (attic, basement, sidewall, crawlspace, mobile home floors and ceilings)<br>• Blower door directed air-sealing<br>• Duct system repair, replacement and/or insulation |
| **Implementation Strategy:** | Program administration and implementation would be conducted by a third-party program implementation contractor with oversight by KgPCo. This contractor may ultimately be one of the existing WAP providers serving the KgPCo area, but who also has the capability of organizing, planning, and administering the program on behalf of the other regional WAP providers. Responsibilities will include:<br><br>• Administrative coordination with local agencies<br>• Marketing strategy, implementation and materials<br>• Payment processing<br>• Data tracking and reporting<br>• Budget tracking and reporting<br>• Contact (call) center services<br>• Managing public relations<br>• Customer satisfaction/problem resolution<br>• Quality assurance and field monitoring<br><br>The regional WAP providers would schedule an assessment or "energy audit," of the residence to identify specific measures to increase energy efficiency. This visit will include an analysis of the customer's usage, infiltration testing, equipment inspection for health and safety, and an action plan listing the most cost-effective energy conservation measures for the home. The regional WAP provider will then schedule the customer for the remaining measures. The installation of measures will take one to two days, followed by a Quality Assurance Inspection. |

<table>
<tr><td></td><td>The Food Bank CFL distribution will be conducted by a third-party implementation contractor. This contractor will be separate from the contractor administering the Residential Low Income Program.</td></tr>
<tr><td>Marketing Strategy:</td><td>Marketing will be directed to customers that are selected and recruited based on an analysis of income and customer electric usage data. The KgPCo Residential Low Income Program would recruit customers based on an analysis of annual household income.<br><br>Additional marketing efforts could target those hard-to-reach segments of the population, would build on existing efforts, and would be closely coordinated with local providers. Key elements of the marketing strategy include:<br><br>• Targeted outreach through local agencies<br>• Websites and newsletters<br>• Press releases<br>• Posters in municipal buildings</td></tr>
<tr><td>Evaluation, Measurement & Verification:</td><td>Evaluation activities would be conducted in cooperation with the selected Weatherization Agency and by a third-party EM&V Contractor. Impact evaluation for these types of programs, where the energy savings per participant is expected to be significant, is often done primarily with pre/post energy usage analysis.<br><br>The goal of the impact evaluation will be to validate and re-calibrate the deemed energy savings values, verify installation and determine cost-effectiveness of the program. Key impact metrics are: energy savings per home, program/contractor participants, and program cost effectiveness.</td></tr>
<tr><td>Estimated Program Impacts:</td><td>Estimated impacts, both energy and demand, are provided in the table below.<br><br>Total Program Impact
<table>
<tr><th></th><th></th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Total</th></tr>
<tr><td>Energy Savings (kWh)</td><td>Annual</td><td>336,000</td><td>170,000</td><td>170,000</td><td>676,000</td></tr>
<tr><td>Demand Savings (kW)</td><td>Annual</td><td>32</td><td>14</td><td>14</td><td>60</td></tr>
</table></td></tr>
</table>

**Program Budget:**

The anticipated cost to KgPCo for offering this program to customers involves budgets for:

- Direct WAP agency costs for implementing the audits and installed measures.
- Administrative costs of the program implementation contractor to develop, implement, market, advertise, oversee, monitor, track and report on the program.
- Program EM&V
- Utility oversight by KgPCo staffing and corporate support costs
- Utility promotion of the program
- Purchasing and distribution of the CFLs for the Food Bank initiative

| | Year 1 | Year 2 | Year 3 | Total |
|---|---|---|---|---|
| **Agency Program Cost** | $94,200 | $102,000 | $102,000 | $282,600 |
| **Food Bank Distribution** | $19,800 | - | - | $19,800 |
| **Agency Admin** | $18,000 | $18,000 | $18,000 | $54,000 |
| **Evaluation and Measurement** | $10,000 | $10,000 | $10,000 | $30,000 |
| **Utility Promotion** | - | - | - | - |
| **Utility Admin** | $8,000 | $8,000 | $8,000 | $24,000 |
| **Total** | **$150,000** | **$138,000** | **$138,000** | **$426,000** |

**Cost Effectiveness Test Results:**

The anticipated cost effectiveness results for this program are defined in the table below.

| | **Cost-Benefit Ratio** |
|---|---|
| Utility Test | 1.1 |
| TRC Test | 1.0 |
| RIM Test | 0.5 |
| Participant Test | 1.8 |

# Residential Direct Load Control Program
# Kingsport Power Company - Tennessee

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| **Objective:** | Develop capacity for electric demand response and associated energy savings in the residential consumer sector by cycling customer air conditioning or heat pump units through the use of separately installed control devices. KgPCo may operate this equipment during times such as utility system peak, high loading on distribution circuits, and/or emergency conditions. Load management events (non-emergency) will be at the discretion of KgPCo, with up to 15 events per calendar year. Emergency events will be at the discretion of PJM as defined in PJM Manual 13 – Emergency Operations, with up to 10 events per PJM delivery year (June 1 – May 31). |
| **Target Market:** | This program will target residential customers with existing central air conditioning or heat pump equipment. The existing equipment must be operational to participate in this program. Participants must be either existing owner-occupied single-family or multi-family homeowners who purchase retail electricity from KgPCo on a residential tariff. Non-owner occupied residences could qualify for participation; however, KgPCo would require written permission from the property owner to install auxiliary load control and communication equipment.<br><br>Although this program will ultimately be available to most all qualifying residential customers, KgPCo will initially stagger program availability to specific metropolitan areas of its Tennessee service territory to control costs and capture economies of scale. Adequate available communications infrastructure, which is necessary to properly operate the load control equipment, will also be a prerequisite for participation. |
| **Program Duration:** | Based on customer acceptance / satisfaction and overall effectiveness of this program to reduce load during certain conditions, the Residential Peak Reduction Program will be an ongoing element of KgPCo' s energy efficiency and demand response program portfolio. |
| **Program Description:** | This program will focus on Residential load control. In this program, it is anticipated that a load control device will be installed on the outside of the customer's home near the central air conditioning unit. The device will have communication capability such that a signal can be sent from the utility, or its selected third-party program implementation contractor, to operate the device and cycle the air conditioner or heat pump unit.<br><br>KgPCo estimates an average 0.9 kW demand reduction and an associated 4 kWh energy reduction during an event day for each residential air conditioner or heat pump unit that participates in this program.<br><br>This Residential Direct Load Control (DLC) program has been designed to initially employ more traditional means of one-way communication to the load control device (i.e., paging or FM radio), but KgPCo will continue to explore |

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| | other control device and communication options and utilize the best available options in the program KgPCo intends to hire a third-party program implementation contractor to deploy and operate this program in a turnkey fashion with oversight from KgPCo. |
| **Incentive Strategy:** | A qualified residential customer with a working central air conditioner or heat pump will receive an incentive of $40 per year ($8 for each month of the summer season which is defined as the months of May, June, July, August and September) for each air-conditioning/heat pump unit participating in the program. An incentive will be applicable for each central system participating in the program. Therefore, if the customer has two central systems, and load control devices are installed on both units, the customer will receive an incentive, as described above, for each controlled system.<br><br>The customer may opt out of one load control event per year by contacting KgPCo' s third-party program implementation contractor. A one-year minimum enrollment period is required. |
| **Eligible Measures:** | Residential customers, served by KgPCo through a residential tariff and having an existing central air conditioner or heat pump system, are eligible to participate. Measures to be installed include load control devices which will be installed on the customer's air conditioning or heat pump. |
| **Implementation Strategy:** | Key elements of the implementation strategy include:<br><br>• **Implementation Contractor Selection.** KgPCo's program implementation contractor will install load control devices at the customer's home. To the extent reasonable, this contractor will hire qualified Tennessee-based installers / technicians.<br><br>• **Provide High Quality Customer Service.** KgPCo' s program implementation contractor will store and track interactions with the customers as well as detailed information related to all costs, participants, and other related program data. Provide trained customer service staff for assisting customers with questions about the program, service-related calls/issues, and facility participation. Staff and maintain the program sufficient to handle customer's inquiries, screen customers for eligibility, and explain program rules and benefits in a prompt and courteous manner.<br><br>KgPCo will determine when a load control event is to take place, and electronically send that message to KgPCo's program implementation contractor. At this time, KgPCo plans to have the contractor initiate the control event to cycle the load control equipment. However, KgPCo may elect to initiate these control events using software provided by the third-party program implementation contractor.<br><br>KgPCo plans to initially utilize a 50% cycling strategy of the central air conditioning and heat pump systems. However, other cycling strategies may be employed and evaluated to determine the strategy that optimizes load impact without significantly affecting customer comfort. |

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| | Although this program is designed to utilize a one-way communication technology, such as paging or FM radio signals to initiate the load control event, KgPCo will also accept proposals from prospective contractors for alternative communication approaches, such as broadband or cellular technologies. Although these alternatives will likely be more expensive than traditional communication strategies, KgPCo will evaluate these optional proposals and, if within budget, determine whether or not these options are viable for this initiative. |
| **Marketing Strategy:** | KgPCo will develop a marketing and communications program to successfully launch the Residential DLC Program. This will include the development of marketing materials, the identification of channels and key relationships, and the leveraging of contractors involved with heating, ventilation, and air conditioning (HVAC) and other existing energy efficiency measures. Targeted marketing to customers located on heavily-loaded distribution circuits, to possibly defer additional supply-side infrastructure investments, may be employed.<br><br>KgPCo may elect to perform all marketing associated with this program. Leads generated from these efforts will be provided to the third-party program implementation contractor to determine program eligibility, set appointments (if necessary), secure a signed program agreement from the customer, ensure the equipment can receive the load control signal, provide any additional customer education, and other program implementation requirements. The contractor will also provide a toll-free telephone number where customers can call to receive additional program details, enroll in the program, and ask other program-related questions.<br><br>The implementation contractor will be asked to provide a separate line item for marketing costs. These costs will be compared to projected costs for KgPCo to market the program directly to customers. Depending on this price, KgPCo may elect to allow the selected contractor to conduct some or all of the necessary marketing efforts to achieve stated participation targets. |
| **Evaluation, Measurement & Verification:** | An independent third-party program evaluation contractor will perform process and impact evaluations. The process evaluation is expected to include a review of program objectives, implementation processes, data collection procedures, quality assurance methodologies, reporting timelines, and tracking of costs. The impact evaluation will determine the actual demand and energy reductions achieved, and provide cost/benefit analyses of the program, both on historical and prospective bases.<br><br>The program evaluation objectives are expected to include:<br>• Assessment of the effectiveness of program delivery mechanisms;<br>• Assessment of participant satisfaction with the program and perceived value of the program;<br>• Assessment of the market potential, including the participant characteristics, participation rate, reasons for non-participation, and customer awareness of energy efficiency; |

- Determination of the program impacts, including achieved demand reduction (kW), and net energy impacts.
- Assessment of the program's cost-effectiveness based on various economic tests.

KgPCo may supplement the evaluation efforts with customer surveys and additional load analyses. As part of this program, KgPCo may install interval recording meters on a random sample of participant homes to provide additional data for impact evaluation.

**Estimated Participation and Impacts**

Expected participation and associated estimated impacts, both energy and demand, for the program are provided in the table below.

| | | Year 1 | Year 2 | Year 3 | Total |
|---|---|---|---|---|---|
| **Participants** | Annual | 300 | 300 | 300 | 900 |
| **Demand Savings (kW)** | Summer | 270 | 270 | 270 | 810 |
| **Energy Savings (kWh)** | Annual | 12,000 | 12,000 | 12,000 | 36,000 |

**Program Budget**

The anticipated budget associated with this program over a three-year period is shown in the table below. These estimated costs were derived, in part, from information provided by a nationally-recognized third-party program implementation contractor who conducts residential direct load control programs for various electric utilities across the country. KgPCo will leverage similar programs operating in the West Virginia and Virginia territories to secure the lowest reasonable price.

| | Year 1 | Year 2 | Year 3 | Total |
|---|---|---|---|---|
| **Customer Incentive** | $12,000 | $24,000 | $36,000 | $72,000 |
| **Contractor Prgm Costs** | $32,000 | $34,000 | $35,000 | $101,000 |
| **Communication & Software** | $10,000 | $10,000 | $10,000 | $30,000 |
| **Materials & Maint.** | $66,000 | $66,000 | $66,000 | $198,000 |
| **Evaluation** | $5,000 | $5,000 | $5,000 | $15,000 |
| **Utility Promotion** | $15,000 | $13,000 | $0 | $28,000 |
| **Utility Admin** | $10,000 | $10,000 | $10,000 | $30,000 |
| **Total** | **$150,000** | **$162,000** | **$162,000** | **$474,000** |

**Cost Effectiveness Test Results**

Based on the assumptions stated above, the anticipated cost effectiveness results for this program are defined in the table below.

| | **Cost-Benefit Ratio** |
|---|---|
| Utility Test | 1.9 |
| TRC Test | 2.2 |
| RIM Test | 1.6 |
| Participant Test | 1.1 |

DSM COST-BENEFIT TEST RESULTS

| Base | Low Income Weatherization | Direct Load Control | Portfolio |
|---|---|---|---|
| TRC | 1.2 | 2.2 | 1.8 |
| UTC | 1.2 | 1.9 | 1.7 |
| RIM | 0.4 | 1.6 | 0.9 |
| PCT | 2.2 | 1.1 | 2.0 |

| Low | Low Income Weatherization | Direct Load Control | Portfolio |
|---|---|---|---|
| TRC | 1.0 | 1.9 | 1.6 |
| UTC | 1.1 | 1.7 | 1.5 |
| RIM | 0.4 | 1.3 | 0.8 |
| PCT | 2.2 | 1.1 | 2.0 |

| High | Low Income Weatherization | Direct Load Control | Portfolio |
|---|---|---|---|
| TRC | 1.3 | 2.5 | 2.0 |
| UTC | 1.4 | 2.2 | 1.9 |
| RIM | 0.5 | 1.8 | 1.1 |
| PCT | 2.2 | 1.1 | 2.0 |

**KINGSPORT POWER COMPANY** **TRA Tariff No.**
**d/b/a AEP Appalachian Power**
**Kingsport, Tennessee**

**OPTIONAL RIDER R.P.R.P.**
**(Residential Peak Reduction Program)**

**AVAILABILITY OF SERVICE**

Available on a voluntary basis to customers receiving residential electric service Participation is limited to the first three hundred (300) residential customers who register for the program in any particular calendar year and any customers who registered for the program in any prior calendar year.

For non-owner occupied dwellings, the Company may require permission from the owner to install load control equipment and, if necessary, auxiliary communicating devices. Customers will not be eligible for this Rider if the owner does not allow installation of such equipment.

**CONDITIONS OF SERVICE**

(1) To participate, customers must allow the Company, or its authorized agents, to install load control equipment and, if necessary, auxiliary communicating devices to control the customer's central electric cooling unit(s). All such devices shall be installed at a time that is consistent with the orderly and efficient deployment of this program. The Company will utilize the installed control devices to reduce customer's energy use during load management events. Load management events consist of Company planned load management events and PJM load management events. The Company plans to control devices for up to 150 hours per year, or up to twenty-five (25) load management events, with no single event lasting more than six (6) consecutive hours. The Company plans to initially utilize a 50% cycling strategy of the central electric cooling unit(s) during summer months. However, the Company may employ other cycling strategies to optimize load reduction. Before implementing other cycling strategies, the Company shall consider any reasonably expected material effects on customer comfort.

(2) Company planned load management events shall not exceed six (6) hours per day. Such non-emergency load management events shall not exceed 15 events per year and shall occur only during the months of May through September between Noon and 8 pm. The customer may opt out of a single Company planned load management event per year. PJM load management events (for emergency and pre-emergency purposes) shall not exceed 10 events per PJM planning year (June 1 – May 31) and not last longer than six (6) hours duration. Emergencies and pre-emergencies shall be determined by PJM as defined in PJM Manual 13 – Emergency Operations. PJM load management events can only occur between Noon and 8 pm on weekdays during June through September.

(3) The Company or its authorized agents will furnish and install, with the customer's permission, load control equipment, and, if necessary, an auxiliary communicating device at the customer's residence. All equipment will be owned and maintained by the Company. If the Residential Peak Reduction Program is discontinued or the customer requests to be removed from the program after completing the initial mandatory period of one (1) year, the load control equipment and any auxiliary communicating devices will be removed by the Company or its authorized agents. The customer is not required to pay a deposit for any load control or auxiliary communicating equipment; however, failure to relinquish the load control equipment and/ or auxiliary communicating device in good working order may result in additional charges to repair or replace the equipment and device. If the equipment and/or device malfunctions through no fault of the customer, the Company will replace or repair at its expense.

(4) The Company and its authorized agents shall be permitted access to the customer's premises during normal business hours to install, inspect, test, or maintain the load control device(s). The Company may also be allowed access to the customer's premise to repair or remove faulty load control device(s). In the event the Company requires access to load control device(s), and the customer does not provide such access within 30 days of the request, then the Company may discontinue the Rate Credit until such time as the Company is able to gain the required access. The Company shall not be responsible for the repair, maintenance or replacement of any customer-owned equipment. The Company may collect data during the course of this load control program. Customer-specific information will be held as confidential and data presented in any analysis will protect the identity of the individual customer.

**KINGSPORT POWER COMPANY** **TRA Tariff No. x**
**d/b/a AEP Appalachian Power**
**Kingsport, Tennessee**

**OPTIONAL RIDER R.P.R.P.**
**(Residential Peak Reduction Program)**

**CUSTOMER CREDIT**

Customers shall receive an $8.00 monthly billing credit for each central electric cooling unit controlled during the billing months of May to September for a maximum of $40.00 annual billing credit for each central electric cooling unit. Such credit shall not reduce the customer's bill below the minimum charge as specified in the tariff under which the customer takes service.

**TERM**

Participating customers must agree to participate for an initial period of one (1) year and thereafter may discontinue participation by providing three business days' notice by telephone. This Rider will be closed after a period of three (3) years from the original Rider effective date unless otherwise ordered by the Authority.

**SPECIAL TERMS AND CONDITIONS**

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the tariff under which the Customer takes service, including all payment provisions, as they may be amended from time to time. The customer will not qualify for the program and the Company shall not be required to install load control equipment if the installation cannot be justified for reasons such as: technological limitations, safety concerns, or inadequate usage of electric service resulting from limited occupancy of a residence.