KgPCo Exhibit No. ____
Witness: DRB

**DIRECT TESTIMONY OF**
**DOUGLAS R. BUCK**
**ON BEHALF OF KINGSPORT POWER COMPANY**
**D/B/A AEP APPALACHIAN POWER**
**BEFORE THE TENNESSEE REGULATORY AUTHORITY**
**DOCKET NO. 15-**00093

## INTRODUCTION AND BACKGROUND

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

A. My name is Douglas R. Buck. My business address is 1 Riverside Plaza, Columbus, Ohio 43215. I currently hold the position of Regulatory Consultant Staff, Regulated Pricing and Analysis, in the Regulatory Services Department of American Electric Power Service Corporation (AEPSC), a subsidiary of American Electric Power Company, Inc. (AEP), the parent Company of Kingsport Power Company (KgPCo or the Company).

**Q. WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY AS A REGULATORY CONSULTANT STAFF?**

A. I am responsible for assisting KgPCo and other AEP electric utility operating companies in the preparation of regulatory filings before this and other Commissions under whose jurisdiction these companies provide electric service.

**Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT HISTORY.**

A. I received my Bachelor of Science Degree in Mechanical Engineering in 1985 from Valparaiso University. I am a Registered Professional Engineer (PE) in Ohio. I received my Master of Business Administration Degree in 1993 from Northern Illinois University. I began my career with AEP in 1997 as a Financial

Analyst, Financial Forecasting group, in the Corporate Planning and Budgeting Department. In 2000 I became a Financial Analyst Coordinator, Resource Planning and Operational Analysis group, also in the Corporate Planning and Budgeting Department. In 2006 I became the Director of Enterprise Risk Management in the Risk and Strategic Initiatives Department. I accepted my current position in September 2010. Prior to joining AEP I worked for approximately 9 years in various engineering departments and the Strategic Analysis Department of Commonwealth Edison (now Exelon) in Chicago, Illinois.

**Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS?**

A. Yes. I have sponsored testimony before the Virginia State Corporation Commission for Appalachian Power Company, before the Public Service Commission of West Virginia for Appalachian Power Company and Wheeling Power Company, and before the Kentucky Public Service Commission for Kentucky Power Company.

## PURPOSE OF DIRECT TESTIMONY

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. The purpose of my testimony in this proceeding is as follows:

- To explain how the Company's jurisdictional cost-of-service (JCOS) study was developed.

- To explain how the Company's class cost-of-service (CCOS) study was developed.
- To explain how certain revenue and expense adjustments relating to load growth, weather-normalized sales levels, year-end customer sales levels, rate annualization, book to billed sales levels, and the transfer of non-base rider revenues into base rates were developed. These adjustments are designated as OR-1 through OR-5 and OM-14 through OM-16.
- To describe how the Company's proposed revenue increase of approximately $12.1 million was allocated among the various tariff classes.
- To sponsor the rate calculations for KgPCo's proposed Rate Realignment Rider.

**Q. ARE YOU SPONSORING ANY EXHIBITS?**

A. I am sponsoring the following exhibits:

***Summary Exhibits***

- Exhibit No. 1-a (DRB) – Kingsport Power's Summary Revenue Deficiency Calculation;
- Exhibit No. 1-b (DRB) – Kingsport Power's Summary of the Jurisdictional Income Statement, Rate Base and Proposed Increase;
- Exhibit No. 1-c (DRB) – Kingsport Power's Summary, by class, of the Income Statement, Rate Base, and Proposed Increase.

***JCOS Exhibits***

- Exhibit No. 2-a (DRB) – Kingsport Power's JCOS Calculations;

- Exhibit No. 2-b (DRB) – Kingsport Power's Allocators for JCOS Calculations;
- Exhibit No. 2-c (DRB) – Kingsport Power's Adjustments to the JCOS Study.

***CCOS Exhibits***

- Exhibit No. 3-a (DRB) – Kingsport Power's CCOS Calculations;
- Exhibit No. 3-b (DRB) – Kingsport Power's Allocators for CCOS Calculations;
- Exhibit No. 3-c (DRB) – Kingsport Power's Input for CCOS Allocators.

***Revenue Allocations Exhibits***

- Exhibit No. 4-a (DRB) – Kingsport Power's Revenue at Current and Equalized Rate-of-Return and Class Subsidies;
- Exhibit No. 4-b (DRB) – Kingsport Power's Revenue with Allocation of Proposed Increase and Subsidy;
- Exhibit No. 4-c (DRB) – Kingsport Power's Target Revenue by Class for Rate Design.

***Rate Realignment Rider***

- Exhibit No. 5 (DRB) – Kingsport Power's Rate Realignment Rider Calculations.

**Q. WERE THE EXHIBITS YOU ARE SPONSORING, PREPARED OR ASSEMBLED BY YOU OR UNDER YOUR DIRECTION?**

A. Yes.

## COST-OF-SERVICE SUMMARY

**Q. WHAT DOES THE JURISDICTIONAL COST-OF-SERVICE STUDY DEMONSTRATE?**

A. The Company's jurisdictional cost-of-service study indicates that KgPCo's Retail Jurisdiction, at current rates and excluding street lighting which is a separate contract, has a revenue deficiency of $12,118,173 (Exhibit No. 1-a (DRB)).

**Q. WHAT ARE THE RESULTING RATES OF RETURN (ROR) BY CLASS?**

A. The resulting going level RORs for each customer class, excluding street lighting, as shown in the Company's CCOS Study are presented in following table:

**TABLE 1**
**Class Going Level Rates of Return**

| Class | Going Level ROR |
|---|---|
| Residential | -9.96% |
| Small General Service | 15.91% |
| Medium General Service | 10.07% |
| Large General Service | 16.93% |
| Industrial Power | 21.20% |
| Electric Heating General | 7.34% |
| Church Service | 6.95% |
| Public Schools | -15.08% |
| Outdoor Lighting | 8.01% |
| **KgPCo Retail** | -3.54% |

**Q. HOW DOES THE COMPANY PROPOSE TO ALLOCATE THE BASE RATE REVENUE INCREASE TO THE CUSTOMER CLASSES?**

A. The following table summarizes the proposed base rate increases:

**TABLE 2**
**Base Rate Increase**

| Class | Total Increase ($) | Total Increase (%) |
|---|---|---|
| Residential | 7,972,450 | 13.41% |
| Small General Service | 97,856 | 4.14% |
| Medium General Service | 434,468 | 4.14% |
| Large General Service | 813,074 | 4.14% |
| Industrial Power | 2,390,846 | 4.14% |
| Electric Heating General | 101,076 | 4.14% |
| Church Service | 39,410 | 4.14% |
| Public Schools | 239,090 | 10.55% |
| Outdoor Lighting | 29,903 | 4.14% |
| **KgPCo Retail** | 12,118,173 | 7.76% |

**Q. WHAT ADDITIONAL STEPS IS THE COMPANY PROPOSING TO ADJUST RATES SUCH THAT THEY BETTER ALIGN WITH THE ACTUAL COSTS OF SERVING EACH CUSTOMER CLASS?**

A. Following the proposed initial rate increases, the customer classes will still not be at parity. Because of these on-going inter-class subsidies, the Company is proposing annual rate adjustments through a Rate Realignment Rider, as explained by witness Castle, to bring the classes to parity over time. This rider is

an annual, revenue neutral adjustment to rates for 5 years that continues the gradual transition toward cost alignment among tariffs.

## ADJUSTMENTS

**Q. LIST THE ADJUSTMENTS YOU ARE SPONSORING.**

A. I am sponsoring the following operating revenue (OR) adjustments:

OR-1 Weather Normalization Adjustment: Reduce non-fuel revenues to reflect normal weather.

OR-2 Customer Growth Adjustment: Reduce non-fuel revenues to reflect the year-end number of customers and usage levels.

OR-3 Book to Billed Adjustment: Increase revenues to reflect a billed rather than booked basis.

OR-4 Relocate revenue associated with the Purchased Power Adjustment Rider (PPAR) and Fuel Clause into Base Revenue: Revenue impact nets to zero.

OR-5 Rate Annualization Adjustment: Increase base rate revenues to reflect rates in effect at the end of the test year.

I am also sponsoring the following operations and maintenance expense (OM) adjustments:

OM-14 Fuel Expense Adjustment: Reduce fuel expense to reflect weather and growth adjusted sales.

OM-15 Non-Fuel Purchased Power Expense: Reduce non-fuel purchased power expense to reflect weather and growth adjusted sales.

OM-16 PPAR Rate Annualization: Increase PPAR Expense to reflect annualized rates.

**Q. PLEASE DESCRIBE ADJUSTMENT OR-1: WEATHER NORMALIZATION.**

A. Adjustment OR-1 removes the impact of abnormal weather on the test year level of non-fuel revenues for the RS, SGS, MGS Secondary voltage, LGS, IP Primary voltage, EHG, CS, and PS classes. The test year impact of abnormal weather for these classes was provided by AEPSC's Economic Forecasting department. These impacts were then used to adjust the class billing determinants. The difference between the revenue generated by applying rates in effect at the end of the test year to the differences between weather-normalized billing determinants and the actual test year billing determinants resulted in a decrease in non-fuel revenue of $2,426,081.

**Q. PLEASE DESCRIBE ADJUSTMENT OR-2: CUSTOMER GROWTH.**

A. Adjustment OR-2 decreases non-fuel revenues by $692,989 to develop test year revenues that KgPCo would have received based upon the actual number of customers, by tariff, at the end of the test year. The test year for this proceeding is calendar year 2014. These are the number of customers expected during the rate year, which will begin when the approved rates become effective.

**Q. DID THE OPERATIONS OF A LARGE INDUSTRIAL CUSTOMER IMPACT ADJUSTMENT OR-2?**

A. Yes. This customer began operations during the last several months of 2014 and continued into 2015. Since this customer is no longer in operation, adjustments were made to the billing determinants and related revenue to remove any actual 2014 test year usage as if this customer was not in operation.

**Q. PLEASE DESCRIBE ADJUSTMENT OR-3: BOOK TO BILLED.**

A. Adjustment OR-3 is necessary to reconcile the revenue difference between billed and accrued revenue as recorded on the Company's books and the revenue generated by applying the test year billing determinants to test year rates. This resulted in an increase in revenues of $227,055.

**Q. PLEASE DESCRIBE ADJUSTMENT OR-4: TRANSFER NON-BASE PPAR AND NON-BASE FUEL INTO BASE REVENUE.**

A. Adjustment OR-4 has no impact on total Company revenues. This adjustment re-assigns non-base PPAR and non-base fuel revenues, currently collected outside of base rates, into base revenues in order to be collected in base rates.

**Q. PLEASE DESCRIBE ADJUSTMENT OR-5: RATE ANNUALIZATION.**

A. Adjustment OR-5 increases test year base rate revenues by $1,955,389. The purpose of this adjustment is to appropriately reflect the revenues that KgPCo would have received if each customer had been billed for the entire 12 months of the test year at the rates in effect at the end of the test year.

**Q. PLEASE DESCRIBE ADJUSTMENT OM-14: FUEL EXPENSE.**

A. Adjustment OM-14 decreases fuel expense by $1,163,763 to recognize and offset the adjustment to fuel revenue included in the weather and growth adjustments, OR-1 and OR-2. The same billing determinant adjustments described previously under adjustment OR-1 and OR-2 were also utilized for this adjustment.

**Q. PLEASE DESCRIBE ADJUSTMENT OM-15: NON-FUEL PURCHASED POWER EXPENSE.**

A. Adjustment OM-15 decreases non-fuel expense revenues by $1,428,638 to recognize and offset the adjustment to purchased power revenues included in the weather and growth adjustments, OR-1 and OR-2. The same billing determinant adjustments described previously under adjustment OR-1 and OR-2 were also utilized for this adjustment.

**Q. PLEASE DESCRIBE ADJUSTMENT OM-16: PPAR RATE ANNUALIZATION.**

A. Adjustment OM-16 increases test year PPAR expenses by $1,979,229. Similar to OR-5, the purpose of this adjustment is to appropriately reflect the expenses that KgPCo would have paid using the rates in effect at the end of the test year.

## JURISDICTIONAL COST-OF-SERVICE

**Q. PLEASE EXPLAIN THE PURPOSE OF A JURISDICTIONAL COST-OF-SERVICE STUDY.**

A. The purpose of a jurisdictional cost-of-service study is to determine the Company's cost of providing service to a particular regulatory jurisdiction. This

is accomplished by comparing the Company's revenue requirement associated with the cost of serving the customers in a regulatory jurisdiction to the revenues received from that jurisdiction. In order to accomplish this comparison, the costs associated with providing service to customers in each of the regulatory jurisdictions that the Company serves must be functionalized, classified, and allocated. First, costs are functionalized into production, transmission, and distribution functions. Second, costs are classified either as demand, energy, or customer related. The third step is to directly assign or allocate the costs on the basis of an appropriate allocation methodology to the various classes. The second and third steps are completed through the CCOS. Exhibit No. 2-a (DRB) contains the jurisdictional cost-of-service study used in this proceeding.

**Q. WHAT IS THE SOURCE OF THE DATA USED IN THE COMPANY'S JURISDICTIONAL COST-OF-SERVICE STUDY?**

A. The Company's books and records provided the data for the JCOS Study.

**Q. HOW IS THE INFORMATION USED TO DETERMINE THE COST ALLOCATION TO KINGSPORT RETAIL CUSTOMERS?**

A. The costs recorded by FERC account are per book amounts pertaining to electric utility operations of the Company for service KgPCo supplied to all customers.

**Q. PLEASE DESCRIBE HOW THE RETAIL JURISDICTIONS WERE DETERMINED FOR KINGSPORT.**

A. For KgPCo, all customers and amounts are retail, and the allocation of the distribution-related amounts for all accounts was 100%. The Transmission function cost-of-service accounts were removed from this study since KgPCo is

charged for transmission service through its purchased power agreement with Appalachian Power Company. The purchased power related costs are included in this study. Accounts that are not directly assigned to either Distribution or Transmission were allocated based on the nature of the account, using either the payroll allocator, the appropriate plant accounts, or assignments provided by other witnesses.

**Q. PLEASE EXPLAIN HOW REVENUES WERE DEVELOPED.**

A. Revenues from retail sales were derived from the Company's books and records and directly assigned.

**Q. PLEASE OUTLINE THE MEANS BY WHICH TAXES OTHER THAN FEDERAL INCOME TAXES WERE ASSIGNED.**

A. Taxes Other than Income Taxes were classified as relating to payroll, property, revenue, demand, or energy and allocated accordingly, or directly assigned. Payroll taxes are related to labor and allocated on the payroll allocation factor. Property taxes were allocated using the Net Plant allocation factor. State Income Taxes were direct assigned.

**Q. PLEASE EXPLAIN HOW ADJUSTMENTS FOR KINGSPORT WERE INCORPORATED INTO THE STUDY.**

A. Adjustments were provided by various Company witnesses. These adjustments were added to the KgPCo retail per books cost-of-service amounts to arrive at the going-level KgPCo JCOS study.

**Q. HOW WERE THE RESULTS OF THIS STUDY USED?**

A. The functionalized costs from the JCOS study, as shown in Exhibit No. 2-a (DRB) and summarized in Exhibit No. 1-a (DRB) and Exhibit No. 1-b (DRB), were then allocated to the customer classes in the CCOS Study, which is contained in Exhibit No. 3-a (DRB).

## CLASS COST-OF-SERVICE

**Q. WHAT IS A CLASS COST-OF-SERVICE STUDY?**

A. A class cost-of-service study is a tool used to determine the total functional costs incurred in serving each retail rate class as well as the rate of return on rate base earned from each class. This is accomplished by classifying and allocating the jurisdictional and functionalized costs of serving KgPCo's retail customers to the various rate classes.

The CCOS Study is presented in Exhibit No. 3-a (DRB).

**Q. IN GENERAL TERMS, PLEASE DESCRIBE THE METHODS USED TO ASSIGN COSTS TO EACH RETAIL RATE CLASS.**

A. Data used in the class cost-of-service study is provided by the Company's jurisdictional and functionalized cost-of-service study, Exhibit No. 2-a (DRB). Using relevant allocation factors, I classified and allocated the functional data provided by the JCOS study to the rate classes in order to determine the cost of serving each class.

**Q. WHAT ARE THE STEPS IN THE COST ASSIGNMENT PROCESS?**

A. The functionalized costs are classified as being either demand, energy, or customer-related. Demand and customer related costs are fixed costs that are incurred regardless of the level of energy sales. An example of a demand-related cost is the investment in substation facilities. Meter plant is an example of a cost which is dependent on the number of customers. An energy related cost is a cost such as fuel expense, which varies with the level of kWh sales. The final step in the cost assignment process is allocation. Allocation is the process by which the functionalized and classified costs are assigned to each customer class by the use of allocation factors. When each classified cost is multiplied by an allocation factor, the product is the cost assigned to each class.

**Q. WERE THE CLASS ALLOCATION FACTORS MODIFIED TO REFLECT ADJUSTMENTS IN THE CASE?**

A. Yes, the effects of the growth and weather adjustments on the number of customers and customer usage, to the extent applicable, were also reflected in the demand, energy and customer allocation factors.

**Q. PLEASE EXPLAIN THE ALLOCATION OF THE DISTRIBUTION PLANT ACCOUNTS.**

A. For class allocation purposes, distribution plant was classified as demand and/or customer related and allocated to the KgPCo retail customer classes using factors based on demand levels or number of customers.

Line items classified as demand-related were allocated to the retail classes based on their average contribution to the Company's twelve monthly coincident peaks (CP).

Distribution plant accounts 360 through 368 were classified solely as demand-related for class allocation purposes.

Account 360 – Distribution Land and Land Rights, Account 361 – Structures and Improvements, Account 362 – Station Equipment and Account 363 – Storage Battery Equipment were allocated to the distribution customer classes based on the class contribution to the average of the Company's twelve monthly CP demands on the distribution system.

Account 364 – Poles, Towers and Fixtures, Account 365 – Overhead Conductors and Devices, Account 366 – Underground Conduit and Account 367 – Underground Conductors and Devices were split into primary and secondary voltage functions based upon information available from the Company's records. The investments classified as serving the primary voltage function were allocated to the customer classes using the class average of the 12 monthly CP demands on the distribution system. The investments classified as serving the secondary function were allocated based on a combination of each class' 12-month maximum demand and the summation of individual customers' annual maximum demands in each class served from those facilities. This process reflects the fact that some secondary facilities serve only one customer, while others serve two or more customers.

Account 368 – Line Transformers was allocated to the customer classes served from those facilities using the appropriate voltage demand allocation factors described above.

Account 369 – Services was classified as customer-related and was allocated using the number of secondary customers served.

Account 370 – Meters was allocated using the number of customers weighted by a factor which considers the weighted average cost of various metering installations.

Account 371 – Installations on Customer Premises was directly assigned to the outdoor lighting class.

Account 373 - Street Lighting and Signal Systems was directly assigned to the street lighting class.

**Q. HOW WERE GENERAL AND INTANGIBLE PLANT ASSIGNED TO THE CUSTOMER CLASSES?**

A. General and intangible plant were classified and allocated based on the functional operation and maintenance (O&M) labor expense.

**Q. HOW WERE PLANT HELD FOR FUTURE USE AND CONSTRUCTION WORK IN PROGRESS ASSIGNED TO CUSTOMER CLASSES?**

A. Plant held for future use and construction work in progress were allocated by corresponding functional plant allocators.

**Q. PLEASE EXPLAIN THE ALLOCATION OF DEPRECIATION RESERVE.**

A. The functionalized components of depreciation reserve were obtained directly from the jurisdictional study. These components were then classified and allocated on the corresponding functional plant items.

**Q. HOW WERE THE COMPONENTS OF WORKING CAPITAL ASSIGNED?**

A. The functionalized components of materials and supplies were classified and allocated using the corresponding functional plant items. Prepayments related to payroll were allocated on labor; gross plant-related prepayments were classified and allocated on gross utility plant; functionalized prepayments were classified and allocated on the corresponding functional plant items.

**Q. HOW WERE OTHER RATE BASE ITEMS CLASSIFIED AND ALLOCATED?**

A. Accumulated Deferred Federal Income Tax (FIT) and Accumulated Deferred Investment Tax Credit (ITC) were allocated based on gross utility plant. Customer deposits were assigned based on analysis of accounting records. Contributions in Aid of Construction and Customer Advances were classified and allocated on the respective functionalized gross utility plant.

**Q. HOW WERE REVENUES DEVELOPED FOR EACH CLASS?**

A. Sales revenue was directly assigned to each class.

Account 450 – Forfeited Discounts were directly assigned based on analysis of account records.

Account 451 – Miscellaneous Service Revenue was classified as customer-related and allocated on the number of customers. Miscellaneous Service Revenue related to the Reconnect and Bad Check Fee Adjustment was directly assigned based on the testimony of Company witness Simmons.

Rent from Electric Property and Other Electric Revenue were functionalized in the jurisdictional study and allocated to classes based on the corresponding functional plant allocator.

**Q. PLEASE EXPLAIN THE ALLOCATION OF PRODUCTION OPERATION AND MAINTENANCE EXPENSES.**

A. While KgPCo does not own production facilities, purchased power in account 555 and demand response items in account 908 are classified as production related accounts. Demand-related production O&M expenses were allocated using the production plant demand allocator. The energy-related production expenses were allocated using loss adjusted energy. Note that the production O&M expense in account 555 includes the costs of transmission service billed to the Company under its FERC-approved contract with APCo.

**Q. PLEASE EXPLAIN THE ALLOCATION OF DISTRIBUTION OPERATION AND MAINTENANCE EXPENSES.**

A. Distribution O&M expenses were classified according to the associated distribution plant accounts and allocated accordingly.

Account 582 – Station Equipment Expenses was allocated based upon Account 362 – Station Equipment.

Account 583 – Overhead Line Expenses was allocated based upon Account 364 – Poles Towers and Fixtures and Account 365 – Overhead Conductors and Devices.

Account 584 – Underground Line Expenses was allocated based upon Account 366 – Underground Conduits and Account 367 – Underground Conductors and Devices.

Account 585 – Street Lighting was classified as customer-related and directly assigned to the street lighting class.

Account 586 – Meter Expense was classified as customer-related and allocated in the same manner as Account 370 – Meters.

Account 587 – Customer Installation Expense was classified as customer-related and allocated on the number of distribution level customers.

Account 581 – Load Dispatching, Account 588 – Miscellaneous Expense, and Account 589 – Rents were allocated on total distribution plant and classified accordingly.

Account 580 - Operation Supervision and Engineering was classified as demand and customer-related and allocated using the allocated subtotal of accounts 581 through 589.

Account 591 – Maintenance of Structures and Account 598 – Maintenance of Miscellaneous Distribution Plant were classified as demand-related and allocated on the basis of distribution plant.

Account 592 – Maintenance of Station Equipment was classified as demand-related and allocated on the basis of Account 362 – Station Equipment.

Accounts 593 – Maintenance of Overhead Lines, 594 – Maintenance of Underground Lines, and 595 – Maintenance of Line Transformers were classified according to the associated distribution plant accounts and allocated accordingly.

Distribution maintenance account 596 – Maintenance of Street Lighting was directly assigned to the street lighting class.

Account 597 – Maintenance of Meters was classified as customer-related and allocated in the same manner as Account 370 – Meters.

Account 590 - Maintenance Supervision and Engineering was classified and allocated based on the sum of the allocated O&M expense accounts 591 through 598.

**Q. HOW WERE CUSTOMER ACCOUNTS (ACCOUNTS 901-905), CUSTOMER INFORMATION (ACCOUNTS 907-910), AND CUSTOMER SERVICE (ACCOUNTS 911-916) EXPENSES ALLOCATED?**

A. Account 901 – Supervision and 905 – Miscellaneous Customer Accounts expenses were allocated based on the sum of the allocated Accounts 902, 903 and 904. All customer accounting expenses were classified as customer-related. Account 902 – Meter Reading Expense was allocated to those classes with meter installations based upon the average number of customers weighted to reflect differences in meter reading requirements. Account 903 – Customer Records and Collection Expense was divided into four categories of cost: (1) Billing, (2) Billing Other, (3) Call Center, and (4) Other. Each of these categories was then allocated based on the average number of customers weighted for estimated differences in customer record-keeping requirements. Account 904 – Uncollectibles Expense was allocated based on the balance of charge-off revenue for each class.

Accounts 907 through 910 – Customer Information Expense and Accounts 911 through 916 – Customer Service Expenses were allocated on the basis of number of customers. Sub-accounts of Account 908-Customer Assistance which relate to Demand Response programs were allocated on production demand. All customer information and service expenses were classified as customer-related.

**Q. PLEASE DESCRIBE THE ALLOCATION OF ADMINISTRATIVE AND GENERAL (A&G) EXPENSE, AND OTHER EXPENSES.**

A. Regulatory Commission expenses were allocated on the basis of customers. Property Insurance was allocated by the corresponding functional plant allocators. A&G labor related expense was classified and allocated using total functional O&M labor expense. Factoring Expense was allocated to the customer classes on functional revenues.

**Q. PLEASE DESCRIBE THE ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSE.**

A. The functionalized components of depreciation and amortization expense were allocated using the corresponding plant items excluding land.

**Q. PLEASE DESCRIBE THE ALLOCATION OF THE VARIOUS TAX EXPENSES.**

A. Individual other tax items were allocated and classified using the appropriate plant, revenue or expense item. State Income Tax was taken directly from the jurisdictional study and allocated to classes on the same basis as current FIT. Current FIT was allocated to each customer class based on pre-tax operating income. Deferred FIT was allocated to each customer class based upon net plant in service.

**Q. HOW WERE THE OTHER REMAINING INCOME ITEMS ALLOCATED?**

A. Interest on Customer Deposits was allocated to classes on the same basis as Customer Deposits. Allowance for Funds Used During Construction Expense

was allocated to the retail classes based on the Company's total construction work in progress. Charitable Contributions was allocated using total functional O&M labor expense.

## FINDINGS

**Q. WHAT WERE THE RESULTS OF THE JURISDICTIONAL AND CLASS COST-OF-SERVICE STUDIES?**

A. The results of the jurisdictional cost-of-service reflect the Total Retail Jurisdiction including the Street Lighting class. Because Street Lighting is a separate contract, not a tariff offering, and not part of this case, it must be excluded from the results using the CCOS. Excluding the Street Lighting costs as determined in the CCOS, the Company's revenue deficiency is $12,118,173. This is the increase that the Company is requesting in this proceeding.

**Q. IS EVERY CUSTOMER CLASS CONTRIBUTING EQUALLY TO THE TOTAL KINGSPORT RETAIL RATE OF RETURN?**

A. No. The results of the CCOS, as illustrated in the prior Table 1, Exhibit No. 1-c (DRB), and Exhibit No. 3-a (DRB), indicate that rates of return vary considerably among the various class and further adjustments in the cost alignment of the various retail rates should be considered in this case. The overall KgPCo retail return, excluding Street Lighting, is -3.54%. Because the Residential and Public School classes have a return lower than the overall average, they are subsidized by the other classes whose returns are higher than the average return.

**Q. PLEASE EXPLAIN THE PRINCIPLES FOLLOWED IN ALLOCATING THE PROPOSED INCREASE OF $12,118,173 AMONG THE TARIFF CLASSES.**

A. A major objective of ratemaking is to design rates such that they reflect as nearly as possible the actual costs of serving the customer (National Association of Regulatory Utility Commissioners; Electric Utility Cost Allocation Manual; 1992; pgs. 12-13). Meeting this objective requires that the rates of return for all classes be equalized. It must be recognized, however, that class rates of return should be brought to equalization gradually to avoid adverse economic impacts on individual customers. The Company is proposing an initial adjustment to rates along with a five-year plan to gradually improve the alignment of each tariff with the underlying cost-of-service.

**Q. WHAT CLASS BY CLASS BASE RATE REVENUE INCREASE IS THE COMPANY PROPOSING?**

A. The following table summarizes the Company's proposed initial revenue increase by customer class prior to rate realignment. It shows that the base rate increases proposed in this case will produce an overall revenue increase of 7.76%.

**TABLE 3**
**Base Rate Increase**

| Class | Total Increase ($) | Total Increase (%) |
|---|---|---|
| Residential | 7,972,450 | 13.41% |
| Small General Service | 97,856 | 4.14% |
| Medium General Service | 434,468 | 4.14% |
| Large General Service | 813,074 | 4.14% |
| Industrial Power | 2,390,846 | 4.14% |
| Electric Heating General | 101,076 | 4.14% |
| Church Service | 39,410 | 4.14% |
| Public Schools | 239,090 | 10.55% |
| Outdoor Lighting | 29,903 | 4.14% |
| **KgPCo Retail** | 12,118,173 | 7.76% |

Company witness Castle explains the Company's rationale for the proposed allocation among classes. Revenue increase calculations and the resulting total revenues and percentage increase by class are presented in Exhibit No. 4-a (DRB) and Exhibit No. 4-b (DRB).

**Q. WILL THE REVENUE INCREASES ALLOCATED TO THE VARIOUS RATE CLASSES RESULT IN REVENUES BEING MORE CLOSELY ALIGNED WITH COSTS?**

A. Not initially. Under the proposed revenue allocation, if approved, the Residential and Public School classes continue to be subsidized at their combined current levels of approximately $6.1 million. This was done in order to maintain the rate increase proposed for these classes at an acceptable level. The remainder of the proposed increase is allocated among the other classes so that each of these

classes has a smaller but equal percentage increase. While the goal remains to move the rates for each class into alignment with the cost-of-service, the initial proposed increases are needed in order to allow the Company to recover the costs of serving each customer class while maintaining reasonable customer bill impacts for all classes.

**Q. WHAT IS THE RESULTING RATE OF RETURN FOR EACH CLASS BASED ON THE COMPANY'S PROPOSED REVENUE ALLOCATION?**

A. The following table summarizes the initial RORs under the proposed revenue allocation along with the current ROR for each class.

**TABLE 4**
**Class Current and Proposed ROR**

| Class | Going Level ROR | Proposed ROR |
|---|---|---|
| Residential | -9.96% | -0.33% |
| Small General Service | 15.91% | 19.51% |
| Medium General Service | 10.07% | 14.59% |
| Large General Service | 16.93% | 23.62% |
| Industrial Power * | 21.20% | 124.69% |
| Electric Heating General | 7.34% | 11.87% |
| Church Service | 6.95% | 10.80% |
| Public Schools | -15.08% | -5.46% |
| Outdoor Lighting | 8.01% | 8.98% |
| **KgPCo Retail** | -3.54% | 6.69% |

***** NOTE: The Industrial Power (IP) class rate base of approximately $1.394 million is relatively small compared to its current revenue of approximately $57.8 million because rate base is primarily distribution and IP customers are generally served at transmission voltages. Therefore, relatively small increases in revenue can have relatively large impacts on the IP class rate of return.

**Q. WHAT ADDITIONAL STEPS IS THE COMPANY PROPOSING TO ADJUST BASE RATES SUCH THAT THEY BETTER ALIGN WITH THE ACTUAL COSTS OF SERVING THE CUSTOMER CLASSES?**

A. As discussed earlier, following the initial rate increase, the Company proposes annual rate adjustments through a Rate Realignment Rider, as explained by witness Castle. This revenue neutral realignment adjusts rates annually for the 5 years following the initial rate increase in order to continue the gradual transition toward cost alignment among tariffs. After 6 years, class returns are equalized based on the current study data. Each class is limited to no more than a 2.31% increase per-year, until rates for all classes reach the cost-of-service amounts. Calculations for this rider are presented in Exhibit No. 5 (DRB). The annual rate adjustments are based on rate year billing units and are presented, by class, in the following table:

**TABLE 5**
**Base Rate and Rate Realignment Rider Percentage Adjustments**

| | Base Rate | Rate Realignment Rider | | | | |
|---|---|---|---|---|---|---|
| **Year** | **1** | **2** | **3** | **4** | **5** | **6** |
| **Class** | **%** | **%** | **%** | **%** | **%** | **%** |
| RS | 13.41 | 2.31 | 2.31 | 2.31 | 1.44 | - |
| SGS | 4.14 | -1.64 | -1.71 | -3.86 | -7.15 | - 0.51 |
| MGS | 4.14 | -1.64 | -1.71 | -2.21 | -1.57 | - |
| LGS | 4.14 | -1.64 | -1.71 | -2.92 | -3.89 | -0.28 |
| IP | 4.14 | -1.64 | -1.71 | -1.25 | - | - |
| EHG | 4.14 | -1.64 | -1.71 | -1.27 | - | - |
| CS | 4.14 | -1.64 | -1.71 | -0.95 | - | - |
| PS | 10.55 | 2.31 | 2.31 | 2.31 | 2.31 | 2.26 |
| OL | 4.14 | -1.64 | -1.71 | -2.78 | -3.65 | - |
| Sum $ | $12.1 | - | - | - | - | - |

**Q. WHAT ARE THE CUMULATIVE ANNUAL RATE CHANGES PROPOSED UNDER THE RATE REALIGNMENT RIDER?**

A. Cumulative annual rate adjustments are presented, by class, in the following table:

**TABLE 6**
**Rate Realignment Rider Cumulative Annual Base Rate Adjustments**

| Year | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| **Class** | **¢/kWh** | **¢/kWh** | **¢/kWh** | **¢/kWh** | **¢/kWh** |
| RS | 0.2290 | 0.4630 | 0.7020 | 0.8540 | 0.8540 |
| SGS | -0.1870 | -0.3790 | -0.804 | -1.5620 | -1.6120 |
| MGS | -0.1650 | -0.3340 | -0.5490 | -0.6980 | -0.6980 |
| LGS | -0.1420 | -0.2870 | -0.5310 | -0.8470 | -0.8690 |
| IP | -0.1030 | -0.2090 | -0.2850 | -0.2850 | -0.2850 |
| EHG | -0.1620 | -0.3280 | -0.4490 | -0.4490 | -0.4490 |
| CS | -0.1690 | -0.3420 | -0.4370 | -0.4370 | -0.4370 |
| PS | 0.2070 | 0.4180 | 0.6340 | 0.8550 | 1.0770 |
| OL | -0.2830 | -0.5720 | -1.0350 | -1.6240 | -1.6240 |

**Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

A. Yes it does.

**Kingsport Power Company**
**Summary Revenue Deficiency**
**12-Month Period Ending 12/31/2014**

KgPCo Exhibit No. 1-a (DRB)


| Line No. | (1) Description | (2) Source | (3) $s |
|---|---|---|---|
| 1 | | | |
| 2 | Rate Base | JCOS | 71,500,894 |
| 3 | | | |
| 4 | Adjusted Net Operating Income | JCOS | (2,529,312) |
| 5 | | | |
| 6 | Overall Rate of Return | Line 4 / Line 2 | -3.54% |
| 7 | | | |
| 8 | Rate of Return | JCOS | 6.69% |
| 9 | | | |
| 10 | Income Requirement | Line 2 x Line 8 | 4,783,410 |
| 11 | | | |
| 12 | Income Deficiency | Line 10 - Line 4 | 7,312,722 |
| 13 | | | |
| 14 | Revenue Conversion Factor | JCOS | 1.657136 |
| 15 | | | |
| 16 | Total Revenue Requirement | Line 12 x Line 14 | **12,118,173** |

## KgPCo Jurisdictional Cost of Service Study Summary
## Twelve Months Ending December 31, 2014



| Line No. | Description | TOTAL COMPANY GOING LEVEL REVENUE AFTER ADJUSTMENTS & ASSIGNMENT | STREET LIGHTING | TOTAL COMPANY - EXCLUDING STREET LIGHTING GOING LEVEL REVENUE AFTER ADJUSTMENTS & ASSIGNMENT | Gross Revenue Conversion Factor | | PROFORMA ADJUSTMENTS | AFTER ADJUSTMENTS & ASSIGNMENT PROFORMA ADJUSTED |
|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) = (2) - (3) | (5) | | (6) | (7) = (4) + (6) |
| 1 | **Operating Revenues - Sale of Electricity** | 157,609,689 | 1,448,049 | 156,161,640 | | | | 156,161,640 |
| 2 | Increase in Operating Revenues | | | - | | | 12,118,173 | **12,118,173** |
| 3 | Other Electric Operating Revenues | 1,805,660 | 80,275 | 1,725,385 | 0.001768 | (1) | 21,425 | 1,746,810 |
| 4 | Non-Firm Sales Revenues | - | - | - | | | | - |
| 5 | Total Operating Revenues | 159,415,349 | 1,528,324 | 157,887,025 | | | 12,139,598 | 170,026,624 |
| 6 | Percent Increase in Operating Revenue | | | | | | | **7.76%** |
| 7 | **Operation and Maintenance Expenses** | | | | | | | |
| 8 | Power Production | 141,108,293 | 298,570 | 140,809,723 | | | | 140,809,723 |
| 9 | Transmission | - | - | - | | | | - |
| 10 | Distribution | 6,830,320 | 268,711 | 6,561,609 | | | | 6,561,609 |
| 11 | Customer Accounts | 1,478,532 | 74 | 1,478,458 | 0.004599 | (2) | 55,830 | 1,534,288 |
| 12 | Customer Service & Information | 686,750 | 31 | 686,719 | | | | 686,719 |
| 13 | Sales Expense | 14,584 | 1 | 14,583 | | | | 14,583 |
| 14 | Administrative and General | 1,660,512 | 45,580 | 1,614,932 | | | | 1,614,932 |
| 15 | Other O & M | 730,469 | 6,711 | 723,757 | | | | 723,757 |
| 16 | Total Operation and Maintenance Expense | 152,509,460 | 619,679 | 151,889,781 | | | 55,830 | 151,945,611 |
| 17 | Depreciation and Amortization Expense | 5,649,179 | 302,509 | 5,346,671 | | | | 5,346,671 |
| 18 | Taxes Other than Income | 5,885,423 | 111,961 | 5,773,462 | 0.004250 | (3) | 51,356 | 5,824,818 |
| 19 | Charitable Contributions | 9,821 | 259 | 9,562 | | | | 9,562 |
| 20 | Other Income / Expense (incl. AFUDC) | 234,315 | (206) | 234,521 | | | | 234,521 |
| 21 | **Total Other Expenses** | 11,778,737 | 414,522 | 11,364,216 | | | 51,356 | 11,415,572 |
| 22 | Net Operating Income Before Income Tax | (4,872,848) | 494,123 | (5,366,971) | | | 12,032,412 | 6,665,441 |
| 23 | **Total State Income Tax** | (445,755) | 45,201 | (490,957) | 0.064997 | (4) | 782,071 | 291,114 |
| 24 | **Federal Income Tax** | | | | | | | |
| 25 | Current Federal Income Tax | (1,670,847) | 169,430 | (1,840,276) | 0.350000 | (5) | 3,937,620 | 2,097,343 |
| 26 | Deferred Federal Income Tax | (535,455) | (29,029) | (506,427) | | | | (506,427) |
| 27 | Deferred Investment Tax Credit | | - | - | | | | - |
| 28 | Total Federal Income Taxes | (2,206,302) | 140,401 | (2,346,703) | | | 3,937,620 | 1,590,917 |
| 29 | **Net Operating Income** | (2,220,791) | 308,521 | (2,529,312) | 1.657136 | (6) | 7,312,722 | 4,783,410 |
| 30 | Electric Plant in Service | 147,091,090 | 7,981,300 | 139,109,790 | | | | 139,109,790 |
| 31 | Accumulated Provision for Depreciation & Amortization | (56,580,124) | (3,074,423) | (53,505,702) | | | | (53,505,702) |
| 32 | Working Capital Requirement | 7,078,967 | 257,513 | 6,821,453 | | | | 6,821,453 |
| 33 | Other Rate Base Offsets | (21,890,932) | (966,284) | (20,924,648) | | | | (20,924,648) |
| 34 | **Rate Base** | 75,699,001 | 4,198,107 | 71,500,894 | | | - | 71,500,894 |
| 35 | **Rate of Return on Rate Base** | **-2.93%** | **7.35%** | **-3.54%** | | | | 6.69% |

NOTES:
(1) Forfeited Discounts
(2) Uncollectibles
(3) TRA Inspection Fee
(4) State Tax
(5) Federal Tax
(6) Gross Revenue Conversion Factor

## KgPCo Class Cost of Service Study Summary
## Twelve Months Ending December 31, 2014



| Line No. | Description | Total Retail* | RS | SGS | MGS | LGS | IP | CS | PS | EHG | OL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| 1 | **Operating Revenues - Sale of Electricity** | 156,161,640 | 59,442,780 | 2,365,884 | 10,504,269 | 19,657,945 | 57,804,203 | 952,823 | 2,267,017 | 2,443,736 | 722,983 |
| 2 | Other Electric Operating Revenues | 1,725,385 | 1,238,944 | 40,272 | 137,807 | 169,923 | 28,717 | 12,855 | 27,871 | 32,097 | 36,901 |
| 3 | Non-Firm Sales Revenues | - | - | - | - | - | - | - | - | - | - |
| 4 | Total Operating Revenues | 157,887,025 | 60,681,724 | 2,406,156 | 10,642,076 | 19,827,868 | 57,832,920 | 965,678 | 2,294,888 | 2,475,833 | 759,884 |
| 5 | **Operation and Maintenance Expenses** | | | | | | | | | | |
| 6 | Power Production | 140,809,723 | 55,933,597 | 1,456,976 | 8,025,650 | 15,359,596 | 54,902,572 | 731,050 | 2,322,238 | 1,916,134 | 161,912 |
| 7 | Transmission | - | - | - | - | - | - | - | - | - | - |
| 8 | Distribution | 6,561,609 | 4,631,855 | 112,747 | 515,503 | 776,026 | 132,764 | 58,158 | 146,375 | 133,751 | 54,430 |
| 9 | Customer Accounts | 1,478,458 | 1,204,979 | 87,436 | 69,464 | 20,198 | 10,649 | 4,482 | 776 | 14,464 | 66,009 |
| 10 | Customer Service & Information | 686,719 | 336,926 | 10,153 | 39,619 | 65,642 | 204,501 | 3,778 | 12,282 | 9,832 | 3,986 |
| 11 | Sales Expense | 14,583 | 11,799 | 1,030 | 391 | 69 | 2 | 53 | 9 | 169 | 1,061 |
| 12 | Administrative and General | 1,614,932 | 1,189,063 | 52,066 | 108,124 | 131,789 | 33,571 | 11,110 | 23,981 | 27,147 | 38,082 |
| 13 | Other O & M | 723,757 | 275,498 | 10,965 | 48,684 | 91,108 | 267,903 | 4,416 | 10,507 | 11,326 | 3,351 |
| 14 | Total Operation and Maintenance Expense | 151,889,781 | 63,583,716 | 1,731,373 | 8,807,435 | 16,444,428 | 55,551,962 | 813,046 | 2,516,167 | 2,112,823 | 328,831 |
| 15 | Depreciation and Amortization Expense | 5,346,671 | 3,736,008 | 126,885 | 442,613 | 554,499 | 97,213 | 45,041 | 105,909 | 103,554 | 134,950 |
| 16 | Taxes Other than Income | 5,773,462 | 2,616,154 | 99,007 | 407,444 | 697,013 | 1,677,470 | 38,140 | 90,443 | 95,036 | 52,755 |
| 17 | Charitable Contributions | 9,562 | 7,031 | 291 | 651 | 810 | 216 | 66 | 146 | 162 | 189 |
| 18 | Other Income / Expense (incl. AFUDC) | 234,521 | 161,631 | 8,335 | 25,652 | 31,454 | (68) | 968 | (55) | 6,696 | (92) |
| 19 | **Total Other Expenses** | 11,364,216 | 6,520,824 | 234,517 | 876,360 | 1,283,776 | 1,774,831 | 84,215 | 196,443 | 205,448 | 187,801 |
| 20 | Net Operating Income Before Income Tax | (5,366,971) | (9,422,816) | 440,265 | 958,281 | 2,099,664 | 506,126 | 68,417 | (417,723) | 157,561 | 243,252 |
| 21 | **Total State Income Tax** | (490,957) | (861,975) | 40,274 | 87,661 | 192,072 | 46,299 | 6,259 | (38,212) | 14,413 | 22,252 |
| 22 | **Federal Income Tax** | | | | | | | | | | |
| 23 | Current Federal Income Tax | (1,840,276) | (3,230,981) | 150,962 | 328,584 | 719,952 | 173,545 | 23,459 | (143,233) | 54,026 | 83,408 |
| 24 | Deferred Federal Income Tax | (506,427) | (352,645) | (11,734) | (42,333) | (53,394) | (9,208) | (4,306) | (10,190) | (9,889) | (12,728) |
| 25 | Deferred Investment Tax Credit | - | - | - | - | - | - | - | - | - | - |
| 26 | Total Federal Income Taxes | (2,346,703) | (3,583,626) | 139,229 | 286,252 | 666,558 | 164,337 | 19,153 | (153,422) | 44,137 | 70,681 |
| 27 | **Net Operating Income** | (2,529,312) | (4,977,215) | 260,762 | 584,368 | 1,241,035 | 295,490 | 43,005 | (226,088) | 99,011 | 150,319 |
| 28 | Electric Plant in Service | 139,109,790 | 96,858,029 | 3,221,315 | 11,632,106 | 14,671,975 | 2,528,301 | 1,183,231 | 2,800,209 | 2,717,151 | 3,497,473 |
| 29 | Accumulated Provision for Depreciation & Amortization | (53,505,702) | (37,248,531) | (1,237,918) | (4,476,397) | (5,646,415) | (971,787) | (455,342) | (1,077,769) | (1,045,495) | (1,346,047) |
| 30 | Working Capital Requirement | 6,821,453 | 4,922,127 | 189,920 | 501,787 | 627,600 | 143,613 | 51,114 | 116,070 | 121,579 | 147,643 |
| 31 | Other Rate Base Offsets | (20,924,648) | (14,540,701) | (534,334) | (1,853,322) | (2,322,191) | (306,034) | (160,372) | (339,302) | (444,993) | (423,398) |
| 32 | **Rate Base** | 71,500,894 | 49,990,924 | 1,638,982 | 5,804,174 | 7,330,969 | 1,394,093 | 618,631 | 1,499,207 | 1,348,242 | 1,875,671 |
| 33 | **Rate of Return on Rate Base** | **-3.54%** | **-9.96%** | **15.91%** | **10.07%** | **16.93%** | **21.20%** | **6.95%** | **-15.08%** | **7.34%** | **8.01%** |
| 34 | Income Increase | 7,312,721 | 4,810,982 | 59,051 | 262,180 | 490,650 | 1,442,758 | 23,782 | 144,279 | 60,994 | 18,045 |
| 35 | Proposed Income | 4,783,409 | (166,234) | 319,813 | 846,549 | 1,731,685 | 1,738,248 | 66,787 | (81,809) | 160,006 | 168,364 |
| 36 | **Proposed Rate of Return on Rate Base** | **6.69%** | **-0.33%** | **19.51%** | **14.59%** | **23.62%** | **124.69%** | **10.80%** | **-5.46%** | **11.87%** | **8.98%** |
| 37 | Revenue Increase | 12,118,172 | 7,972,450 | 97,856 | 434,468 | 813,074 | 2,390,846 | 39,410 | 239,090 | 101,076 | 29,903 |
| 38 | Percentage Increase | **7.76%** | **13.41%** | **4.14%** | **4.14%** | **4.14%** | **4.14%** | **4.14%** | **10.55%** | **4.14%** | **4.14%** |
| 39 | Proposed Revenue | 168,279,812 | 67,415,230 | 2,463,740 | 10,938,737 | 20,471,019 | 60,195,049 | 992,233 | 2,506,107 | 2,544,812 | 752,886 |

* Excludes Street Lighting

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

| Line No. | Description | TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT | NON-APPLICABLE | PJM TRANSMISSION OWNER | TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS | TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS | **TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT** | ALLOCATOR | SOURCE | WORKPAPER |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)=(2)-(3)-(4) | (6) | (7)=(5)+(6) | (8) | (9) | (10) |
| 1 | **Operating Revenues - Sale of Electricity** | 158,546,315 | - | - | 158,546,315 | (936,626) | 157,609,689 | | | |
| 2 | Other Electric Operating Revenues | 5,861,589 | - | 4,058,048 | 1,803,541 | 2,119 | 1,805,660 | | | |
| 3 | Non-Firm Sales Revenues | - | - | - | - | - | - | | | |
| 4 | Total Operating Revenues | 164,407,904 | - | 4,058,048 | 160,349,856 | (934,507) | 159,415,349 | | | |
| 5 | **Operation and Maintenance Expenses** | | | | | | | | | |
| 6 | Power Production | 141,721,465 | - | - | 141,721,465 | (613,172) | 141,108,293 | | | |
| 7 | Transmission | 596,987 | - | 596,987 | - | - | - | | | |
| 8 | Distribution | 3,692,799 | - | - | 3,692,799 | 3,137,521 | 6,830,320 | | | |
| 9 | Customer Accounts | 1,491,768 | - | - | 1,491,768 | (13,236) | 1,478,532 | | | |
| 10 | Customer Service & Information | 57,432 | - | - | 57,432 | 629,318 | 686,750 | | | |
| 11 | Sales Expense | 14,584 | - | - | 14,584 | - | 14,584 | | | |
| 12 | Administrative and General | 1,907,672 | - | 253,036 | 1,654,636 | 5,876 | 1,660,512 | | | |
| 13 | Other O & M | 730,469 | - | - | 730,469 | - | 730,469 | | | |
| 14 | Total Operation and Maintenance Expense | 150,213,176 | - | 850,023 | 149,363,153 | 3,146,307 | 152,509,460 | | | |
| 15 | Depreciation and Amortization Expense | 5,751,869 | - | 783,655 | 4,968,214 | 680,965 | 5,649,179 | | | |
| 16 | Taxes Other than Income | 6,117,775 | - | 374,199 | 5,743,576 | 141,847 | 5,885,423 | | | |
| 17 | Charitable Contributions | 9,821 | - | - | 9,821 | - | 9,821 | | | |
| 18 | Other Income / Expense (incl. AFUDC) | 232,524 | - | (1,791) | 234,315 | - | 234,315 | | | |
| 19 | **Total Other Expenses** | 12,111,988 | - | 1,156,063 | 10,955,925 | 822,812 | 11,778,737 | | | |
| 20 | Net Operating Income Before Income Tax | 2,082,740 | - | 2,051,962 | 30,777 | (4,903,626) | (4,872,848) | | | |
| 21 | **Total State Income Tax** | (123,597) | 1,453 | 52,258 | (177,308) | (268,447) | (445,755) | | | |
| 22 | **Federal Income Tax** | | | | | | | | | |
| 23 | Current Federal Income Tax | (1,327,962) | (187,749) | 110,289 | (1,250,502) | (420,345) | (1,670,847) | | | |
| 24 | Deferred Federal Income Tax | 1,769,306 | 326,821 | 535,412 | 907,073 | (1,442,528) | (535,455) | | | |
| 25 | Deferred Investment Tax Credit | - | - | - | - | - | - | | | |
| 26 | Total Federal Income Taxes | 441,344 | 139,072 | 645,701 | (343,429) | (1,862,873) | (2,206,302) | | | |
| 27 | **Net Operating Income** | 1,764,993 | (140,525) | 1,354,003 | 551,515 | (2,772,306) | (2,220,791) | | | |
| 28 | Electric Plant in Service | 168,219,638 | - | 30,877,957 | 137,341,681 | 9,749,409 | 147,091,090 | | | |
| 29 | Accumulated Provision for Depreciation & Amortizatio | (63,736,410) | - | (11,449,453) | (52,286,957) | (4,293,167) | (56,580,124) | | | |
| 30 | Working Capital Requirement | 7,758,058 | - | 679,091 | 7,078,967 | - | 7,078,967 | | | |
| 31 | Other Rate Base Offsets | (26,574,342) | - | (4,683,411) | (21,890,932) | - | (21,890,932) | | | |
| 32 | **Rate Base** | 85,666,944 | - | 15,424,185 | 70,242,759 | 5,456,242 | 75,699,001 | | | |
| 33 | **Rate of Return on Rate Base** | | | **8.78%** | **0.79%** | | **-2.93%** | | | |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

| Line No. | Description | TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT | NON-APPLICABLE | PJM TRANSMISSION OWNER | TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS | TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS | **TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT** | ALLOCATOR | SOURCE | WORKPAPER |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)=(2)-(3)-(4) | (6) | (7)=(5)+(6) | (8) | (9) | (10) |
| | **Development of Rate Base** | | | | | | | | | |
| 1 | Electric Plant in Service (Includes Completed Construction Not Classified) | | | | | | | | | |
| 2 | Intangible Plant | 1,957,505 | - | 225,215 | 1,732,291 | 374,889 | 2,107,180 | General Plant | | Elect. Plnt. In Serv. |
| 3 | **Production Plant** | | | | | | | | | |
| 4 | Production Plant | - | - | - | - | - | - | Demand | | |
| 5 | Total Production Plant | - | - | - | - | - | - | | | |
| 6 | **Transmission Plant** | | | | | | | | | |
| 7 | Transmission Plant | 29,327,301 | - | 29,327,301 | - | - | - | Direct | BalSht | Elect. Plnt. In Serv. |
| 8 | Total Transmission Plant | 29,327,301 | - | 29,327,301 | - | - | - | | BalSht | Elect. Plnt. In Serv. |
| 9 | **Distribution Plant** | | | | | | | | | |
| 10 | A360 Land and Land Rights | 2,372,513 | - | - | 2,372,513 | (684) | 2,371,829 | Direct | | Elect. Plnt. In Serv. |
| 11 | A361 Structures and Improvements | 643,788 | - | - | 643,788 | - | 643,788 | Direct | | Elect. Plnt. In Serv. |
| 12 | A362 Station Equipment | 15,753,488 | - | - | 15,753,488 | 3,519,165 | 19,272,653 | Direct | | Elect. Plnt. In Serv. |
| 13 | A363 Storage Battery Equipment | - | - | - | - | - | - | Direct | | Elect. Plnt. In Serv. |
| 14 | A364 Poles, Towers & Fixtures | 22,149,499 | - | - | 22,149,499 | 1,035,613 | 23,185,112 | Direct | | Elect. Plnt. In Serv. |
| 15 | A365 O.H. Conductors & Devices | 25,590,010 | - | - | 25,590,010 | 3,614,990 | 29,205,000 | Direct | | Elect. Plnt. In Serv. |
| 16 | A366 Underground Conduits | 4,709,858 | - | - | 4,709,858 | (5,004) | 4,704,854 | Direct | | Elect. Plnt. In Serv. |
| 17 | A367 U.G. Conductors & Devices | 7,852,007 | - | - | 7,852,007 | (48,079) | 7,803,928 | Direct | | Elect. Plnt. In Serv. |
| 18 | A368 Line Transformers | 24,559,070 | - | - | 24,559,070 | (35,110) | 24,523,960 | Direct | | Elect. Plnt. In Serv. |
| 19 | A369 Services | 11,019,556 | - | - | 11,019,556 | 1,608,510 | 12,628,066 | Direct | | Elect. Plnt. In Serv. |
| 20 | A370 Meters | 6,294,733 | - | - | 6,294,733 | (648,578) | 5,646,155 | Direct | | Elect. Plnt. In Serv. |
| 21 | A371 Install. on Customer Prem. | 2,379,394 | - | - | 2,379,394 | (125,193) | 2,254,201 | Direct | | Elect. Plnt. In Serv. |
| 22 | A373 Street Lights | 7,643,586 | - | - | 7,643,586 | (210,520) | 7,433,066 | Direct | | Elect. Plnt. In Serv. |
| 23 | Total Distribution Plant | 130,967,501 | - | - | 130,967,501 | 8,705,110 | 139,672,611 | | BalSht | Elect. Plnt. In Serv. |
| 24 | **General Plant** | | | | | | | | | |
| 25 | General Plant | 2,710,237 | - | 311,818 | 2,398,420 | 669,410 | 3,067,830 | Payroll | | Elect. Plnt. In Serv. |
| 26 | A39919 ARO General Plant | - | - | - | - | - | - | Payroll | | |
| 27 | Total General Plant | 2,710,237 | - | 311,818 | 2,398,420 | 669,410 | 3,067,830 | | | Elect. Plnt. In Serv. |
| 28 | Total Electric Plant in Service | 164,962,545 | - | 29,864,333 | 135,098,212 | 9,749,409 | 144,847,621 | | | Elect. Plnt. In Serv. |
| 29 | Completed Construction Not Classified (Included in Electric Plant in Service) | | | | | | | | | |
| 30 | **Plant Held for Future Use** | | | | | | | | | |
| 31 | Production | - | - | - | - | - | - | Production Plant | | |
| 32 | Transmission | - | - | - | - | - | - | Transmission Plant | | |
| 33 | Distribution | 34,829 | - | - | 34,829 | - | 34,829 | Distribution Plant | BalSht | |
| 34 | Total Plant Held for Future Use | 34,829 | - | - | 34,829 | - | 34,829 | | | |
| 35 | **Construction Work in Progress** | | | | | | | | | |
| 36 | Intangible Plant | - | - | - | - | - | - | General Plant | | |
| 37 | Production Plant | - | - | - | - | - | - | Production Plant | | |
| 38 | Transmission Plant | 967,845 | - | 967,845 | - | - | - | Transmission Plant | | CWIP |
| 39 | Distribution Plant | 2,025,488 | - | - | 2,025,488 | - | 2,025,488 | Distribution Plant | | CWIP |
| 40 | General Plant | 228,932 | - | 45,779 | 183,153 | - | 183,153 | Direct | | CWIP |
| 41 | Total Construction Work in Progress | 3,222,265 | - | 1,013,624 | 2,208,640 | - | 2,208,640 | | BalSht | CWIP |
| 42 | Other | - | - | - | - | - | - | | | |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

| Line No. | Description | TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT | NON-APPLICABLE | PJM TRANSMISSION OWNER | TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS | TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS | **TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT** | ALLOCATOR | SOURCE | WORKPAPER |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)=(2)-(3)-(4) | (6) | (7)=(5)+(6) | (8) | (9) | (10) |
| 43 | Total Electric Utility Plant | 168,219,638 | - | 30,877,957 | 137,341,681 | 9,749,409 | 147,091,090 | | | |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

| Line No. | Description | TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT | NON-APPLICABLE | PJM TRANSMISSION OWNER | TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS | TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS | **TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT** | ALLOCATOR | SOURCE | WORKPAPER |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)=(2)-(3)-(4) | (6) | (7)=(5)+(6) | (8) | (9) | (10) |
| 1 | **Accumulated Provision for Depreciation and Amortization** | | | | | | | | | |
| 2 | Production | | | | | | | | | |
| 3 | Steam | - | - | - | - | - | - | Production Plant | | |
| 4 | A317 ARO Steam | - | - | - | - | - | - | Production Plant | | |
| 5 | Total Production Plant | - | - | - | - | - | - | | | |
| 6 | Transmission | | | | | | | | | |
| 7 | Transmission Plant | (11,194,253) | - | (11,194,253) | - | - | - | Transmission Plant | | |
| 8 | Total Transmission Plant | (11,194,253) | - | (11,194,253) | - | - | - | | | |
| 9 | Distribution | | | | | | | | | |
| 10 | Distribution Plant | (50,324,032) | - | - | (50,324,032) | (4,344,600) | (54,668,632) | Distribution Plant | | |
| 11 | Total Distribution Plant | (50,324,032) | - | - | (50,324,032) | (4,344,600) | (54,668,632) | | | |
| 12 | General | (1,244,614) | - | (143,195) | (1,101,419) | 27,060 | (1,074,359) | Payroll | | |
| 13 | General ARO | - | - | - | - | - | - | Payroll | | |
| 14 | Total General Plant | (1,244,614) | - | (143,195) | (1,101,419) | 27,060 | (1,074,359) | | | |
| 15 | Intangible | (973,510) | - | (112,004) | (861,506) | 24,373 | (837,133) | General Plant | | |
| 16 | Total Intangible | (973,510) | - | (112,004) | (861,506) | 24,373 | (837,133) | | | |
| 17 | Total Acc Prov Depreciation and Amortization | (63,736,410) | - | (11,449,453) | (52,286,957) | (4,293,167) | (56,580,124) | | | |
| 18 | **Net Electric Plant in Service** | 104,483,228 | - | 19,428,505 | 85,054,724 | 5,456,242 | 90,510,966 | | | |
| 1 | **Working Capital Requirements** | | | | | | | | | |
| 2 | O&M; Lead / Lag Study | - | - | - | - | - | - | Direct | | |
| 3 | Materials & Supplies - Gross Plant Related (154) | 277,202 | - | 50,883 | 226,320 | - | 226,320 | Gross Plant | BalSht | Working Capital |
| 4 | Prepayments-Payroll Related (165) | 5,225,760 | - | 601,233 | 4,624,527 | - | 4,624,527 | Payroll | | Working Capital |
| 5 | Prepayments-Gross Plant Related (165) | 146,958 | - | 26,975 | 119,983 | - | 119,983 | Gross Plant | BalSht | Working Capital |
| 6 | Prepayments-Distribution (165) | 2,108,137 | - | - | 2,108,137 | - | 2,108,137 | Direct | BalSht | Working Capital |
| 7 | Total Working Capital Requirements | 7,758,058 | - | 679,091 | 7,078,967 | - | 7,078,967 | | | |
| 8 | **Other Rate Base Offsets** | | | | | | | | | |
| 9 | Contr In Aid of Constr Advance (Acct. 2530124) | (123,621) | - | - | (123,621) | - | (123,621) | Direct | BalSht | |
| 10 | Customer Deposits (Acct. 235) | (4,085,238) | - | - | (4,085,238) | - | (4,085,238) | Direct | BalSht | |
| 11 | Accumulated Deferred FIT (Acct. 190.1/282.1/283.1) | (22,361,600) | - | (4,682,651) | (17,678,950) | - | (17,678,950) | Direct | | |
| 12 | Accumulated Deferred ITC (Acct. 255) | (3,883) | - | (760) | (3,123) | - | (3,123) | Direct | BalSht | |
| 13 | Total Other Rate Base Offsets | (26,574,342) | - | (4,683,411) | (21,890,932) | - | (21,890,932) | | | |
| 14 | **Total Rate Base** | 85,666,944 | - | 15,424,185 | 70,242,759 | 5,456,242 | 75,699,001 | | | |
| | **Development of Cost of Service** | | | | | | | | | |
| 1 | **Firm Sales Revenue** | | - | - | - | - | - | Direct | | Calc. |
| 2 | Base (incl. partial fuel & PPAR) | 95,266,338 | - | - | 95,266,338 | 60,387,962 | 155,654,300 | Direct | | Power Bills & Smry |
| 3 | Fuel (non Base) | 27,745,545 | - | - | 27,745,545 | (27,745,545) | - | Direct | | Power Bills & Smry |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

| Line No. | Description | TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT | NON-APPLICABLE | PJM TRANSMISSION OWNER | TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS | TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS | TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT | ALLOCATOR | SOURCE | WORKPAPER |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)=(2)-(3)-(4) | (6) | (7)=(5)+(6) | (8) | (9) | (10) |
| 4 | PPAR (non-Base) | 35,534,432 | - | - | 35,534,432 | (33,579,043) | 1,955,389 | Direct | IncmStmt | Tariff Smry. - Fuel Adj. |
| 5 | Total Firm Sales | 158,546,315 | - | - | 158,546,315 | (936,626) | 157,609,689 | | | Tariff Smry. Data |
| 6 | **Sales for Resale** | | | | | | | | | |
| 7 | Demand Related | - | - | - | - | - | - | Demand | | |
| 8 | Energy Related | - | - | - | - | - | - | Energy | | |
| 9 | Total Sales for Resale | - | - | - | - | - | - | | | |
| 10 | **Other Operating Revenues** | | | | | | | | | |
| 11 | 450-Forfeited Discounts | 280,372 | - | - | 280,372 | - | 280,372 | Direct | IncmStmt | |
| 12 | 451-Miscellaneous Service Revenues | 29,486 | - | - | 29,486 | - | 29,486 | Direct | IncmStmt | |
| 13 | 451-Mis. Serv. Rev. - Reconnect & Bad Check Fe | - | - | - | - | 44,641 | 44,641 | | | |
| 14 | Rent from Electric Property | | | | | | | | | |
| 15 | 4541-Rent-Assoc Cos- Production | - | - | - | - | - | - | Production Plant | | |
| 16 | 4541-Rent-Assoc Cos- Transmission | (56,829) | - | (56,829) | - | - | - | Transmission Plant | | |
| 17 | 4541-Rent-Assoc Cos- Distribution | 85,531 | - | - | 85,531 | - | 85,531 | Distribution Plant | IncmStmt | Rent Revenues |
| 18 | 4542-Rent-Non-Assoc Cos- Production | - | - | - | - | - | - | Production Plant | | |
| 19 | 4542-Rent-Non-Assoc Cos- Transmission | 6,100 | - | 6,100 | - | - | - | Transmission Plant | | Rent Revenues |
| 20 | 4542-Rent-Non-Assoc Cos- Distribution | 1,200 | - | - | 1,200 | - | 1,200 | Distribution Plant | | Rent Revenues |
| 21 | 4544-Rent From Elect Prop-ABD-Nonaf Trans | 37,286 | - | 37,286 | - | - | - | Transmission Plant | | Rent Revenues |
| 22 | 4545-Rent From Elect Prop-Pole Attch Distribution | 1,325,190 | - | - | 1,325,190 | (42,522) | 1,282,668 | Distribution Plant | IncmStmt | Rent Revenues |
| 23 | Total Rent from Electric Property | 1,398,477 | - | (13,443) | 1,411,921 | (42,522) | 1,369,399 | | | Rent Revenues |
| 24 | **Other Electric Revenue** | | | | | | | | | |
| 25 | 456-Other Electric Production | - | - | - | - | - | - | Production Plant | | |
| 26 | 456-Other Electric Rev. Prod - New - Demand | - | - | - | - | - | - | Demand | | |
| 27 | 456-Other Electric Rev. Prod - New - Energy | - | - | - | - | - | - | Energy | | |
| 28 | 456-Other Electric Transmission | 4,071,491 | - | 4,071,491 | - | - | - | Transmission Plant | | Other Electric Revenue |
| 29 | 456-Other Electric Distribution | 81,763 | - | - | 81,763 | - | 81,763 | Distribution Plant | | Other Electric Revenue |
| 30 | 456-Other Electric Local Facility Charge | - | - | - | - | - | - | Distribution Plant | | |
| 31 | Total Other Electric Revenues | 4,153,254 | - | 4,071,491 | 81,763 | - | 81,763 | | | Other Electric Revenue |
| 32 | Total Other Operating Revenues | 5,861,589 | - | 4,058,048 | 1,803,541 | 2,119 | 1,805,660 | | | |
| 33 | Total Operating Revenues | 164,407,904 | - | 4,058,048 | 160,349,856 | (934,507) | 159,415,349 | | | |
| 1 | **Power Production Expenses** | | | | | | | | | |
| 2 | Total Other Production Expense | - | - | - | - | - | - | Production Plant | | |
| 3 | Other Power Supply Expense | | | | | | | | | |
| 4 | 555-Purch Pwr - Generation - Demand | 53,676,584 | - | - | 53,676,584 | 566,986 | 54,243,570 | Direct | | Power Bills & Smry |
| 5 | 555-Purch Pwr - Generation - Energy | 11,425,653 | | | 11,425,653 | (16,395) | 11,409,258 | Direct | | Power Bills & Smry |
| 6 | 555-Purch Power - Transmission - Demand | 12,932,530 | - | - | 12,932,530 | - | 12,932,530 | Direct | | Power Bills & Smry |
| 7 | 555-Purch Power - Transmission - Energy | 1,636,437 | | | 1,636,437 | - | 1,636,437 | Direct | | Power Bills & Smry |
| 8 | 555-Purch Power - Fuel | 62,050,261 | - | - | 62,050,261 | (1,163,763) | 60,886,498 | Direct | | Power Bills & Smry |
| 9 | 556-Sys Control & Load Dispatching | - | - | - | - | - | - | Production Plant | | |
| 10 | 557- Other Expenses | - | - | - | - | - | - | Production Plant | | |
| 11 | Total Other Power Supply Expense | 141,721,465 | - | - | 141,721,465 | (613,172) | 141,108,293 | | IncmStmt | |
| 12 | Total Production O&M Expense | 141,721,465 | - | - | 141,721,465 | (613,172) | 141,108,293 | | | |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

| Line No. | Description | TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT | NON-APPLICABLE | PJM TRANSMISSION OWNER | TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS | TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS | **TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT** | ALLOCATOR | SOURCE | WORKPAPER |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)=(2)-(3)-(4) | (6) | (7)=(5)+(6) | (8) | (9) | (10) |
| 1 | **Transmission Expense** | | | | | | | | | |
| 2 | 560-Supervision & Engineering | 84,095 | - | 84,095 | - | - | - | Transmission Plant | IncmStmt | |
| 3 | 561-Load Dispatching - Company | 49,990 | - | 49,990 | - | - | - | Transmission Plant | IncmStmt | Trans. Load Dispatch |
| 4 | 562-Station Equipment | 117,018 | - | 117,018 | - | - | - | Transmission Plant | IncmStmt | |
| 5 | 563-Overhead Lines | 4,424 | - | 4,424 | - | - | - | Transmission Plant | IncmStmt | |
| 6 | 564-Underground Lines | 0 | - | 0 | - | - | - | Transmission Plant | IncmStmt | |
| 7 | 565-Transmission of Electricity by Others | 0 | - | 0 | - | - | - | Transmission Plant | IncmStmt | |
| 8 | 566-Misc Transmission | (34,185) | - | (34,185) | - | - | - | Transmission Plant | IncmStmt | |
| 9 | 567-Rents | - | - | - | - | - | - | Transmission Plant | IncmStmt | |
| 10 | 575-PJM Regional Market Expenses | - | - | - | - | - | - | Transmission Plant | IncmStmt | |
| 11 | Total Transmission Operation Expense | 221,343 | - | 221,343 | - | - | - | | IncmStmt | |
| 12 | 568-Supervision & Engineering | 3,840 | - | 3,840 | - | - | - | Transmission Plant | IncmStmt | |
| 13 | 569-Structures | 25,661 | - | 25,661 | - | - | - | Transmission Plant | IncmStmt | |
| 14 | 570-Station Equipment | 213,424 | - | 213,424 | - | - | - | Transmission Plant | IncmStmt | |
| 15 | 571-Overhead Lines | 81,621 | - | 81,621 | - | - | - | Transmission Plant | IncmStmt | |
| 16 | 572-Underground Lines | 3 | - | 3 | - | - | - | Transmission Plant | IncmStmt | |
| 17 | 573-Misc Transmission Expenses | 51,095 | - | 51,095 | - | - | - | Transmission Plant | IncmStmt | |
| 18 | Total Transmission Maintenance Expense | 375,644 | - | 375,644 | - | - | - | | | |
| 19 | Total Transmission O&M Expense | 596,987 | - | 596,987 | - | - | - | | | |
| 1 | **Distribution Expense** | | | | | | | | | |
| 2 | 580-Supervision & Engineering | 273,955 | - | - | 273,955 | (1,571) | 272,384 | Distribution Plant | IncmStmt | |
| 3 | 581-Load Dispatching | 6,792 | - | - | 6,792 | - | 6,792 | Distribution Plant | IncmStmt | |
| 4 | 582-Station Equipment | 62,457 | - | - | 62,457 | (1,078) | 61,379 | Distribution Plant | IncmStmt | |
| 5 | 583-Overhead Lines | (25,158) | - | - | (25,158) | 8,324 | (16,834) | Distribution Plant | IncmStmt | |
| 6 | 584-Underground Lines | 50,171 | - | - | 50,171 | 21,299 | 71,470 | Distribution Plant | IncmStmt | |
| 7 | 585-Street & Area Lighting | 37,015 | - | - | 37,015 | (6) | 37,009 | Distribution Plant | IncmStmt | |
| 8 | 586-Meters | 30,240 | - | - | 30,240 | (5,044) | 25,196 | Distribution Plant | IncmStmt | |
| 9 | 587-Customer Installations | 85,685 | - | - | 85,685 | (1,904) | 83,781 | Distribution Plant | IncmStmt | |
| 10 | 588-Misc Distribution | 5,120 | - | - | 5,120 | 753,956 | 759,076 | Distribution Plant | IncmStmt | |
| 11 | 589-Rents | 510,872 | - | - | 510,872 | (55,790) | 455,082 | Distribution Plant | IncmStmt | |
| 12 | Total Distribution Operation | 1,037,148 | - | - | 1,037,148 | 718,186 | 1,755,334 | | IncmStmt | |
| 13 | 590-Supervision & Engineering | 11,305 | - | - | 11,305 | (467) | 10,838 | Distribution Plant | IncmStmt | |
| 14 | 591-Structures | 15,564 | - | - | 15,564 | (61) | 15,503 | Distribution Plant | IncmStmt | |
| 15 | 592-Station Equipment | 137,002 | - | - | 137,002 | (1,353) | 135,649 | Distribution Plant | IncmStmt | |
| 16 | 593-Overhead Lines | 1,863,190 | - | - | 1,863,190 | 2,370,809 | 4,233,999 | Distribution Plant | IncmStmt | |
| 17 | 594-Underground Lines | 110,038 | - | - | 110,038 | 61,078 | 171,116 | Distribution Plant | IncmStmt | |
| 18 | 595-Line Transformers | 176,430 | - | - | 176,430 | (3,900) | 172,530 | Distribution Plant | IncmStmt | |
| 19 | 596-Street & Area Lighting | 120,005 | - | - | 120,005 | (206) | 119,799 | Distribution Plant | IncmStmt | |
| 20 | 597-Meters | 591 | - | - | 591 | (10) | 581 | Distribution Plant | IncmStmt | |
| 21 | 598-Misc Distribution Plant | 221,526 | - | - | 221,526 | (6,555) | 214,971 | Distribution Plant | IncmStmt | |
| 22 | Total Distribution Maintenance | 2,655,650 | - | - | 2,655,650 | 2,419,335 | 5,074,985 | | IncmStmt | |
| 23 | Total Distribution Expense | 3,692,799 | - | - | 3,692,799 | 3,137,521 | 6,830,320 | | | |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

| Line No. | Description | TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT | NON-APPLICABLE | PJM TRANSMISSION OWNER | TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS | TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS | **TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT** | ALLOCATOR | SOURCE | WORKPAPER |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)=(2)-(3)-(4) | (6) | (7)=(5)+(6) | (8) | (9) | (10) |
| 24 | **Customer Accounts Expense** | | | | | | | | | |
| 25 | 901-Supervision & Engineering | 65,775 | - | - | 65,775 | - | 65,775 | No. of Customers | IncmStmt | |
| 26 | 902-Meter Reading | 146,269 | - | - | 146,269 | (5,788) | 140,481 | No. of Customers | IncmStmt | |
| 27 | 903-Customer Records & Collection Expense | 1,274,952 | - | - | 1,274,952 | (7,448) | 1,267,504 | No. of Customers | IncmStmt | |
| 28 | 904-Uncollectible Accounts | 1,734 | - | - | 1,734 | - | 1,734 | No. of Customers | IncmStmt | |
| 29 | 905-Misc Customer Accounts | 3,038 | - | - | 3,038 | - | 3,038 | No. of Customers | IncmStmt | |
| 30 | Total Customer Accounts | 1,491,768 | - | - | 1,491,768 | (13,236) | 1,478,532 | | IncmStmt | |
| 1 | **Customer Service & Information Expense** | | | | | | | | | |
| 2 | 907-Supervision | 14,885 | - | - | 14,885 | - | 14,885 | No. of Customers | IncmStmt | |
| 3 | 908-Customer Assistance | 40,915 | - | - | 40,915 | (1,909) | 39,006 | No. of Customers | IncmStmt | |
| 4 | 908-Customer Assistance - DSM | 992 | - | - | 992 | 300,000 | 300,992 | Direct | IncmStmt | |
| 5 | 908.1-Customer Assistance - Demand Response | - | - | - | - | 331,227 | 331,227 | Direct | | |
| 6 | 909-Information & Instruction | - | - | - | - | - | - | No. of Customers | IncmStmt | |
| 7 | 910-Misc Customer Service | 640 | - | - | 640 | - | 640 | Direct | IncmStmt | |
| 8 | Total Customer Service & Information | 57,432 | - | - | 57,432 | 629,318 | 686,750 | | IncmStmt | |
| 9 | **Sales Expense** | | | | | | | | | |
| 10 | 911-Supervision | - | - | - | - | - | - | | | |
| 11 | 912-Demo & Selling | 14,584 | - | - | 14,584 | - | 14,584 | Direct | IncmStmt | |
| 11 | 913-Advertising | - | - | - | - | - | - | | | |
| 12 | 916-Misc Sales Expense | - | - | - | - | - | - | | | |
| 13 | Total Sales Expense | 14,584 | - | - | 14,584 | - | 14,584 | | IncmStmt | |
| 14 | **Administrative & General Expense** | | | | | | | | | |
| 15 | 920-Salaries | 735,773 | - | 84,652 | 651,121 | (1,894) | 649,227 | Payroll | IncmStmt | |
| 16 | 921-Office Supplies | 44,450 | - | 5,114 | 39,336 | - | 39,336 | Payroll | IncmStmt | |
| 17 | 922-Administrative Expense Transferred | (474,230) | - | (54,561) | (419,669) | - | (419,669) | Payroll | IncmStmt | |
| 18 | 923-Outside Services | 198,535 | - | 22,842 | 175,693 | - | 175,693 | Payroll | IncmStmt | |
| 19 | 924-Property Insurance | 189,747 | - | 34,830 | 154,918 | - | 154,918 | Gross Plant | IncmStmt | |
| 20 | 925-Injuries & Damages | 172,137 | - | 19,805 | 152,332 | - | 152,332 | Payroll | IncmStmt | |
| 21 | 926-Employee Pension & Benefits | 241,738 | - | 27,812 | 213,925 | (93,019) | 120,906 | Payroll | IncmStmt | |
| 22 | 9280002 Reg. Commission Exp-Case | 259 | - | - | 259 | 101,221 | 101,480 | Direct | IncmStmt | |
| 23 | 929-Duplicate Charges | - | - | - | - | - | - | Payroll | IncmStmt | |
| 24 | 930.1-General Advertising Expense | 3,918 | - | - | 3,918 | - | 3,918 | Direct | IncmStmt | |
| 25 | 930.2-Misc General Expense | 108,341 | - | 33,501 | 74,839 | (432) | 74,407 | Direct | IncmStmt | |
| 26 | 931-Rent | 345,184 | - | 39,714 | 305,470 | - | 305,470 | Payroll | IncmStmt | |
| 27 | Total Admin & General Operation | 1,565,850 | - | 213,708 | 1,352,142 | 5,876 | 1,358,017 | | | |
| 28 | 935-Admin & General Maintenance | 341,822 | - | 39,327 | 302,495 | - | 302,495 | Payroll | IncmStmt | |
| 29 | Total Admin & General Expense | 1,907,672 | - | 253,036 | 1,654,636 | 5,876 | 1,660,512 | | | |
| 30 | Subtotal Operation & Maint Exp | 149,482,708 | - | 850,023 | 148,632,685 | 3,146,307 | 151,778,991 | | | |
| 31 | **Other O&M Expense** | | | | | | | | | |
| 32 | Factoring Expense | 730,469 | - | - | 730,469 | - | 730,469 | Direct | IncmStmt | |
| 33 | Other O&M | - | - | - | - | - | - | Direct | | |
| 34 | Other O&M | - | - | - | - | - | - | Direct | | |
| 35 | Total Other O&M Exp | 730,469 | - | - | 730,469 | - | 730,469 | | | |
| 36 | Total Operation & Maint Exp | 150,213,176 | - | 850,023 | 149,363,153 | 3,146,307 | 152,509,460 | | | |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

| Line No. | Description | TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT | NON-APPLICABLE | PJM TRANSMISSION OWNER | TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS | TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS | **TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT** | ALLOCATOR | SOURCE | WORKPAPER |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)=(2)-(3)-(4) | (6) | (7)=(5)+(6) | (8) | (9) | (10) |
| 1 | **Depreciation Expense** | | | | | | | | | |
| 2 | Steam | - | - | - | - | - | - | Production Plant | | |
| 3 | A317 ARO Steam | - | - | - | - | - | - | Production Plant | | |
| 4 | Total Production | - | - | - | - | - | - | | | |
| 5 | Transmission | 714,417 | - | 714,417 | - | - | - | Transmission Plant | | Depreciation Expense |
| 6 | Total Transmission | 714,417 | - | 714,417 | - | - | - | | | |
| 7 | Distribution | 4,435,658 | - | - | 4,435,658 | 703,594 | 5,139,252 | Distribution Plant | | Depreciation Expense |
| 8 | Total Distribution | 4,435,658 | - | - | 4,435,658 | 703,594 | 5,139,252 | | | |
| 9 | General | 71,277 | - | 8,201 | 63,077 | 11,969 | 75,046 | General Plant | | Depreciation Expense |
| 10 | General ARO | - | - | - | - | - | - | General Plant | | |
| 11 | Total General | 71,277 | - | 8,201 | 63,077 | 11,969 | 75,046 | | | |
| 12 | Total Depreciation Expense | 5,221,353 | - | 722,618 | 4,498,735 | 715,563 | 5,214,298 | | IncmStmt | |
| 13 | **Amortization Expense** | | | | | | | | | |
| 14 | Intangible Plant | 514,744 | - | 59,222 | 455,522 | (34,598) | 420,924 | General Plant | | Depreciation Expense |
| 15 | Total Intangible | 514,744 | - | 59,222 | 455,522 | (34,598) | 420,924 | | | |
| 16 | Production | - | - | - | - | - | - | Production Plant | | |
| 17 | Total Production | - | - | - | - | - | - | | | |
| 18 | Transmission Plant | - | - | - | - | - | - | Transmission Plant | | |
| 19 | Total Transmission | - | - | - | - | - | - | | | |
| 20 | Distribution Plant | - | - | - | - | - | - | Distribution Plant | | |
| 21 | Total Distribution | - | - | - | - | - | - | | | |
| 22 | General Plant | 15,772 | - | 1,815 | 13,958 | - | 13,958 | General Plant | | Depreciation Expense |
| 23 | Total General | 15,772 | - | 1,815 | 13,958 | - | 13,958 | | | |
| 24 | Total Amortization Expense | 530,516 | - | 61,037 | 469,480 | (34,598) | 434,882 | | IncmStmt | |
| 25 | Amortization of Plant Acquisition Adjustment | - | - | - | - | - | - | | | |
| 26 | Total Depreciation & Amortization Expense | 5,751,869 | - | 783,655 | 4,968,214 | 680,965 | 5,649,179 | | | |
| | **Other Taxes** | | | | | | | | | |
| 1 | Current Payroll Taxes | | | | | | | | | |
| 2 | FICA | 171,291 | - | 19,707 | 151,584 | 600 | 152,184 | Payroll | IncmStmt | Taxes Other Than Incor |
| 3 | Fed Unemployment | 1,031 | - | 119 | 912 | - | 912 | Payroll | IncmStmt | Taxes Other Than Incor |
| 4 | State Unemployment | (1,641) | - | (189) | (1,453) | - | (1,453) | Payroll | IncmStmt | Taxes Other Than Incor |
| 5 | Total Payroll Related Tax | 170,681 | - | 19,637 | 151,043 | 600 | 151,643 | | IncmStmt | |
| 6 | Real and Personal Property Tax | 1,165,280 | - | 206,363 | 958,917 | 141,247 | 1,100,164 | Direct | IncmStmt | Adjustment OT-32 |
| 7 | **Other** | | | | | | | | | |
| 8 | P.S.C. | 654,642 | - | 120,164 | 534,478 | - | 534,478 | Gross Plant | IncmStmt | Taxes Other Than Incor |
| 9 | Sales & Use | 1,702 | - | - | 1,702 | - | 1,702 | Direct | IncmStmt | Taxes Other Than Incor |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

| Line No. | Description | TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT | NON-APPLICABLE | PJM TRANSMISSION OWNER | TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS | TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS | **TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT** | ALLOCATOR | SOURCE | WORKPAPER |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)=(2)-(3)-(4) | (6) | (7)=(5)+(6) | (8) | (9) | (10) |
| 10 | Bus Franchise | 149,286 | - | 27,403 | 121,883 | - | 121,883 | Gross Plant | | Taxes Other Than Incor |
| 11 | Regis Fee | 3,442 | - | 632 | 2,810 | - | 2,810 | Gross Plant | | Taxes Other Than Incor |
| 12 | State Gross Receipts Tax | 3,972,742 | - | - | 3,972,742 | - | 3,972,742 | Direct | IncmStmt | Taxes Other Than Incor |
| 13 | Federal Excise | - | - | - | - | - | - | Production Plant | | Taxes Other Than Incor |
| 14 | Taxes on Capital Leases | - | - | - | - | - | - | Net Plant | | Taxes Other Than Incor |
| 15 | Total Taxes Other Than Income | 6,117,775 | - | 374,199 | 5,743,576 | 141,847 | 5,885,423 | | | Taxes Other Than Incor |
| 16 | **Other Income / Expense** | | | | | | | | | |
| 17 | Interest on Customer Deposits | 238,216 | - | - | 238,216 | - | 238,216 | Direct | IncmStmt | |
| 18 | Cost of Short-Term Debt | - | - | - | - | - | - | Direct | | |
| 19 | ABFUDC (432) | (5,692) | - | (1,791) | (3,902) | - | (3,902) | CWIP | IncmStmt | |
| 20 | Total Other Income / Expense | 232,524 | - | (1,791) | 234,315 | - | 234,315 | | | |
| 1 | **State Income Tax** | (123,597) | 1,453 | 52,258 | (177,308) | (268,447) | (445,755) | Direct | IncmStmt | |
| 2 | **Current Federal Income Taxes** | (1,327,962) | (187,749) | 110,289 | (1,250,502) | (420,345) | (1,670,847) | Direct | IncmStmt | |
| 3 | **Deferred Federal Income Tax** | 1,769,306 | 326,821 | 535,412 | 907,073 | (1,442,528) | (535,455) | Direct | | |
| 4 | **Deferred Investment Tax Credit** | - | - | - | - | - | - | Direct | | |
| 5 | Total Federal Income Taxes | 441,344 | 139,072 | 645,701 | (343,429) | (1,862,873) | (2,206,302) | | | |
| 1 | **Charitable Contributions** | 9,821 | - | - | 9,821 | - | 9,821 | Direct | | |
| 2 | Total Charitable Contributions | 9,821 | - | - | 9,821 | - | 9,821 | | | |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

| Line No. | Description | TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT | NON-APPLICABLE | PJM TRANSMISSION OWNER | TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS | TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS | **TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT** | ALLOCATOR | SOURCE | WORKPAPER |
|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)=(2)-(3)-(4) | (6) | (7)=(5)+(6) | (8) | (9) | (10) |
| 1 | **Payroll** | | | | | | | | | |
| | (Note: includes KgPCo + Allocated Service Corp.) | | | | | | | | | 2014 FF1, PG. 354 |
| 2 | Production | | | | | | | | | |
| 3 | Demand Related | - | - | - | - | - | - | Demand | | |
| 4 | Energy Related | - | - | - | - | - | - | Energy | | |
| 5 | Total | - | - | - | - | | - | | | |
| 6 | Transmission | 360,720 | - | 360,720 | - | - | - | Direct | | |
| 7 | Distribution | 1,857,415 | - | - | 1,857,415 | - | 1,857,415 | Direct | | |
| 8 | Customer Accounts | 852,455 | - | - | 852,455 | - | 852,455 | No. of Customers | | |
| 9 | Cust. Svcs/Info | 64,693 | - | - | 64,693 | - | 64,693 | No. of Customers | | |
| 10 | Subtotal | 3,135,283 | - | 360,720 | 2,774,563 | - | 2,774,563 | | | |
| 11 | A&G | 615,760 | - | 70,844 | 544,916 | - | 544,916 | Subtotal | | |
| 12 | Total Operation and Maintenance Payroll | 3,751,043 | - | 431,564 | 3,319,479 | - | 3,319,479 | | | |
| 13 | Payroll Labor Allocation Factor | | | 0.11505 | 0.88495 | | | | | |

**Kingsport Power Co.**
**KgPCo Jurisdictional Allocation Factors**
**Twelve Months Ended December 31, 2014**

| Line No. | DESCRIPTION | KgPCo | PJM Transmission Owner |
|---|---|---|---|
| 1 | Demand | 1.0000000 | 0.0000000 |
| 2 | Energy | 1.0000000 | 0.0000000 |
| 3 | Number of Customers | 1.0000000 | 0.0000000 |
| 4 | Production Plant | 0.0000000 | 0.0000000 |
| 5 | Total Transmission Plant | 0.0000000 | 1.0000000 |
| 6 | Distribution Plant | 1.0000000 | 0.0000000 |
| 7 | General Plant | 0.8849482 | 0.1150518 |
| 8 | CWIP | 0.6854310 | 0.3145690 |
| 9 | Total Gross Plant | 0.8164426 | 0.1835574 |
| 10 | Total Net Plant | 0.8140515 | 0.1859485 |
| 11 | Payroll Labor Factor | 0.8849482 | 0.1150518 |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 1<br>OR-1<br>Operating Revenue: Weather Normalization | 2<br>OR-2<br>Operating Revenue: Customer Growth | 3<br>OR-3<br>Operating Revenue: Adjust Revenues From a Book to Billed Basis | 4<br>OR-4<br>Operating Revenue: Transfer Non-Base PPAR and Non-Base Fuel Into Base Revenue | 5<br>OR-5<br>Operating Revenue: Rate Annualization | 6<br>OR-6<br>Operating Revenue: Decrease test year pole attachment revenues to remove prior period adjustment | 7<br>OR-7<br>Operating Revenue: Increase reconnect and bad check fees | 8<br>OM-8<br>O&M: Distribution Reliability to an on-going level level of expenses. Related to a reliability rider. | 9<br>OM-9<br>O&M: Increase test year distribution expense to remove prior period portion (2009-2013) of reclassification recorded in 2014 to capitalize AEPSC | 10<br>OM-10<br>O&M: Increase test year rate case expenses to a going-level. | 11<br>OM-11<br>O&M: Decrease test year pole attachment rental expenses to remove prior period adjustment. | 12<br>OM-12<br>O&M: Normalization of Major Storm Expenses (average of 2010, 2011, 2012 and 2014). |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Operating Revenues - Sale of Electricity | (936,626) | (2,426,081) | (692,989) | 227,055 | - | 1,955,389 | - | - | - | - | - | - | - |
| 2 | Other Electric Operating Revenues | 2,119 | - | - | - | - | - | (42,522) | 44,641 | - | - | - | - | - |
| 3 | Non-Firm Sales Revenues | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Total Operating Revenues | (934,507) | (2,426,081) | (692,989) | 227,055 | - | 1,955,389 | (42,522) | 44,641 | - | - | - | - | - |
| 5 | Operation and Maintenance Expenses | | | | | | | | | | | | | |
| 6 | Power Production | (613,172) | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Distribution | 3,137,521 | - | - | - | - | - | - | - | 2,087,140 | 762,096 | - | (55,790) | 406,528 |
| 9 | Customer Accounts | (13,236) | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Customer Service & Information | 629,318 | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Sales Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Administrative and General | 5,876 | - | - | - | - | - | - | - | - | - | 101,221 | - | - |
| 13 | Other O & M | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Total Operation and Maintenance Expense | 3,146,307 | - | - | - | - | - | - | - | 2,087,140 | 762,096 | 101,221 | (55,790) | 406,528 |
| 15 | Depreciation and Amortization Expense | 680,965 | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Taxes Other than Income | 141,847 | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | Charitable Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Other Income / Expense (incl. AFUDC) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Total Other Expenses | 822,812 | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | Net Operating Income Before Income Tax | (4,903,626) | (2,426,081) | (692,989) | 227,055 | - | 1,955,389 | (42,522) | 44,641 | (2,087,140) | (762,096) | (101,221) | 55,790 | (406,528) |
| 21 | Total State Income Tax | (268,447) | (157,688) | (45,042) | 14,758 | - | 127,094 | (2,764) | 2,902 | (135,658) | - | (6,579) | 3,626 | (26,423) |
| 22 | Federal Income Tax | | | | | | | | | | | | | |
| 23 | Current Federal Income Tax | (420,345) | (793,938) | (226,781) | 74,304 | - | 639,903 | (13,915) | 14,609 | (683,019) | - | (33,125) | 18,257 | (133,037) |
| 24 | Deferred Federal Income Tax | (1,442,528) | - | - | - | - | - | - | - | - | (266,734) | - | - | - |
| 25 | Deferred Investment Tax Credit | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | Total Federal Income Taxes | (1,862,873) | (793,938) | (226,781) | 74,304 | - | 639,903 | (13,915) | 14,609 | (683,019) | (266,734) | (33,125) | 18,257 | (133,037) |
| 27 | Net Operating Income | (2,772,306) | (1,474,455) | (421,166) | 137,993 | - | 1,188,392 | (25,843) | 27,130 | (1,268,463) | (495,362) | (61,517) | 33,907 | (247,068) |
| 28 | Electric Plant in Service | 9,749,409 | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | Accumulated Provision for Depreciation & Amortization | (4,293,167) | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | Working Capital Requirement | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 | Other Rate Base Offsets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Rate Base | 5,456,242 | - | - | - | - | - | - | - | - | - | - | - | - |
| | Rate of Return | | | | | | | | | | | | | |

## KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

### JCOS Adjustments

| Line No. | Description | Adjusted Totals | 13 OM-13 O&M: Energy Efficiency and Residential Load Control Programs | 14 OM-14 O&M: Adjust Fuel Expense for rate year sales | 15 OM-15 O&M: Adjust Non Fuel Purchased Power Expense for rate year sales | 16 OM-16 O&M: Increase PPAR Expense for Rate Annualization | 17 OM-17 O&M: Annualize wage and salary using the pay period ending 3/13/15. | 18 OM-18 O&M: Provide for wage and salary increases through rate year ending 12/31/16 | 19 OM-19 O&M: Increase savings plan expense related to adjustments to wages and overtime | 20 OM-20 O&M: Increase SFAS 106 Other Post-Retirement Benefits expense to pro forma level | 21 OM-21 O&M: Decrease SFAS 87 pension expense to pro forma level | 22 OM-22 O&M: Decrease group Life insurance expense to pro forma level | 23 OM-23 O&M: Decrease group Medical insurance expense to pro forma level | 24 OM-24 O&M: Decrease group Long Term Disability insurance expense to pro forma level |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Operating Revenues - Sale of Electricity | (936,626) | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Other Electric Operating Revenues | 2,119 | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Non-Firm Sales Revenues | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Total Operating Revenues | (934,507) | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Operation and Maintenance Expenses | | | | | | | | | | | | | |
| 6 | Power Production | (613,172) | - | (1,163,763) | (1,428,638) | 1,979,229 | - | - | - | - | - | - | - | - |
| 7 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Distribution | 3,137,521 | - | - | - | - | (60,833) | 66,657 | - | - | - | - | - | - |
| 9 | Customer Accounts | (13,236) | - | - | - | - | (11,390) | 12,481 | - | - | - | - | - | - |
| 10 | Customer Service & Information | 629,318 | 300,000 | - | - | - | (1,715) | 1,880 | - | - | - | - | - | - |
| 11 | Sales Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Administrative and General | 5,876 | - | - | - | - | (2,141) | 2,345 | 291 | 36,258 | (84,659) | (1,672) | (46,264) | (67) |
| 13 | Other O & M | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Total Operation and Maintenance Expense | 3,146,307 | 300,000 | (1,163,763) | (1,428,638) | 1,979,229 | (76,079) | 83,363 | 291 | 36,258 | (84,659) | (1,672) | (46,264) | (67) |
| 15 | Depreciation and Amortization Expense | 680,965 | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Taxes Other than Income | 141,847 | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | Charitable Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Other Income / Expense (incl. AFUDC) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Total Other Expenses | 822,812 | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | Net Operating Income Before Income Tax | (4,903,626) | (300,000) | 1,163,763 | 1,428,638 | (1,979,229) | 76,079 | (83,363) | (291) | (36,258) | 84,659 | 1,672 | 46,264 | 67 |
| 21 | Total State Income Tax | (268,447) | (19,499) | 75,641 | 92,857 | (128,644) | 4,945 | (5,418) | (19) | - | - | 109 | 3,007 | 4 |
| 22 | Federal Income Tax | | | | | | | | | | | | | |
| 23 | Current Federal Income Tax | (420,345) | (98,175) | 380,843 | 467,523 | (647,705) | 24,897 | (27,281) | (95) | - | - | 547 | 15,140 | 22 |
| 24 | Deferred Federal Income Tax | (1,442,528) | - | - | - | - | - | - | - | (12,690) | 29,631 | - | - | - |
| 25 | Deferred Investment Tax Credit | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | Total Federal Income Taxes | (1,862,873) | (98,175) | 380,843 | 467,523 | (647,705) | 24,897 | (27,281) | (95) | (12,690) | 29,631 | 547 | 15,140 | 22 |
| 27 | Net Operating Income | (2,772,306) | (182,326) | 707,279 | 868,258 | (1,202,880) | 46,237 | (50,664) | (177) | (23,568) | 55,028 | 1,016 | 28,117 | 41 |
| 28 | Electric Plant in Service | 9,749,409 | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | Accumulated Provision for Depreciation & Amortization | (4,293,167) | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | Working Capital Requirement | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 | Other Rate Base Offsets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Rate Base | 5,456,242 | - | - | - | - | - | - | - | - | - | - | - | - |

Rate of Return

## KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

### JCOS Adjustments

| Line No. | Description | Adjusted Totals | 25 OM-25 O&M: Increase group Dental insurance expense to pro forma level | 26 OM-26 O&M: Decrease KPCo Incentive Compensation Plan expense to pro forma level | 27 OM-27 OM: Amortization of RTO Demand Response Expense | 28 OM-28 OM: Annualize RTO Demand Response Expense | 29 DE-29 DE: Increase depreciation expense based on test year end depreciable plant balances and currently approved KGPCo | 30 DE-30 DE: Annualize proposed rates at proposed plant in service levels | 31 OT-31 OT: Increase Social Security tax expense related to the annualization of wages and salaries | 32 OT-32 OT: Increase Medicare tax related to wages and salaries | 33 OT-33 OT: Increase Social Security tax expense related to the FICA base increase | 34 OT-34 OT: Increase Property Taxes for Property Additions | 35 FIT-35 FIT: Reflect Current FIT impact of adjustments. | 36 FIT-36 FIT: Reflect Current FIT impact of adjustments to interest. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Operating Revenues - Sale of Electricity | (936,626) | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Other Electric Operating Revenues | 2,119 | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Non-Firm Sales Revenues | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Total Operating Revenues | (934,507) | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Operation and Maintenance Expenses | | | | | | | | | | | | | |
| 6 | Power Production | (613,172) | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Distribution | 3,137,521 | - | (68,277) | - | - | - | - | - | - | - | - | - | - |
| 9 | Customer Accounts | (13,236) | - | (14,327) | - | - | - | - | - | - | - | - | - | - |
| 10 | Customer Service & Information | 629,318 | - | (2,074) | 66,690 | 264,537 | - | - | - | - | - | - | - | - |
| 11 | Sales Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Administrative and General | 5,876 | 3,094 | (2,530) | - | - | - | - | - | - | - | - | - | - |
| 13 | Other O & M | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Total Operation and Maintenance Expense | 3,146,307 | 3,094 | (87,208) | 66,690 | 264,537 | - | - | - | - | - | - | - | - |
| 15 | Depreciation and Amortization Expense | 680,965 | - | - | - | - | 20,516 | 660,449 | - | - | - | - | - | - |
| 16 | Taxes Other than Income | 141,847 | - | - | - | - | - | - | 451 | 106 | 43 | 141,247 | - | - |
| 17 | Charitable Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Other Income / Expense (incl. AFUDC) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Total Other Expenses | 822,812 | - | - | - | - | 20,516 | 660,449 | 451 | 106 | 43 | 141,247 | - | - |
| 20 | Net Operating Income Before Income Tax | (4,903,626) | (3,094) | 87,208 | (66,690) | (264,537) | (20,516) | (660,449) | (451) | (106) | (43) | (141,247) | - | - |
| 21 | Total State Income Tax | (268,447) | (201) | - | - | - | - | (11,562) | (29) | (7) | (3) | (9,181) | - | (44,673) |
| 22 | Federal Income Tax | | | | | | | | | | | | | |
| 23 | Current Federal Income Tax | (420,345) | (1,013) | - | - | - | - | 873,038 | (148) | (35) | (14) | (46,223) | - | (224,924) |
| 24 | Deferred Federal Income Tax | (1,442,528) | - | 30,523 | (23,341) | (92,588) | (7,181) | (1,100,148) | - | - | - | - | - | - |
| 25 | Deferred Investment Tax Credit | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | Total Federal Income Taxes | (1,862,873) | (1,013) | 30,523 | (23,341) | (92,588) | (7,181) | (227,110) | (148) | (35) | (14) | (46,223) | - | (224,924) |
| 27 | Net Operating Income | (2,772,306) | (1,880) | 56,685 | (43,349) | (171,949) | (13,335) | (421,777) | (274) | (64) | (26) | (85,843) | - | 269,597 |
| 28 | Electric Plant in Service | 9,749,409 | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | Accumulated Provision for Depreciation & Amortization | (4,293,167) | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | Working Capital Requirement | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 | Other Rate Base Offsets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Rate Base | 5,456,242 | - | - | - | - | - | - | - | - | - | - | - | - |

Rate of Return

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 37 SIT-37 SIT: Reflect Current SIT impact of adjustments | 38 EP-38 EP: Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements | 39 AD-39 AD: Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant | 40 AD-40 AD: Increase A/D provision from 1/1/15 through the 13-month average ending 12/31/16 for forecasted net plant in-service additions using | 41 AD-41 AD: Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13-month average | XXX- XXX: Xxxx |
|---|---|---|---|---|---|---|---|---|
| 1 | Operating Revenues - Sale of Electricity | (936,626) | - | - | - | - | - | - |
| 2 | Other Electric Operating Revenues | 2,119 | - | - | - | - | - | - |
| 3 | Non-Firm Sales Revenues | - | - | - | - | - | - | - |
| 4 | Total Operating Revenues | (934,507) | - | - | - | - | - | - |
| 5 | Operation and Maintenance Expenses | | | | | | | |
| 6 | Power Production | (613,172) | - | - | - | - | - | - |
| 7 | Transmission | - | - | - | - | - | - | - |
| 8 | Distribution | 3,137,521 | - | - | - | - | - | - |
| 9 | Customer Accounts | (13,236) | - | - | - | - | - | - |
| 10 | Customer Service & Information | 629,318 | - | - | - | - | - | - |
| 11 | Sales Expense | - | - | - | - | - | - | - |
| 12 | Administrative and General | 5,876 | - | - | - | - | - | - |
| 13 | Other O & M | - | - | - | - | - | - | - |
| 14 | Total Operation and Maintenance Expense | 3,146,307 | - | - | - | - | - | - |
| 15 | Depreciation and Amortization Expense | 680,965 | - | - | - | - | - | - |
| 16 | Taxes Other than Income | 141,847 | - | - | - | - | - | - |
| 17 | Charitable Contributions | - | - | - | - | - | - | - |
| 18 | Other Income / Expense (incl. AFUDC) | - | - | - | - | - | - | - |
| 19 | Total Other Expenses | 822,812 | - | - | - | - | - | - |
| 20 | Net Operating Income Before Income Tax | (4,903,626) | - | - | - | - | - | - |
| 21 | Total State Income Tax | (268,447) | - | - | - | - | - | - |
| 22 | Federal Income Tax | | | | | | | |
| 23 | Current Federal Income Tax | (420,345) | - | - | - | - | - | - |
| 24 | Deferred Federal Income Tax | (1,442,528) | - | - | - | - | - | - |
| 25 | Deferred Investment Tax Credit | - | - | - | - | - | - | - |
| 26 | Total Federal Income Taxes | (1,862,873) | - | - | - | - | - | - |
| 27 | Net Operating Income | (2,772,306) | - | - | - | - | - | - |
| 28 | Electric Plant in Service | 9,749,409 | - | 9,749,409 | - | - | - | - |
| 29 | Accumulated Provision for Depreciation & Amortization | (4,293,167) | - | - | (20,516) | (7,988,600) | 3,715,949 | - |
| 30 | Working Capital Requirement | - | - | - | - | - | - | - |
| 31 | Other Rate Base Offsets | - | - | - | - | - | - | - |
| 32 | Rate Base | 5,456,242 | - | 9,749,409 | (20,516) | (7,988,600) | 3,715,949 | - |

Rate of Return

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 1<br>OR-1<br>Operating Revenue: Weather Normalization | 2<br>OR-2<br>Operating Revenue: Customer Growth | 3<br>OR-3<br>Operating Revenue: Adjust Revenues From a Book to Billed Basis | 4<br>OR-4<br>Operating Revenue: Transfer Non-Base PPAR and Non-Base Fuel Into Base Revenue | 5<br>OR-5<br>Operating Revenue: Rate Annualization | 6<br>OR-6<br>Operating Revenue: Decrease test year pole attachment revenues to remove prior period adjustment | 7<br>OR-7<br>Operating Revenue: Increase reconnect and bad check fees | 8<br>OM-8<br>O&M: Distribution Reliability to an on-going level level of expenses. Related to a reliability rider. | 9<br>OM-9<br>O&M: Increase test year distribution expense to remove prior period portion (2009-2013) of reclassification recorded in 2014 to capitalize AEPSC | 10<br>OM-10<br>O&M: Increase test year rate case expenses to a going-level. | 11<br>OM-11<br>O&M: Decrease test year pole attachment rental expenses to remove prior period adjustment. | 12<br>OM-12<br>O&M: Normalization of Major Storm Expenses (average of 2010, 2011, 2012 and 2014). |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Development of Rate Base** | | | | | | | | | | | | | |
| 1 | Electric Plant in Service (Includes Completed Construct | 374,889 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Intangible Plant | 374,889 | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | **Production Plant** | | | | | | | | | | | | | |
| 4 | Steam Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | **Transmission Plant** | | | | | | | | | | | | | |
| 7 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | **Distribution Plant** | | | | | | | | | | | | | |
| 10 | A360 Land and Land Rights | (684) | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | A361 Structures and Improvements | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | A362 Station Equipment | 3,519,165 | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | A363 Storage Battery Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | A364 Poles, Towers & Fixtures | 1,035,613 | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | A365 O.H. Conductors & Devices | 3,614,990 | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | A366 Underground Conduits | (5,004) | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | A367 U.G. Conductors & Devices | (48,079) | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | A368 Line Transformers | (35,110) | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | A369 Services | 1,608,510 | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | A370 Meters | (648,578) | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | A371 Install. on Customer Prem. | (125,193) | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | A373 Street Lights | (210,520) | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Total Distribution Plant | 8,705,110 | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | **General Plant** | | | | | | | | | | | | | |
| 25 | General Plant | 669,410 | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | A39919 ARO General Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | Total General Plant | 669,410 | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | Total Electric Plant in Service | 9,749,409 | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | Completed Construction Not Classified (Included in Electric Plant in Service) | | | | | | | | | | | | | |
| 30 | **Plant Held for Future Use** | | | | | | | | | | | | | |
| 31 | Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 34 | Total Plant Held for Future Use | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 | **Construction Work in Progress** | | | | | | | | | | | | | |
| 36 | Intangible Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 37 | Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 38 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 39 | Distribution Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 40 | General Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | Total Construction Work in Progress | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 42 | Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 43 | Total Electric Utility Plant | 9,749,409 | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 13 OM-13 O&M: Energy Efficiency and Residential Load Control Programs. | 14 OM-14 O&M: Adjust Fuel Expense for rate year sales | 15 OM-15 O&M: Adjust Non Fuel Purchased Power Expense for rate year sales | 16 OM-16 O&M: Increase PPAR Expense for Rate Annualization | 17 OM-17 O&M: Annualize wage and salary using the pay period ending 3/13/15. | 18 OM-18 O&M: Provide for wage and salary increases through rate year ending 12/31/16 | 19 OM-19 O&M: Increase savings plan expense related to adjustments to wages and overtime | 20 OM-20 O&M: Increase SFAS 106 Other Post-Retirement Benefits expense to pro forma level | 21 OM-21 O&M: Decrease SFAS 87 pension expense to pro forma level | 22 OM-22 O&M: Decrease group Life insurance expense to pro forma level | 23 OM-23 O&M: Decrease group Medical insurance expense to pro forma level | 24 OM-24 O&M: Decrease group Long Term Disability insurance expense to pro forma level |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Development of Rate Base** | | | | | | | | | | | | | |
| 1 | Electric Plant in Service (Includes Completed Construct | 374,889 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Intangible Plant | 374,889 | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | **Production Plant** | | | | | | | | | | | | | |
| 4 | Steam Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | **Transmission Plant** | | | | | | | | | | | | | |
| 7 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | **Distribution Plant** | | | | | | | | | | | | | |
| 10 | A360 Land and Land Rights | (684) | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | A361 Structures and Improvements | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | A362 Station Equipment | 3,519,165 | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | A363 Storage Battery Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | A364 Poles, Towers & Fixtures | 1,035,613 | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | A365 O.H. Conductors & Devices | 3,614,990 | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | A366 Underground Conduits | (5,004) | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | A367 U.G. Conductors & Devices | (48,079) | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | A368 Line Transformers | (35,110) | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | A369 Services | 1,608,510 | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | A370 Meters | (648,578) | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | A371 Install. on Customer Prem. | (125,193) | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | A373 Street Lights | (210,520) | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Total Distribution Plant | 8,705,110 | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | **General Plant** | | | | | | | | | | | | | |
| 25 | General Plant | 669,410 | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | A39919 ARO General Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | Total General Plant | 669,410 | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | Total Electric Plant in Service | 9,749,409 | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | Completed Construction Not Classified (Included in Electric Plant in Servic | | | | | | | | | | | | | |
| 30 | **Plant Held for Future Use** | | | | | | | | | | | | | |
| 31 | Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 34 | Total Plant Held for Future Use | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 | **Construction Work in Progress** | | | | | | | | | | | | | |
| 36 | Intangible Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 37 | Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 38 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 39 | Distribution Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 40 | General Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | Total Construction Work in Progress | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 42 | Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 43 | Total Electric Utility Plant | 9,749,409 | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 25 OM-25: O&M: Increase group Dental insurance expense to pro forma level | 26 OM-26: O&M: Decrease KPCo Incentive Compensation Plan expense to pro forma level | 27 OM-27: OM: Amortization of RTO Demand Response Expense | 28 OM-28: OM: Annualize RTO Demand Response Expense | 29 DE-29: DE: Increase depreciation expense based on test year end depreciable plant balances and currently approved KGPCo | 30 DE-30: DE: Annualize proposed rates at proposed plant in service levels | 31 OT-31: OT: Increase Social Security tax expense related to the annualization of wages and salaries | 32 OT-32: OT: Increase Medicare tax related to wages and salaries | 33 OT-33: OT: Increase Social Security tax expense related to the FICA base increase | 34 OT-34: OT: Increase Property Taxes for Property Additions | 35 FIT-35: FIT: Reflect Current FIT impact of adjustments | 36 FIT-36: FIT: Reflect Current FIT impact of adjustments to interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Development of Rate Base** | | | | | | | | | | | | | |
| 1 | Electric Plant in Service (Includes Completed Construct | 374,889 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Intangible Plant | 374,889 | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | **Production Plant** | | | | | | | | | | | | | |
| 4 | Steam Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | **Transmission Plant** | | | | | | | | | | | | | |
| 7 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | **Distribution Plant** | | | | | | | | | | | | | |
| 10 | A360 Land and Land Rights | (684) | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | A361 Structures and Improvements | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | A362 Station Equipment | 3,519,165 | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | A363 Storage Battery Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | A364 Poles, Towers & Fixtures | 1,035,613 | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | A365 O.H. Conductors & Devices | 3,614,990 | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | A366 Underground Conduits | (5,004) | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | A367 U.G. Conductors & Devices | (48,079) | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | A368 Line Transformers | (35,110) | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | A369 Services | 1,608,510 | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | A370 Meters | (648,578) | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | A371 Install. on Customer Prem. | (125,193) | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | A373 Street Lights | (210,520) | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Total Distribution Plant | 8,705,110 | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | **General Plant** | | | | | | | | | | | | | |
| 25 | General Plant | 669,410 | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | A39919 ARO General Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | Total General Plant | 669,410 | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | Total Electric Plant in Service | 9,749,409 | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | Completed Construction Not Classified (Included in Electric Plant in Servic | | | | | | | | | | | | | |
| 30 | **Plant Held for Future Use** | | | | | | | | | | | | | |
| 31 | Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 34 | Total Plant Held for Future Use | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 | **Construction Work in Progress** | | | | | | | | | | | | | |
| 36 | Intangible Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 37 | Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 38 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 39 | Distribution Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 40 | General Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | Total Construction Work in Progress | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 42 | Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 43 | Total Electric Utility Plant | 9,749,409 | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 37 SIT-37 SIT: Reflect Current SIT impact of adjustments. | 38 EP-38 EP: Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements. | 39 AD-39 AD: Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant | 40 AD-40 AD: Increase A/D provision from 1/1/15 through the 13-month average ending 12/31/16 for forecasted net plant in-service additions using | 41 AD-41 AD: Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13-month average | XXX- XXX: Xxxx |
|---|---|---|---|---|---|---|---|---|
| | **Development of Rate Base** | | | | | | | |
| 1 | Electric Plant in Service (Includes Completed Construct | 374,889 | - | 374,889 | - | - | - | - |
| 2 | Intangible Plant | 374,889 | - | 374,889 | - | - | - | - |
| 3 | **Production Plant** | | | | | | | |
| 4 | Steam Production Plant | - | - | - | - | - | - | - |
| 5 | Total Production Plant | - | - | - | - | - | - | - |
| 6 | **Transmission Plant** | | | | | | | |
| 7 | Transmission Plant | - | - | - | - | - | - | - |
| 8 | Total Transmission Plant | - | - | - | - | - | - | - |
| 9 | **Distribution Plant** | | | | | | | |
| 10 | A360 Land and Land Rights | (684) | - | (684) | - | - | - | - |
| 11 | A361 Structures and Improvements | - | - | - | - | - | - | - |
| 12 | A362 Station Equipment | 3,519,165 | - | 3,519,165 | - | - | - | - |
| 13 | A363 Storage Battery Equipment | - | - | - | - | - | - | - |
| 14 | A364 Poles, Towers & Fixtures | 1,035,613 | - | 1,035,613 | - | - | - | - |
| 15 | A365 O.H. Conductors & Devices | 3,614,990 | - | 3,614,990 | - | - | - | - |
| 16 | A366 Underground Conduits | (5,004) | - | (5,004) | - | - | - | - |
| 17 | A367 U.G. Conductors & Devices | (48,079) | - | (48,079) | - | - | - | - |
| 18 | A368 Line Transformers | (35,110) | - | (35,110) | - | - | - | - |
| 19 | A369 Services | 1,608,510 | - | 1,608,510 | - | - | - | - |
| 20 | A370 Meters | (648,578) | - | (648,578) | - | - | - | - |
| 21 | A371 Install. on Customer Prem. | (125,193) | - | (125,193) | - | - | - | - |
| 22 | A373 Street Lights | (210,520) | - | (210,520) | - | - | - | - |
| 23 | Total Distribution Plant | 8,705,110 | - | 8,705,110 | - | - | - | - |
| 24 | **General Plant** | | | | | | | |
| 25 | General Plant | 669,410 | - | 669,410 | - | - | - | - |
| 26 | A39919 ARO General Plant | - | - | - | - | - | - | - |
| 27 | Total General Plant | 669,410 | - | 669,410 | - | - | - | - |
| 28 | Total Electric Plant in Service | 9,749,409 | - | 9,749,409 | - | - | - | - |
| 29 | Completed Construction Not Classified (Included in Electric Plant in Servic | | | | | | | |
| 30 | **Plant Held for Future Use** | | | | | | | |
| 31 | Production | - | - | - | - | - | - | - |
| 32 | Transmission | - | - | - | - | - | - | - |
| 33 | Distribution | - | - | - | - | - | - | - |
| 34 | Total Plant Held for Future Use | - | - | - | - | - | - | - |
| 35 | **Construction Work in Progress** | | | | | | | |
| 36 | Intangible Plant | - | - | - | - | - | - | - |
| 37 | Production Plant | - | - | - | - | - | - | - |
| 38 | Transmission Plant | - | - | - | - | - | - | - |
| 39 | Distribution Plant | - | - | - | - | - | - | - |
| 40 | General Plant | - | - | - | - | - | - | - |
| 41 | Total Construction Work in Progress | - | - | - | - | - | - | - |
| 42 | Other | - | - | - | - | - | - | - |
| 43 | Total Electric Utility Plant | 9,749,409 | - | 9,749,409 | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 1<br>OR-1<br>Operating Revenue: Weather Normalization | 2<br>OR-2<br>Operating Revenue: Customer Growth | 3<br>OR-3<br>Operating Revenue: Adjust Revenues From a Book to Billed Basis | 4<br>OR-4<br>Operating Revenue: Transfer Non-Base PPAR and Non-Base Fuel Into Base Revenue | 5<br>OR-5<br>Operating Revenue: Rate Annualization | 6<br>OR-6<br>Operating Revenue: Decrease test year pole attachment revenues to remove prior period adjustment | 7<br>OR-7<br>Operating Revenue: Increase reconnect and bad check fees | 8<br>OM-8<br>O&M: Distribution Reliability to an on-going level level of expenses. Related to a reliability rider. | 9<br>OM-9<br>O&M: Increase test year distribution expense to remove prior period portion (2009-2013) of reclassification recorded in 2014 to capitalize AEPSC | 10<br>OM-10<br>O&M: Increase test year rate case expenses to a going-level. | 11<br>OM-11<br>O&M: Decrease test year pole attachment rental expenses to remove prior period adjustment. | 12<br>OM-12<br>O&M: Normalization of Major Storm Expenses (average of 2010, 2011, 2012 and 2014). |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Accumulated Provision for Depreciation and Amortization** | | | | | | | | | | | | | |
| 2 | Production | | | | | | | | | | | | | |
| 3 | Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | A317 ARO Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Transmission | | | | | | | | | | | | | |
| 7 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Distribution | | | | | | | | | | | | | |
| 10 | Distribution Plant | (4,344,600) | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total Distribution Plant | (4,344,600) | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | General | 27,060 | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | General ARO | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Total General Plant | 27,060 | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Intangible | 24,373 | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Total Intangible | 24,373 | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | Total Acc Prov Depreciation and Amortization | (4,293,167) | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Net Electric Plant in Service | 5,456,242 | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | **Working Capital Requirements** | | | | | | | | | | | | | |
| 2 | O&M; Lead / Lag Study | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Materials & Supplies - Gross Plant Related (154) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Prepayments-Payroll Related (165) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Prepayments-Gross Plant Related (165) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Prepayments-Distribution (165) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Total Working Capital Requirements | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | **Other Rate Base Offsets** | | | | | | | | | | | | | |
| 9 | Contr In Aid of Constr Advance (Acct. 2530124) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Customer Deposits (Acct. 235) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Accumulated Deferred FIT (Acct. 190.1/282.1/283.1) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Accumulated Deferred ITC (Acct. 255) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Total Other Rate Base Offsets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Total Rate Base | 5,456,242 | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 13 OM-13 O&M: Energy Efficiency and Residential Load Control Programs | 14 OM-14 O&M: Adjust Fuel Expense for rate year sales | 15 OM-15 O&M: Adjust Non Fuel Purchased Power Expense for rate year sales | 16 OM-16 O&M: Increase PPAR Expense for Rate Annualization | 17 OM-17 O&M: Annualize wage and salary using the pay period ending 3/13/15. | 18 OM-18 O&M: Provide for wage and salary increases through rate year ending 12/31/16 | 19 OM-19 O&M: Increase savings plan expense related to adjustments to wages and overtime | 20 OM-20 O&M: Increase SFAS 106 Other Post-Retirement Benefits expense to pro forma level | 21 OM-21 O&M: Decrease SFAS 87 pension expense to pro forma level | 22 OM-22 O&M: Decrease group Life insurance expense to pro forma level | 23 OM-23 O&M: Decrease group Medical insurance expense to pro forma level | 24 OM-24 O&M: Decrease group Long Term Disability insurance expense to pro forma level |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Accumulated Provision for Depreciation and Amortization** | | | | | | | | | | | | | |
| 2 | Production | | | | | | | | | | | | | |
| 3 | Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | A317 ARO Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Transmission | | | | | | | | | | | | | |
| 7 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Distribution | | | | | | | | | | | | | |
| 10 | Distribution Plant | (4,344,600) | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total Distribution Plant | (4,344,600) | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | General | 27,060 | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | General ARO | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Total General Plant | 27,060 | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Intangible | 24,373 | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Total Intangible | 24,373 | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | Total Acc Prov Depreciation and Amortization | (4,293,167) | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Net Electric Plant in Service | 5,456,242 | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | **Working Capital Requirements** | | | | | | | | | | | | | |
| 2 | O&M; Lead / Lag Study | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Materials & Supplies - Gross Plant Related (154) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Prepayments-Payroll Related (165) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Prepayments-Gross Plant Related (165) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Prepayments-Distribution (165) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Total Working Capital Requirements | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | **Other Rate Base Offsets** | | | | | | | | | | | | | |
| 9 | Contr In Aid of Constr Advance (Acct. 2530124) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Customer Deposits (Acct. 235) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Accumulated Deferred FIT (Acct. 190.1/282.1/283.1) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Accumulated Deferred ITC (Acct. 255) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Total Other Rate Base Offsets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Total Rate Base | 5,456,242 | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 25 OM-25: O&M: Increase group Dental insurance expense to pro forma level | 26 OM-26: O&M: Decrease KPCo Incentive Compensation Plan expense to pro forma level | 27 OM-27: OM: Amortization of RTO Demand Response Expense | 28 OM-28: OM: Annualize RTO Demand Response Expense | 29 DE-29: DE: Increase depreciation expense based on test year end depreciable plant balances and currently approved KGPCo | 30 DE-30: DE: Annualize proposed rates at proposed plant in service levels | 31 OT-31: OT: Increase Social Security tax expense related to the annualization of wages and salaries | 32 OT-32: OT: Increase Medicare tax related to wages and salaries | 33 OT-33: OT: Increase Social Security tax expense related to the FICA base increase | 34 OT-34: OT: Increase Property Taxes for Property Additions | 35 FIT-35: FIT: Reflect Current FIT impact of adjustments | 36 FIT-36: FIT: Reflect Current FIT impact of adjustments to interest. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Accumulated Provision for Depreciation and Amortization** | | | | | | | | | | | | | |
| 2 | Production | | | | | | | | | | | | | |
| 3 | Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | A317 ARO Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Production Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Transmission | | | | | | | | | | | | | |
| 7 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Distribution | | | | | | | | | | | | | |
| 10 | Distribution Plant | (4,344,600) | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total Distribution Plant | (4,344,600) | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | General | 27,060 | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | General ARO | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Total General Plant | 27,060 | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Intangible | 24,373 | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Total Intangible | 24,373 | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | Total Acc Prov Depreciation and Amortization | (4,293,167) | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Net Electric Plant in Service | 5,456,242 | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | **Working Capital Requirements** | | | | | | | | | | | | | |
| 2 | O&M; Lead / Lag Study | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Materials & Supplies - Gross Plant Related (154) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Prepayments-Payroll Related (165) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Prepayments-Gross Plant Related (165) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Prepayments-Distribution (165) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Total Working Capital Requirements | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | **Other Rate Base Offsets** | | | | | | | | | | | | | |
| 9 | Contr In Aid of Constr Advance (Acct. 2530124) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Customer Deposits (Acct. 235) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Accumulated Deferred FIT (Acct. 190.1/282.1/283.1) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Accumulated Deferred ITC (Acct. 255) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Total Other Rate Base Offsets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Total Rate Base | 5,456,242 | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 37 SIT-37 SIT: Reflect Current SIT impact of adjustments. | 38 EP-38 EP: Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements. | 39 AD-39 AD: Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant | 40 AD-40 AD: Increase A/D provision from 1/1/15 through the 13-month average ending 12/31/16 for forecasted net plant in-service additions using | 41 AD-41 AD: Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13-month average | XXX- XXX: Xxxx |
|---|---|---|---|---|---|---|---|---|
| 1 | **Accumulated Provision for Depreciation and Amortization** | | | | | | | |
| 2 | Production | | | | | | | |
| 3 | Steam | - | - | - | - | - | - | - |
| 4 | A317 ARO Steam | - | - | - | - | - | - | - |
| 5 | Total Production Plant | - | - | - | - | - | - | - |
| 6 | Transmission | | | | | | | |
| 7 | Transmission Plant | - | - | - | - | - | - | - |
| 8 | Total Transmission Plant | - | - | - | - | - | - | - |
| 9 | Distribution | | | | | | | |
| 10 | Distribution Plant | (4,344,600) | - | - | (129,462) | (7,258,442) | 3,043,304 | - |
| 11 | Total Distribution Plant | (4,344,600) | - | - | (129,462) | (7,258,442) | 3,043,304 | - |
| 12 | General | 27,060 | - | - | (226) | (125,502) | 152,788 | - |
| 13 | General ARO | - | - | - | - | - | - | - |
| 14 | Total General Plant | 27,060 | - | - | (226) | (125,502) | 152,788 | - |
| 15 | Intangible | 24,373 | - | - | 109,172 | (604,656) | 519,857 | - |
| 16 | Total Intangible | 24,373 | - | - | 109,172 | (604,656) | 519,857 | - |
| 17 | Total Acc Prov Depreciation and Amortization | (4,293,167) | - | - | (20,516) | (7,988,600) | 3,715,949 | - |
| 18 | Net Electric Plant in Service | 5,456,242 | - | 9,749,409 | (20,516) | (7,988,600) | 3,715,949 | - |
| 1 | **Working Capital Requirements** | | | | | | | |
| 2 | O&M; Lead / Lag Study | - | - | - | - | - | - | - |
| 3 | Materials & Supplies - Gross Plant Related (154) | - | - | - | - | - | - | - |
| 4 | Prepayments-Payroll Related (165) | - | - | - | - | - | - | - |
| 5 | Prepayments-Gross Plant Related (165) | - | - | - | - | - | - | - |
| 6 | Prepayments-Distribution (165) | - | - | - | - | - | - | - |
| 7 | Total Working Capital Requirements | - | - | - | - | - | - | - |
| 8 | **Other Rate Base Offsets** | | | | | | | |
| 9 | Contr In Aid of Constr Advance (Acct. 2530124) | - | - | - | - | - | - | - |
| 10 | Customer Deposits (Acct. 235) | - | - | - | - | - | - | - |
| 11 | Accumulated Deferred FIT (Acct. 190.1/282.1/283.1) | - | - | - | - | - | - | - |
| 12 | Accumulated Deferred ITC (Acct. 255) | - | - | - | - | - | - | - |
| 13 | Total Other Rate Base Offsets | - | - | - | - | - | - | - |
| 14 | Total Rate Base | 5,456,242 | - | 9,749,409 | (20,516) | (7,988,600) | 3,715,949 | - |

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 1<br>OR-1<br>Operating Revenue: Weather Normalization | 2<br>OR-2<br>Operating Revenue: Customer Growth | 3<br>OR-3<br>Operating Revenue: Adjust Revenues From a Book to Billed Basis | 4<br>OR-4<br>Operating Revenue: Transfer Non-Base PPAR and Non-Base Fuel Into Base Revenue | 5<br>OR-5<br>Operating Revenue: Rate Annualization | 6<br>OR-6<br>Operating Revenue: Decrease test year pole attachment revenues to remove prior period adjustment | 7<br>OR-7<br>Operating Revenue: Increase reconnect and bad check fees | 8<br>OM-8<br>O&M: Distribution Reliability to an on-going level of expenses. Related to a reliability rider. | 9<br>OM-9<br>O&M: Increase test year distribution expense to remove prior period portion (2009-2013) of reclassification recorded in 2014 to capitalize AEPSC | 10<br>OM-10<br>O&M: Increase test year rate case expenses to a going-level. | 11<br>OM-11<br>O&M: Decrease test year pole attachment rental expenses to remove prior period adjustment. | 12<br>OM-12<br>O&M: Normalization of Major Storm Expenses (average of 2010, 2011, 2012 and 2014) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Development of Cost of Service** | | | | | | | | | | | | | |
| 1 | **Firm Sales Revenue** | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Base (incl. partial fuel & PPAR) | 60,387,962 | (2,426,081) | (692,989) | 227,055 | 63,279,977 | - | - | - | - | - | - | - | - |
| 3 | Fuel (non Base) | (27,745,545) | - | - | - | (27,745,545) | - | - | - | - | - | - | - | - |
| 4 | PPAR (non-Base) | (33,579,043) | - | - | - | (35,534,432) | 1,955,389 | - | - | - | - | - | - | - |
| 5 | Total Firm Sales | (936,626) | (2,426,081) | (692,989) | 227,055 | - | 1,955,389 | - | - | - | - | - | - | - |
| 6 | **Sales for Resale** | | | | | | | | | | | | | |
| 7 | Demand Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Energy Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Total Sales for Resale | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | **Other Operating Revenues** | | | | | | | | | | | | | |
| 11 | 450-Forfeited Discounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | 451-Miscellaneous Service Revenues | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | 451-Mis. Serv. Rev. - Reconnect & Bad Check Fee | 44,641 | - | - | - | - | - | - | 44,641 | - | - | - | - | - |
| 14 | Rent from Electric Property | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | 4541-Rent-Assoc Cos- Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | 4541-Rent-Assoc Cos- Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | 4541-Rent-Assoc Cos- Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | 4542-Rent-Non-Assoc Cos- Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | 4542-Rent-Non-Assoc Cos- Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | 4542-Rent-Non-Assoc Cos- Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | 4544-Rent From Elect Prop-ABD-Nonaf Trans | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | 4545-Rent From Elect Prop-Pole Attch Distribution | (42,522) | - | - | - | - | - | (42,522) | - | - | - | - | - | - |
| 23 | Total Rent from Electric Property | (42,522) | - | - | - | - | - | (42,522) | - | - | - | - | - | - |
| 24 | **Other Electric Revenue** | | | | | | | | | | | | | |
| 25 | 456-Other Electric Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | 456-Other Electric Rev. Prod - New - Demand | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | 456-Other Electric Rev. Prod - New - Energy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | 456-Other Electric Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | 456-Other Electric Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | 456-Other Electric Local Facility Charge | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 | Total Other Electric Revenues | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Total Other Operating Revenues | 2,119 | - | - | - | - | - | (42,522) | 44,641 | - | - | - | - | - |
| 33 | Total Operating Revenues | (934,507) | (2,426,081) | (692,989) | 227,055 | - | 1,955,389 | (42,522) | 44,641 | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 13 OM-13 O&M: Energy Efficiency and Residential Load Control Programs | 14 OM-14 O&M: Adjust Fuel Expense for rate year sales | 15 OM-15 O&M: Adjust Non Fuel Purchased Power Expense for rate year sales | 16 OM-16 O&M: Increase PPAR Expense for Rate Annualization | 17 OM-17 O&M: Annualize wage and salary using the pay period ending 3/13/15. | 18 OM-18 O&M: Provide for wage and salary increases through rate year ending 12/31/16 | 19 OM-19 O&M: Increase savings plan expense related to adjustments to wages and overtime | 20 OM-20 O&M: Increase SFAS 106 Other Post-Retirement Benefits expense to pro forma level | 21 OM-21 O&M: Decrease SFAS 87 pension expense to pro forma level | 22 OM-22 O&M: Decrease group Life insurance expense to pro forma level | 23 OM-23 O&M: Decrease group Medical insurance expense to pro forma level | 24 OM-24 O&M: Decrease group Long Term Disability insurance expense to pro forma level |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Development of Cost of Service** | | | | | | | | | | | | | |
| 1 | **Firm Sales Revenue** | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Base (incl. partial fuel & PPAR) | 60,387,962 | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Fuel (non Base) | (27,745,545) | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | PPAR (non-Base) | (33,579,043) | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Firm Sales | (936,626) | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | **Sales for Resale** | | | | | | | | | | | | | |
| 7 | Demand Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Energy Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Total Sales for Resale | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | **Other Operating Revenues** | | | | | | | | | | | | | |
| 11 | 450-Forfeited Discounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | 451-Miscellaneous Service Revenues | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | 451-Mis. Serv. Rev. - Reconnect & Bad Check Fee | 44,641 | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Rent from Electric Property | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | 4541-Rent-Assoc Cos- Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | 4541-Rent-Assoc Cos- Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | 4541-Rent-Assoc Cos- Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | 4542-Rent-Non-Assoc Cos- Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | 4542-Rent-Non-Assoc Cos- Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | 4542-Rent-Non-Assoc Cos- Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | 4544-Rent From Elect Prop-ABD-Nonaf Trans | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | 4545-Rent From Elect Prop-Pole Attch Distribution | (42,522) | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Total Rent from Electric Property | (42,522) | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | **Other Electric Revenue** | | | | | | | | | | | | | |
| 25 | 456-Other Electric Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | 456-Other Electric Rev. Prod - New - Demand | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | 456-Other Electric Rev. Prod - New - Energy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | 456-Other Electric Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | 456-Other Electric Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | 456-Other Electric Local Facility Charge | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 | Total Other Electric Revenues | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Total Other Operating Revenues | 2,119 | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | Total Operating Revenues | (934,507) | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 25 OM-25: O&M: Increase group Dental insurance expense to pro forma level | 26 OM-26: O&M: Decrease KPCo Incentive Compensation Plan expense to pro forma level | 27 OM-27: OM: Amortization of RTO Demand Response Expense | 28 OM-28: OM: Annualize RTO Demand Response Expense | 29 DE-29: DE: Increase depreciation expense based on test year end depreciable plant balances and currently approved KGPCo | 30 DE-30: DE: Annualize proposed rates at proposed plant in service levels | 31 OT-31: OT: Increase Social Security tax expense related to the annualization of wages and salaries | 32 OT-32: OT: Increase Medicare tax related to wages and salaries | 33 OT-33: OT: Increase Social Security tax expense related to the FICA base increase | 34 OT-34: OT: Increase Property Taxes for Property Additions | 35 FIT-35: FIT: Reflect Current FIT impact of adjustments | 36 FIT-36: FIT: Reflect Current FIT impact of adjustments to interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Development of Cost of Service** | | | | | | | | | | | | | |
| 1 | **Firm Sales Revenue** | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Base (incl. partial fuel & PPAR) | 60,387,962 | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Fuel (non Base) | (27,745,545) | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | PPAR (non-Base) | (33,579,043) | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Firm Sales | (936,626) | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | **Sales for Resale** | | | | | | | | | | | | | |
| 7 | Demand Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Energy Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Total Sales for Resale | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | **Other Operating Revenues** | | | | | | | | | | | | | |
| 11 | 450-Forfeited Discounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | 451-Miscellaneous Service Revenues | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | 451-Mis. Serv. Rev. - Reconnect & Bad Check Fee | 44,641 | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Rent from Electric Property | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | 4541-Rent-Assoc Cos- Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | 4541-Rent-Assoc Cos- Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | 4541-Rent-Assoc Cos- Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | 4542-Rent-Non-Assoc Cos- Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | 4542-Rent-Non-Assoc Cos- Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | 4542-Rent-Non-Assoc Cos- Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | 4544-Rent From Elect Prop-ABD-Nonaf Trans | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | 4545-Rent From Elect Prop-Pole Attch Distribution | (42,522) | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Total Rent from Electric Property | (42,522) | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | **Other Electric Revenue** | | | | | | | | | | | | | |
| 25 | 456-Other Electric Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | 456-Other Electric Rev. Prod - New - Demand | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | 456-Other Electric Rev. Prod - New - Energy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | 456-Other Electric Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | 456-Other Electric Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | 456-Other Electric Local Facility Charge | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 | Total Other Electric Revenues | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Total Other Operating Revenues | 2,119 | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | Total Operating Revenues | (934,507) | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 37<br>SIT-37<br>SIT:<br>Reflect Current SIT impact of adjustments. | 38<br>EP-38<br>EP:<br>Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements | 39<br>AD-39<br>AD:<br>Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant | 40<br>AD-40<br>AD:<br>Increase A/D provision from 1/1/15 through the 13-month average ending 12/31/16 for forecasted net plant in-service additions using | 41<br>AD-41<br>AD:<br>Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13-month average | XXX-<br>XXX:<br>Xxxx |
|---|---|---|---|---|---|---|---|---|
| | **Development of Cost of Service** | | | | | | | |
| 1 | **Firm Sales Revenue** | - | - | - | - | - | - | - |
| 2 | Base (incl. partial fuel & PPAR) | 60,387,962 | - | - | - | - | - | - |
| 3 | Fuel (non Base) | (27,745,545) | - | - | - | - | - | - |
| 4 | PPAR (non-Base) | (33,579,043) | - | - | - | - | - | - |
| 5 | Total Firm Sales | (936,626) | - | - | - | - | - | - |
| 6 | **Sales for Resale** | | | | | | | |
| 7 | Demand Related | - | - | - | - | - | - | - |
| 8 | Energy Related | - | - | - | - | - | - | - |
| 9 | Total Sales for Resale | - | - | - | - | - | - | - |
| 10 | **Other Operating Revenues** | | | | | | | |
| 11 | 450-Forfeited Discounts | - | - | - | - | - | - | - |
| 12 | 451-Miscellaneous Service Revenues | - | - | - | - | - | - | - |
| 13 | 451-Mis. Serv. Rev. - Reconnect & Bad Check Fee | 44,641 | - | - | - | - | - | - |
| 14 | Rent from Electric Property | - | - | - | - | - | - | - |
| 15 | 4541-Rent-Assoc Cos- Production | - | - | - | - | - | - | - |
| 16 | 4541-Rent-Assoc Cos- Transmission | - | - | - | - | - | - | - |
| 17 | 4541-Rent-Assoc Cos- Distribution | - | - | - | - | - | - | - |
| 18 | 4542-Rent-Non-Assoc Cos- Production | - | - | - | - | - | - | - |
| 19 | 4542-Rent-Non-Assoc Cos- Transmission | - | - | - | - | - | - | - |
| 20 | 4542-Rent-Non-Assoc Cos- Distribution | - | - | - | - | - | - | - |
| 21 | 4544-Rent From Elect Prop-ABD-Nonaf Trans | - | - | - | - | - | - | - |
| 22 | 4545-Rent From Elect Prop-Pole Attch Distribution | (42,522) | - | - | - | - | - | - |
| 23 | Total Rent from Electric Property | (42,522) | - | - | - | - | - | - |
| 24 | **Other Electric Revenue** | | | | | | | |
| 25 | 456-Other Electric Production | - | - | - | - | - | - | - |
| 26 | 456-Other Electric Rev. Prod - New - Demand | - | - | - | - | - | - | - |
| 27 | 456-Other Electric Rev. Prod - New - Energy | - | - | - | - | - | - | - |
| 28 | 456-Other Electric Transmission | - | - | - | - | - | - | - |
| 29 | 456-Other Electric Distribution | - | - | - | - | - | - | - |
| 30 | 456-Other Electric Local Facility Charge | - | - | - | - | - | - | - |
| 31 | Total Other Electric Revenues | - | - | - | - | - | - | - |
| 32 | Total Other Operating Revenues | 2,119 | - | - | - | - | - | - |
| 33 | Total Operating Revenues | (934,507) | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 1<br>OR-1<br>Operating Revenue: Weather Normalization | 2<br>OR-2<br>Operating Revenue: Customer Growth | 3<br>OR-3<br>Operating Revenue: Adjust Revenues From a Book to Billed Basis | 4<br>OR-4<br>Operating Revenue: Transfer Non-Base PPAR and Non-Base Fuel Into Base Revenue | 5<br>OR-5<br>Operating Revenue: Rate Annualization | 6<br>OR-6<br>Operating Revenue: Decrease test year pole attachment revenues to remove prior period adjustment | 7<br>OR-7<br>Operating Revenue: Increase reconnect and bad check fees | 8<br>OM-8<br>O&M: Distribution Reliability to an on-going level level of expenses. Related to a reliability rider. | 9<br>OM-9<br>O&M: Increase test year distribution expense to remove prior period portion (2009-2013) of reclassification recorded in 2014 to capitalize AEPSC | 10<br>OM-10<br>O&M: Increase test year rate case expenses to a going-level. | 11<br>OM-11<br>O&M: Decrease test year pole attachment rental expenses to remove prior period adjustment. | 12<br>OM-12<br>O&M: Normalization of Major Storm Expenses (average of 2010, 2011, 2012 and 2014). |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Power Production Expenses** | | | | | | | | | | | | | |
| 2 | Total Other Production Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Other Power Supply Expense | | | | | | | | | | | | | |
| 4 | 555-Purch Pwr - Generation - Demand | 566,986 | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | 555-Purch Pwr - Generation - Energy | (16,395) | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | 555-Purch Power - Transmission - Demand | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 555-Purch Power - Transmission - Energy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | 555-Purch Power - Fuel | (1,163,763) | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | 556-Sys Control & Load Dispatching | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | 557- Other Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total Other Power Supply Expense | (613,172) | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Total Production O&M Expense | (613,172) | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | **Transmission Expense** | | | | | | | | | | | | | |
| 2 | 560-Supervision & Engineering | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | 561-Load Dispatching - Company | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | 562-Station Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | 563-Overhead Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | 564-Underground Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 565-Transmission of Electricity by Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | 566-Misc Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | 567-Rents | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | 575-PJM Regional Market Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total Transmission Operation Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | 568-Supervision & Engineering | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | 569-Structures | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | 570-Station Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | 571-Overhead Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | 572-Underground Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | 573-Misc Transmission Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Total Transmission Maintenance Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Total Transmission O&M Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |

## KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

### JCOS Adjustments

| Line No. | Description | Adjusted Totals | 13 OM-13 O&M: Energy Efficiency and Residential Load Control Programs | 14 OM-14 O&M: Adjust Fuel Expense for rate year sales | 15 OM-15 O&M: Adjust Non Fuel Purchased Power Expense for rate year sales | 16 OM-16 O&M: Increase PPAR Expense for Rate Annualization | 17 OM-17 O&M: Annualize wage and salary using the pay period ending 3/13/15. | 18 OM-18 O&M: Provide for wage and salary increases through rate year ending 12/31/16 | 19 OM-19 O&M: Increase savings plan expense related to adjustments to wages and overtime | 20 OM-20 O&M: Increase SFAS 106 Other Post-Retirement Benefits expense to pro forma level | 21 OM-21 O&M: Decrease SFAS 87 pension expense to pro forma level | 22 OM-22 O&M: Decrease group Life insurance expense to pro forma level | 23 OM-23 O&M: Decrease group Medical insurance expense to pro forma level | 24 OM-24 O&M: Decrease group Long Term Disability insurance expense to pro forma level |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Power Production Expenses** | | | | | | | | | | | | | |
| 2 | Total Other Production Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Other Power Supply Expense | | | | | | | | | | | | | |
| 4 | 555-Purch Pwr - Generation - Demand | 566,986 | - | - | (1,189,929) | 1,756,915 | - | - | - | - | - | - | - | - |
| 5 | 555-Purch Pwr - Generation - Energy | (16,395) | - | - | (238,709) | 222,314 | - | - | - | - | - | - | - | - |
| 6 | 555-Purch Power - Transmission - Demand | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 555-Purch Power - Transmission - Energy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | 555-Purch Power - Fuel | (1,163,763) | - | (1,163,763) | - | - | - | - | - | - | - | - | - | - |
| 9 | 556-Sys Control & Load Dispatching | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | 557- Other Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total Other Power Supply Expense | (613,172) | - | (1,163,763) | (1,428,638) | 1,979,229 | - | - | - | - | - | - | - | - |
| 12 | Total Production O&M Expense | (613,172) | - | (1,163,763) | (1,428,638) | 1,979,229 | - | - | - | - | - | - | - | - |
| 1 | **Transmission Expense** | | | | | | | | | | | | | |
| 2 | 560-Supervision & Engineering | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | 561-Load Dispatching - Company | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | 562-Station Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | 563-Overhead Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | 564-Underground Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 565-Transmission of Electricity by Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | 566-Misc Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | 567-Rents | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | 575-PJM Regional Market Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total Transmission Operation Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | 568-Supervision & Engineering | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | 569-Structures | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | 570-Station Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | 571-Overhead Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | 572-Underground Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | 573-Misc Transmission Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Total Transmission Maintenance Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Total Transmission O&M Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 25 OM-25: O&M: Increase group Dental insurance expense to pro forma level | 26 OM-26: O&M: Decrease KPCo Incentive Compensation Plan expense to pro forma level | 27 OM-27: OM: Amortization of RTO Demand Response Expense | 28 OM-28: OM: Annualize RTO Demand Response Expense | 29 DE-29: DE: Increase depreciation expense based on test year end depreciable plant balances and currently approved KGPCo | 30 DE-30: DE: Annualize proposed rates at proposed plant in service levels | 31 OT-31: OT: Increase Social Security tax expense related to the annualization of wages and salaries | 32 OT-32: OT: Increase Medicare tax related to wages and salaries | 33 OT-33: OT: Increase Social Security tax expense related to the FICA base increase | 34 OT-34: OT: Increase Property Taxes for Property Additions | 35 FIT-35: FIT: Reflect Current FIT impact of adjustments | 36 FIT-36: FIT: Reflect Current FIT impact of adjustments to interest. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Power Production Expenses** | | | | | | | | | | | | | |
| 2 | Total Other Production Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Other Power Supply Expense | | | | | | | | | | | | | |
| 4 | 555-Purch Pwr - Generation - Demand | 566,986 | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | 555-Purch Pwr - Generation - Energy | (16,395) | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | 555-Purch Power - Transmission - Demand | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 555-Purch Power - Transmission - Energy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | 555-Purch Power - Fuel | (1,163,763) | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | 556-Sys Control & Load Dispatching | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | 557- Other Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total Other Power Supply Expense | (613,172) | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Total Production O&M Expense | (613,172) | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | **Transmission Expense** | | | | | | | | | | | | | |
| 2 | 560-Supervision & Engineering | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | 561-Load Dispatching - Company | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | 562-Station Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | 563-Overhead Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | 564-Underground Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 565-Transmission of Electricity by Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | 566-Misc Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | 567-Rents | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | 575-PJM Regional Market Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total Transmission Operation Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | 568-Supervision & Engineering | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | 569-Structures | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | 570-Station Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | 571-Overhead Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | 572-Underground Lines | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | 573-Misc Transmission Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Total Transmission Maintenance Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Total Transmission O&M Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 37 SIT-37 SIT: Reflect Current SIT impact of adjustments | 38 EP-38 EP: Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements | 39 AD-39 AD: Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant | 40 AD-40 AD: Increase A/D provision from 1/1/15 through the 13-month average ending 12/31/16 for forecasted net plant in-service additions using | 41 AD-41 AD: Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13-month average | XXX- XXX: Xxxx |
|---|---|---|---|---|---|---|---|---|
| 1 | **Power Production Expenses** | | | | | | | |
| 2 | Total Other Production Expense | - | - | - | - | - | - | - |
| 3 | Other Power Supply Expense | | | | | | | |
| 4 | 555-Purch Pwr - Generation - Demand | 566,986 | - | - | - | - | - | - |
| 5 | 555-Purch Pwr - Generation - Energy | (16,395) | - | - | - | - | - | - |
| 6 | 555-Purch Power - Transmission - Demand | - | - | - | - | - | - | - |
| 7 | 555-Purch Power - Transmission - Energy | - | - | - | - | - | - | - |
| 8 | 555-Purch Power - Fuel | (1,163,763) | - | - | - | - | - | - |
| 9 | 556-Sys Control & Load Dispatching | - | - | - | - | - | - | - |
| 10 | 557- Other Expenses | - | - | - | - | - | - | - |
| 11 | Total Other Power Supply Expense | (613,172) | - | - | - | - | - | - |
| 12 | Total Production O&M Expense | (613,172) | - | - | - | - | - | - |
| 1 | **Transmission Expense** | | | | | | | |
| 2 | 560-Supervision & Engineering | - | - | - | - | - | - | - |
| 3 | 561-Load Dispatching - Company | - | - | - | - | - | - | - |
| 4 | 562-Station Equipment | - | - | - | - | - | - | - |
| 5 | 563-Overhead Lines | - | - | - | - | - | - | - |
| 6 | 564-Underground Lines | - | - | - | - | - | - | - |
| 7 | 565-Transmission of Electricity by Others | - | - | - | - | - | - | - |
| 8 | 566-Misc Transmission | - | - | - | - | - | - | - |
| 9 | 567-Rents | - | - | - | - | - | - | - |
| 10 | 575-PJM Regional Market Expenses | - | - | - | - | - | - | - |
| 11 | Total Transmission Operation Expense | - | - | - | - | - | - | - |
| 12 | 568-Supervision & Engineering | - | - | - | - | - | - | - |
| 13 | 569-Structures | - | - | - | - | - | - | - |
| 14 | 570-Station Equipment | - | - | - | - | - | - | - |
| 15 | 571-Overhead Lines | - | - | - | - | - | - | - |
| 16 | 572-Underground Lines | - | - | - | - | - | - | - |
| 17 | 573-Misc Transmission Expenses | - | - | - | - | - | - | - |
| 18 | Total Transmission Maintenance Expense | - | - | - | - | - | - | - |
| 19 | Total Transmission O&M Expense | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 1<br>OR-1<br>Operating Revenue: Weather Normalization | 2<br>OR-2<br>Operating Revenue: Customer Growth | 3<br>OR-3<br>Operating Revenue: Adjust Revenues From a Book to Billed Basis | 4<br>OR-4<br>Operating Revenue: Transfer Non-Base PPAR and Non-Base Fuel Into Base Revenue | 5<br>OR-5<br>Operating Revenue: Rate Annualization | 6<br>OR-6<br>Operating Revenue: Decrease test year pole attachment revenues to remove prior period adjustment | 7<br>OR-7<br>Operating Revenue: Increase reconnect and bad check fees | 8<br>OM-8<br>O&M: Distribution Reliability to an on-going level level of expenses. Related to a reliability rider. | 9<br>OM-9<br>O&M: Increase test year distribution expense to remove prior period portion (2009-2013) of reclassification recorded in 2014 to capitalize AEPSC | 10<br>OM-10<br>O&M: Increase test year rate case expenses to a going-level. | 11<br>OM-11<br>O&M: Decrease test year pole attachment rental expenses to remove prior period adjustment. | 12<br>OM-12<br>O&M: Normalization of Major Storm Expenses (average of 2010, 2011, 2012 and 2014). |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Distribution Expense** | | | | | | | | | | | | | |
| 2 | 580-Supervision & Engineering | (1,571) | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | 581-Load Dispatching | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | 582-Station Equipment | (1,078) | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | 583-Overhead Lines | 8,324 | - | - | - | - | - | - | - | 13,734 | - | - | - | - |
| 6 | 584-Underground Lines | 21,299 | - | - | - | - | - | - | - | 21,364 | - | - | - | - |
| 7 | 585-Street & Area Lighting | (6) | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | 586-Meters | (5,044) | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | 587-Customer Installations | (1,904) | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | 588-Misc Distribution | 753,956 | - | - | - | - | - | - | - | - | 762,096 | - | - | - |
| 11 | 589-Rents | (55,790) | - | - | - | - | - | - | - | - | - | - | (55,790) | - |
| 12 | Total Distribution Operation | 718,186 | - | - | - | - | - | - | - | 35,098 | 762,096 | - | (55,790) | - |
| 13 | 590-Supervision & Engineering | (467) | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | 591-Structures | (61) | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | 592-Station Equipment | (1,353) | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | 593-Overhead Lines | 2,370,809 | - | - | - | - | - | - | - | 1,985,736 | - | - | - | 406,528 |
| 17 | 594-Underground Lines | 61,078 | - | - | - | - | - | - | - | 66,306 | - | - | - | - |
| 18 | 595-Line Transformers | (3,900) | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | 596-Street & Area Lighting | (206) | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | 597-Meters | (10) | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | 598-Misc Distribution Plant | (6,555) | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | Total Distribution Maintenance | 2,419,335 | - | - | - | - | - | - | - | 2,052,042 | - | - | - | 406,528 |
| 23 | Total Distribution Expense | 3,137,521 | - | - | - | - | - | - | - | 2,087,140 | 762,096 | - | (55,790) | 406,528 |
| 24 | **Customer Accounts Expense** | | | | | | | | | | | | | |
| 25 | 901-Supervision & Engineering | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | 902-Meter Reading | (5,788) | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | 903-Customer Records & Collection Expense | (7,448) | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | 904-Uncollectible Accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | 905-Misc Customer Accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | Total Customer Accounts | (13,236) | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | **Customer Service & Information Expense** | | | | | | | | | | | | | |
| 2 | 907-Supervision | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | 908-Customer Assistance | (1,909) | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | 908-Customer Assistance - DSM | 300,000 | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | 908.1-Customer Assistance - Demand Response | 331,227 | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | 909-Information & Instruction | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 910-Misc Customer Service | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Customer Service & Information | 629,318 | - | - | - | - | - | - | - | - | - | - | - | - |

## KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

### JCOS Adjustments

| Line No. | Description | Adjusted Totals | 13 OM-13 O&M: Energy Efficiency and Residential Load Control Programs | 14 OM-14 O&M: Adjust Fuel Expense for rate year sales | 15 OM-15 O&M: Adjust Non Fuel Purchased Power Expense for rate year sales | 16 OM-16 O&M: Increase PPAR Expense for Rate Annualization | 17 OM-17 O&M: Annualize wage and salary using the pay period ending 3/13/15. | 18 OM-18 O&M: Provide for wage and salary increases through rate year ending 12/31/16 | 19 OM-19 O&M: Increase savings plan expense related to adjustments to wages and overtime | 20 OM-20 O&M: Increase SFAS 106 Other Post-Retirement Benefits expense to pro forma level | 21 OM-21 O&M: Decrease SFAS 87 pension expense to pro forma level | 22 OM-22 O&M: Decrease group Life insurance expense to pro forma level | 23 OM-23 O&M: Decrease group Medical insurance expense to pro forma level | 24 OM-24 O&M: Decrease group Long Term Disability insurance expense to pro forma level |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Distribution Expense** | | | | | | | | | | | | | |
| 2 | 580-Supervision & Engineering | (1,571) | - | - | - | - | (1,147) | 1,257 | - | - | - | - | - | - |
| 3 | 581-Load Dispatching | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | 582-Station Equipment | (1,078) | - | - | - | - | (751) | 823 | - | - | - | - | - | - |
| 5 | 583-Overhead Lines | 8,324 | - | - | - | - | (4,475) | 4,904 | - | - | - | - | - | - |
| 6 | 584-Underground Lines | 21,299 | - | - | - | - | (60) | 66 | - | - | - | - | - | - |
| 7 | 585-Street & Area Lighting | (6) | - | - | - | - | (4) | 4 | - | - | - | - | - | - |
| 8 | 586-Meters | (5,044) | - | - | - | - | (5,241) | 5,743 | - | - | - | - | - | - |
| 9 | 587-Customer Installations | (1,904) | - | - | - | - | (2,165) | 2,373 | - | - | - | - | - | - |
| 10 | 588-Misc Distribution | 753,956 | - | - | - | - | (10,835) | 11,872 | - | - | - | - | - | - |
| 11 | 589-Rents | (55,790) | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Total Distribution Operation | 718,186 | - | - | - | - | (24,678) | 27,042 | - | - | - | - | - | - |
| 13 | 590-Supervision & Engineering | (467) | - | - | - | - | (482) | 528 | - | - | - | - | - | - |
| 14 | 591-Structures | (61) | - | - | - | - | (61) | 67 | - | - | - | - | - | - |
| 15 | 592-Station Equipment | (1,353) | - | - | - | - | (1,626) | 1,781 | - | - | - | - | - | - |
| 16 | 593-Overhead Lines | 2,370,809 | - | - | - | - | (20,797) | 22,788 | - | - | - | - | - | - |
| 17 | 594-Underground Lines | 61,078 | - | - | - | - | (2,579) | 2,825 | - | - | - | - | - | - |
| 18 | 595-Line Transformers | (3,900) | - | - | - | - | (4,011) | 4,395 | - | - | - | - | - | - |
| 19 | 596-Street & Area Lighting | (206) | - | - | - | - | (186) | 204 | - | - | - | - | - | - |
| 20 | 597-Meters | (10) | - | - | - | - | (27) | 30 | - | - | - | - | - | - |
| 21 | 598-Misc Distribution Plant | (6,555) | - | - | - | - | (6,386) | 6,997 | - | - | - | - | - | - |
| 22 | Total Distribution Maintenance | 2,419,335 | - | - | - | - | (36,155) | 39,615 | - | - | - | - | - | - |
| 23 | Total Distribution Expense | 3,137,521 | - | - | - | - | (60,833) | 66,657 | - | - | - | - | - | - |
| 24 | **Customer Accounts Expense** | | | | | | | | | | | | | |
| 25 | 901-Supervision & Engineering | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | 902-Meter Reading | (5,788) | - | - | - | - | (4,714) | 5,165 | - | - | - | - | - | - |
| 27 | 903-Customer Records & Collection Expense | (7,448) | - | - | - | - | (6,676) | 7,316 | - | - | - | - | - | - |
| 28 | 904-Uncollectible Accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | 905-Misc Customer Accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | Total Customer Accounts | (13,236) | - | - | - | - | (11,390) | 12,481 | - | - | - | - | - | - |
| 1 | **Customer Service & Information Expense** | | | | | | | | | | | | | |
| 2 | 907-Supervision | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | 908-Customer Assistance | (1,909) | - | - | - | - | (1,715) | 1,880 | - | - | - | - | - | - |
| 4 | 908-Customer Assistance - DSM | 300,000 | 300,000 | - | - | - | - | - | - | - | - | - | - | - |
| 5 | 908.1-Customer Assistance - Demand Response | 331,227 | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | 909-Information & Instruction | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 910-Misc Customer Service | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Customer Service & Information | 629,318 | 300,000 | - | - | - | (1,715) | 1,880 | - | - | - | - | - | - |

## KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

### JCOS Adjustments

| Line No. | Description | Adjusted Totals | 25 OM-25: O&M: Increase group Dental insurance expense to pro forma level | 26 OM-26: O&M: Decrease KPCo Incentive Compensation Plan expense to pro forma level | 27 OM-27: OM: Amortization of RTO Demand Response Expense | 28 OM-28: OM: Annualize RTO Demand Response Expense | 29 DE-29: DE: Increase depreciation expense based on test year end depreciable plant balances and currently approved KGPCo | 30 DE-30: DE: Annualize proposed rates at proposed plant in service levels | 31 OT-31: OT: Increase Social Security tax expense related to the annualization of wages and salaries | 32 OT-32: OT: Increase Medicare tax related to wages and salaries | 33 OT-33: OT: Increase Social Security tax expense related to the FICA base increase | 34 OT-34: OT: Increase Property Taxes for Property Additions | 35 FIT-35: FIT: Reflect Current FIT impact of adjustments. | 36 FIT-36: FIT: Reflect Current FIT impact of adjustments to interest. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Distribution Expense** | | | | | | | | | | | | | |
| 2 | 580-Supervision & Engineering | (1,571) | - | (1,681) | - | - | - | - | - | - | - | - | - | - |
| 3 | 581-Load Dispatching | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | 582-Station Equipment | (1,078) | - | (1,150) | - | - | - | - | - | - | - | - | - | - |
| 5 | 583-Overhead Lines | 8,324 | - | (5,839) | - | - | - | - | - | - | - | - | - | - |
| 6 | 584-Underground Lines | 21,299 | - | (71) | - | - | - | - | - | - | - | - | - | - |
| 7 | 585-Street & Area Lighting | (6) | - | (6) | - | - | - | - | - | - | - | - | - | - |
| 8 | 586-Meters | (5,044) | - | (5,546) | - | - | - | - | - | - | - | - | - | - |
| 9 | 587-Customer Installations | (1,904) | - | (2,112) | - | - | - | - | - | - | - | - | - | - |
| 10 | 588-Misc Distribution | 753,956 | - | (9,177) | - | - | - | - | - | - | - | - | - | - |
| 11 | 589-Rents | (55,790) | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Total Distribution Operation | 718,186 | - | (25,582) | - | - | - | - | - | - | - | - | - | - |
| 13 | 590-Supervision & Engineering | (467) | - | (513) | - | - | - | - | - | - | - | - | - | - |
| 14 | 591-Structures | (61) | - | (67) | - | - | - | - | - | - | - | - | - | - |
| 15 | 592-Station Equipment | (1,353) | - | (1,508) | - | - | - | - | - | - | - | - | - | - |
| 16 | 593-Overhead Lines | 2,370,809 | - | (23,446) | - | - | - | - | - | - | - | - | - | - |
| 17 | 594-Underground Lines | 61,078 | - | (5,474) | - | - | - | - | - | - | - | - | - | - |
| 18 | 595-Line Transformers | (3,900) | - | (4,284) | - | - | - | - | - | - | - | - | - | - |
| 19 | 596-Street & Area Lighting | (206) | - | (224) | - | - | - | - | - | - | - | - | - | - |
| 20 | 597-Meters | (10) | - | (13) | - | - | - | - | - | - | - | - | - | - |
| 21 | 598-Misc Distribution Plant | (6,555) | - | (7,166) | - | - | - | - | - | - | - | - | - | - |
| 22 | Total Distribution Maintenance | 2,419,335 | - | (42,695) | - | - | - | - | - | - | - | - | - | - |
| 23 | Total Distribution Expense | 3,137,521 | - | (68,277) | - | - | - | - | - | - | - | - | - | - |
| 24 | **Customer Accounts Expense** | | | | | | | | | | | | | |
| 25 | 901-Supervision & Engineering | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | 902-Meter Reading | (5,788) | - | (6,239) | - | - | - | - | - | - | - | - | - | - |
| 27 | 903-Customer Records & Collection Expense | (7,448) | - | (8,088) | - | - | - | - | - | - | - | - | - | - |
| 28 | 904-Uncollectible Accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | 905-Misc Customer Accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | Total Customer Accounts | (13,236) | - | (14,327) | - | - | - | - | - | - | - | - | - | - |
| 1 | **Customer Service & Information Expense** | | | | | | | | | | | | | |
| 2 | 907-Supervision | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | 908-Customer Assistance | (1,909) | - | (2,074) | - | - | - | - | - | - | - | - | - | - |
| 4 | 908-Customer Assistance - DSM | 300,000 | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | 908.1-Customer Assistance - Demand Response | 331,227 | - | - | 66,690 | 264,537 | - | - | - | - | - | - | - | - |
| 6 | 909-Information & Instruction | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 910-Misc Customer Service | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Customer Service & Information | 629,318 | - | (2,074) | 66,690 | 264,537 | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 37 SIT-37 SIT: Reflect Current SIT impact of adjustments. | 38 EP-38 EP: Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements | 39 AD-39 AD: Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant | 40 AD-40 AD: Increase A/D provision from 1/1/15 through the 13-month average ending 12/31/16 for forecasted net plant in-service additions using | 41 AD-41 AD: Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13-month average | XXX- XXX: Xxxx |
|---|---|---|---|---|---|---|---|---|
| 1 | **Distribution Expense** | | | | | | | |
| 2 | 580-Supervision & Engineering | (1,571) | - | - | - | - | - | - |
| 3 | 581-Load Dispatching | - | - | - | - | - | - | - |
| 4 | 582-Station Equipment | (1,078) | - | - | - | - | - | - |
| 5 | 583-Overhead Lines | 8,324 | - | - | - | - | - | - |
| 6 | 584-Underground Lines | 21,299 | - | - | - | - | - | - |
| 7 | 585-Street & Area Lighting | (6) | - | - | - | - | - | - |
| 8 | 586-Meters | (5,044) | - | - | - | - | - | - |
| 9 | 587-Customer Installations | (1,904) | - | - | - | - | - | - |
| 10 | 588-Misc Distribution | 753,956 | - | - | - | - | - | - |
| 11 | 589-Rents | (55,790) | - | - | - | - | - | - |
| 12 | Total Distribution Operation | 718,186 | - | - | - | - | - | - |
| 13 | 590-Supervision & Engineering | (467) | - | - | - | - | - | - |
| 14 | 591-Structures | (61) | - | - | - | - | - | - |
| 15 | 592-Station Equipment | (1,353) | - | - | - | - | - | - |
| 16 | 593-Overhead Lines | 2,370,809 | - | - | - | - | - | - |
| 17 | 594-Underground Lines | 61,078 | - | - | - | - | - | - |
| 18 | 595-Line Transformers | (3,900) | - | - | - | - | - | - |
| 19 | 596-Street & Area Lighting | (206) | - | - | - | - | - | - |
| 20 | 597-Meters | (10) | - | - | - | - | - | - |
| 21 | 598-Misc Distribution Plant | (6,555) | - | - | - | - | - | - |
| 22 | Total Distribution Maintenance | 2,419,335 | - | - | - | - | - | - |
| 23 | Total Distribution Expense | 3,137,521 | - | - | - | - | - | - |
| 24 | **Customer Accounts Expense** | | | | | | | |
| 25 | 901-Supervision & Engineering | - | - | - | - | - | - | - |
| 26 | 902-Meter Reading | (5,788) | - | - | - | - | - | - |
| 27 | 903-Customer Records & Collection Expense | (7,448) | - | - | - | - | - | - |
| 28 | 904-Uncollectible Accounts | - | - | - | - | - | - | - |
| 29 | 905-Misc Customer Accounts | - | - | - | - | - | - | - |
| 30 | Total Customer Accounts | (13,236) | - | - | - | - | - | - |
| 1 | **Customer Service & Information Expense** | | | | | | | |
| 2 | 907-Supervision | - | - | - | - | - | - | - |
| 3 | 908-Customer Assistance | (1,909) | - | - | - | - | - | - |
| 4 | 908-Customer Assistance - DSM | 300,000 | - | - | - | - | - | - |
| 5 | 908.1-Customer Assistance - Demand Response | 331,227 | - | - | - | - | - | - |
| 6 | 909-Information & Instruction | - | - | - | - | - | - | - |
| 7 | 910-Misc Customer Service | - | - | - | - | - | - | - |
| 8 | Total Customer Service & Information | 629,318 | - | - | - | - | - | - |

## KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

### JCOS Adjustments

| Line No. | Description | Adjusted Totals | 1<br>OR-1<br>Operating Revenue: Weather Normalization | 2<br>OR-2<br>Operating Revenue: Customer Growth | 3<br>OR-3<br>Operating Revenue: Adjust Revenues From a Book to Billed Basis | 4<br>OR-4<br>Operating Revenue: Transfer Non-Base PPAR and Non-Base Fuel Into Base Revenue | 5<br>OR-5<br>Operating Revenue: Rate Annualization | 6<br>OR-6<br>Operating Revenue: Decrease test year pole attachment revenues to remove prior period adjustment | 7<br>OR-7<br>Operating Revenue: Increase reconnect and bad check fees | 8<br>OM-8<br>O&M: Distribution Reliability to an on-going level level of expenses. Related to a reliability rider. | 9<br>OM-9<br>O&M: Increase test year distribution expense to remove prior period portion (2009-2013) of reclassification recorded in 2014 to capitalize AEPSC | 10<br>OM-10<br>O&M: Increase test year rate case expenses to a going-level. | 11<br>OM-11<br>O&M: Decrease test year pole attachment rental expenses to remove prior period adjustment. | 12<br>OM-12<br>O&M: Normalization of Major Storm Expenses (average of 2010, 2011, 2012 and 2014). |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9 | **Sales Expense** | | | | | | | | | | | | | |
| 10 | 911-Supervision | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | 912-Demo & Selling | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | 913-Advertising | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | 916-Misc Sales Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Total Sales Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | **Administrative & General Expense** | | | | | | | | | | | | | |
| 15 | 920-Salaries | (1,894) | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | 921-Office Supplies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | 922-Administrative Expense Transferred | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | 923-Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | 924-Property Insurance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | 925-Injuries & Damages | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | 926-Employee Pension & Benefits | (93,019) | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | 9280002 Reg. Commission Exp-Case | 101,221 | - | - | - | - | - | - | - | - | - | 101,221 | - | - |
| 23 | 929-Duplicate Charges | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | 930.1-General Advertising Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 25 | 930.2-Misc General Expense | (432) | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | 931-Rent | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | Total Admin & General Operation | 5,876 | - | - | - | - | - | - | - | - | - | 101,221 | - | - |
| 28 | 935-Admin & General Maintenance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | Total Admin & General Expense | 5,876 | - | - | - | - | - | - | - | - | - | 101,221 | - | - |
| 30 | Subtotal Operation & Maint Exp | 3,146,307 | - | - | - | - | - | - | - | 2,087,140 | 762,096 | 101,221 | (55,790) | 406,528 |
| 31 | **G/L Disp. Of Util Plant** | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Factoring Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | Other O&M | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 34 | Other O&M | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 | Total Other O&M Exp | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 36 | Total Operation & Maint Exp | 3,146,307 | - | - | - | - | - | - | - | 2,087,140 | 762,096 | 101,221 | (55,790) | 406,528 |

## KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

### JCOS Adjustments

| Line No. | Description | Adjusted Totals | 13 OM-13 O&M: Energy Efficiency and Residential Load Control Programs | 14 OM-14 O&M: Adjust Fuel Expense for rate year sales | 15 OM-15 O&M: Adjust Non Fuel Purchased Power Expense for rate year sales | 16 OM-16 O&M: Increase PPAR Expense for Rate Annualization | 17 OM-17 O&M: Annualize wage and salary using the pay period ending 3/13/15. | 18 OM-18 O&M: Provide for wage and salary increases through rate year ending 12/31/16 | 19 OM-19 O&M: Increase savings plan expense related to adjustments to wages and overtime | 20 OM-20 O&M: Increase SFAS 106 Other Post-Retirement Benefits expense to pro forma level | 21 OM-21 O&M: Decrease SFAS 87 pension expense to pro forma level | 22 OM-22 O&M: Decrease group Life insurance expense to pro forma level | 23 OM-23 O&M: Decrease group Medical insurance expense to pro forma level | 24 OM-24 O&M: Decrease group Long Term Disability insurance expense to pro forma level |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9 | **Sales Expense** | | | | | | | | | | | | | |
| 10 | 911-Supervision | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | 912-Demo & Selling | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | 913-Advertising | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | 916-Misc Sales Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Total Sales Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | **Administrative & General Expense** | | | | | | | | | | | | | |
| 15 | 920-Salaries | (1,894) | - | - | - | - | (1,724) | 1,889 | - | - | - | - | - | - |
| 16 | 921-Office Supplies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | 922-Administrative Expense Transferred | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | 923-Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | 924-Property Insurance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | 925-Injuries & Damages | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | 926-Employee Pension & Benefits | (93,019) | - | - | - | - | - | - | 291 | 36,258 | (84,659) | (1,672) | (46,264) | (67) |
| 22 | 9280002 Reg. Commission Exp-Case | 101,221 | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | 929-Duplicate Charges | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | 930.1-General Advertising Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 25 | 930.2-Misc General Expense | (432) | - | - | - | - | (417) | 456 | - | - | - | - | - | - |
| 26 | 931-Rent | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | Total Admin & General Operation | 5,876 | - | - | - | - | (2,141) | 2,345 | 291 | 36,258 | (84,659) | (1,672) | (46,264) | (67) |
| 28 | 935-Admin & General Maintenance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | Total Admin & General Expense | 5,876 | - | - | - | - | (2,141) | 2,345 | 291 | 36,258 | (84,659) | (1,672) | (46,264) | (67) |
| 30 | Subtotal Operation & Maint Exp | 3,146,307 | 300,000 | (1,163,763) | (1,428,638) | 1,979,229 | (76,079) | 83,363 | 291 | 36,258 | (84,659) | (1,672) | (46,264) | (67) |
| 31 | **G/L Disp. Of Util Plant** | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Factoring Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | Other O&M | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 34 | Other O&M | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 | Total Other O&M Exp | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 36 | Total Operation & Maint Exp | 3,146,307 | 300,000 | (1,163,763) | (1,428,638) | 1,979,229 | (76,079) | 83,363 | 291 | 36,258 | (84,659) | (1,672) | (46,264) | (67) |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 25 OM-25: O&M: Increase group Dental insurance expense to pro forma level | 26 OM-26: O&M: Decrease KPCo Incentive Compensation Plan expense to pro forma level | 27 OM-27: OM: Amortization of RTO Demand Response Expense | 28 OM-28: OM: Annualize RTO Demand Response Expense | 29 DE-29: DE: Increase depreciation expense based on test year end depreciable plant balances and currently approved KGPCo | 30 DE-30: DE: Annualize proposed rates at proposed plant in service levels | 31 OT-31: OT: Increase Social Security tax expense related to the annualization of wages and salaries | 32 OT-32: OT: Increase Medicare tax related to wages and salaries | 33 OT-33: OT: Increase Social Security tax expense related to the FICA base increase | 34 OT-34: OT: Increase Property Taxes for Property Additions | 35 FIT-35: FIT: Reflect Current FIT impact of adjustments. | 36 FIT-36: FIT: Reflect Current FIT impact of adjustments to interest. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9 | **Sales Expense** | | | | | | | | | | | | | |
| 10 | 911-Supervision | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | 912-Demo & Selling | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | 913-Advertising | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | 916-Misc Sales Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Total Sales Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | **Administrative & General Expense** | | | | | | | | | | | | | |
| 15 | 920-Salaries | (1,894) | - | (2,059) | - | - | - | - | - | - | - | - | - | - |
| 16 | 921-Office Supplies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | 922-Administrative Expense Transferred | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | 923-Outside Services | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | 924-Property Insurance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | 925-Injuries & Damages | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | 926-Employee Pension & Benefits | (93,019) | 3,094 | - | - | - | - | - | - | - | - | - | - | - |
| 22 | 9280002 Reg. Commission Exp-Case | 101,221 | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | 929-Duplicate Charges | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | 930.1-General Advertising Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 25 | 930.2-Misc General Expense | (432) | - | (471) | - | - | - | - | - | - | - | - | - | - |
| 26 | 931-Rent | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 | Total Admin & General Operation | 5,876 | 3,094 | (2,530) | - | - | - | - | - | - | - | - | - | - |
| 28 | 935-Admin & General Maintenance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | Total Admin & General Expense | 5,876 | 3,094 | (2,530) | - | - | - | - | - | - | - | - | - | - |
| 30 | Subtotal Operation & Maint Exp | 3,146,307 | 3,094 | (87,208) | 66,690 | 264,537 | - | - | - | - | - | - | - | - |
| 31 | **G/L Disp. Of Util Plant** | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Factoring Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | Other O&M | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 34 | Other O&M | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 | Total Other O&M Exp | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 36 | Total Operation & Maint Exp | 3,146,307 | 3,094 | (87,208) | 66,690 | 264,537 | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 37 SIT-37 SIT: Reflect Current SIT impact of adjustments. | 38 EP-38 EP: Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements. | 39 AD-39 AD: Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant | 40 AD-40 AD: Increase A/D provision from 1/1/15 through the 13-month average ending 12/31/16 for forecasted net plant in-service additions using | 41 AD-41 AD: Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13-month average | XXX- XXX: Xxxx |
|---|---|---|---|---|---|---|---|---|
| 9 | **Sales Expense** | | | | | | | |
| 10 | 911-Supervision | - | - | - | - | - | - | - |
| 11 | 912-Demo & Selling | - | - | - | - | - | - | - |
| 11 | 913-Advertising | - | - | - | - | - | - | - |
| 12 | 916-Misc Sales Expense | - | - | - | - | - | - | - |
| 13 | Total Sales Expense | - | - | - | - | - | - | - |
| 14 | **Administrative & General Expense** | | | | | | | |
| 15 | 920-Salaries | (1,894) | - | - | - | - | - | - |
| 16 | 921-Office Supplies | - | - | - | - | - | - | - |
| 17 | 922-Administrative Expense Transferred | - | - | - | - | - | - | - |
| 18 | 923-Outside Services | - | - | - | - | - | - | - |
| 19 | 924-Property Insurance | - | - | - | - | - | - | - |
| 20 | 925-Injuries & Damages | - | - | - | - | - | - | - |
| 21 | 926-Employee Pension & Benefits | (93,019) | - | - | - | - | - | - |
| 22 | 9280002 Reg. Commission Exp-Case | 101,221 | - | - | - | - | - | - |
| 23 | 929-Duplicate Charges | - | - | - | - | - | - | - |
| 24 | 930.1-General Advertising Expense | - | - | - | - | - | - | - |
| 25 | 930.2-Misc General Expense | (432) | - | - | - | - | - | - |
| 26 | 931-Rent | - | - | - | - | - | - | - |
| 27 | Total Admin & General Operation | 5,876 | - | - | - | - | - | - |
| 28 | 935-Admin & General Maintenance | - | - | - | - | - | - | - |
| 29 | Total Admin & General Expense | 5,876 | - | - | - | - | - | - |
| 30 | Subtotal Operation & Maint Exp | 3,146,307 | - | - | - | - | - | - |
| 31 | **G/L Disp. Of Util Plant** | - | - | - | - | - | - | - |
| 32 | Factoring Expense | - | - | - | - | - | - | - |
| 33 | Other O&M | - | - | - | - | - | - | - |
| 34 | Other O&M | - | - | - | - | - | - | - |
| 35 | Total Other O&M Exp | - | - | - | - | - | - | - |
| 36 | Total Operation & Maint Exp | 3,146,307 | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 1<br>OR-1<br>Operating Revenue: Weather Normalization | 2<br>OR-2<br>Operating Revenue: Customer Growth | 3<br>OR-3<br>Operating Revenue: Adjust Revenues From a Book to Billed Basis | 4<br>OR-4<br>Operating Revenue: Transfer Non-Base PPAR and Non-Base Fuel Into Base Revenue | 5<br>OR-5<br>Operating Revenue: Rate Annualization | 6<br>OR-6<br>Operating Revenue: Decrease test year pole attachment revenues to remove prior period adjustment | 7<br>OR-7<br>Operating Revenue: Increase reconnect and bad check fees | 8<br>OM-8<br>O&M: Distribution Reliability to an on-going level level of expenses. Related to a reliability rider. | 9<br>OM-9<br>O&M: Increase test year distribution expense to remove prior period portion (2009-2013) of reclassification recorded in 2014 to capitalize AEPSC | 10<br>OM-10<br>O&M: Increase test year rate case expenses to a going-level. | 11<br>OM-11<br>O&M: Decrease test year pole attachment rental expenses to remove prior period adjustment. | 12<br>OM-12<br>O&M: Normalization of Major Storm Expenses (average of 2010, 2011, 2012 and 2014). |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Depreciation Expense** | | | | | | | | | | | | | |
| 2 | Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | A317 ARO Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Total Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Total Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Distribution | 703,594 | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Distribution | 703,594 | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | General | 11,969 | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | General ARO | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total General | 11,969 | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Total Depreciation Expense | 715,563 | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | **Amortization Expense** | | | | | | | | | | | | | |
| 14 | Intangible Plant | (34,598) | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Total Intangible | (34,598) | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | Total Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Total Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | Distribution Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | Total Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | General Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Total General | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | Total Amortization Expense | (34,598) | - | - | - | - | - | - | - | - | - | - | - | - |
| 25 | Amortization of Plant Acquisition Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | Total Depreciation & Amortization Expense | 680,965 | - | - | - | - | - | - | - | - | - | - | - | - |

**KgPCo Jurisdictional Cost of Service Study**
**Twelve Months Ending December 31, 2014**

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 13 OM-13 O&M: Energy Efficiency and Residential Load Control Programs. | 14 OM-14 O&M: Adjust Fuel Expense for rate year sales | 15 OM-15 O&M: Adjust Non Fuel Purchased Power Expense for rate year sales | 16 OM-16 O&M: Increase PPAR Expense for Rate Annualization | 17 OM-17 O&M: Annualize wage and salary using the pay period ending 3/13/15. | 18 OM-18 O&M: Provide for wage and salary increases through rate year ending 12/31/16 | 19 OM-19 O&M: Increase savings plan expense related to adjustments to wages and overtime | 20 OM-20 O&M: Increase SFAS 106 Other Post-Retirement Benefits expense to pro forma level | 21 OM-21 O&M: Decrease SFAS 87 pension expense to pro forma level | 22 OM-22 O&M: Decrease group Life insurance expense to pro forma level | 23 OM-23 O&M: Decrease group Medical insurance expense to pro forma level | 24 OM-24 O&M: Decrease group Long Term Disability insurance expense to pro forma level |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Depreciation Expense** | | | | | | | | | | | | | |
| 2 | Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | A317 ARO Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Total Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Total Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Distribution | 703,594 | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Total Distribution | 703,594 | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | General | 11,969 | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | General ARO | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total General | 11,969 | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Total Depreciation Expense | 715,563 | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | **Amortization Expense** | | | | | | | | | | | | | |
| 14 | Intangible Plant | (34,598) | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Total Intangible | (34,598) | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | Total Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Total Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | Distribution Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | Total Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | General Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Total General | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | Total Amortization Expense | (34,598) | - | - | - | - | - | - | - | - | - | - | - | - |
| 25 | Amortization of Plant Acquisition Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | Total Depreciation & Amortization Expense | 680,965 | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 25 OM-25 O&M: Increase group Dental insurance expense to pro forma level | 26 OM-26 O&M: Decrease KPCo Incentive Compensation Plan expense to pro forma level | 27 OM-27 OM: Amortization of RTO Demand Response Expense | 28 OM-28 OM: Annualize RTO Demand Response Expense | 29 DE-29 DE: Increase depreciation expense based on test year end depreciable plant balances and currently approved KGPCo | 30 DE-30 DE: Annualize proposed rates at proposed plant in service levels | 31 OT-31 OT: Increase Social Security tax expense related to the annualization of wages and salaries | 32 OT-32 OT: Increase Medicare tax related to wages and salaries | 33 OT-33 OT: Increase Social Security tax expense related to the FICA base increase | 34 OT-34 OT: Increase Property Taxes for Property Additions | 35 FIT-35 FIT: Reflect Current FIT impact of adjustments. | 36 FIT-36 FIT: Reflect Current FIT impact of adjustments to interest. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Depreciation Expense** | | | | | | | | | | | | | |
| 2 | Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | A317 ARO Steam | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Total Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Total Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Distribution | 703,594 | - | - | - | - | 129,462 | 574,132 | - | - | - | - | - | - |
| 8 | Total Distribution | 703,594 | - | - | - | - | 129,462 | 574,132 | - | - | - | - | - | - |
| 9 | General | 11,969 | - | - | - | - | 226 | 11,743 | - | - | - | - | - | - |
| 10 | General ARO | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Total General | 11,969 | - | - | - | - | 226 | 11,743 | - | - | - | - | - | - |
| 12 | Total Depreciation Expense | 715,563 | - | - | - | - | 129,688 | 585,875 | - | - | - | - | - | - |
| 13 | **Amortization Expense** | | | | | | | | | | | | | |
| 14 | Intangible Plant | (34,598) | - | - | - | - | (109,172) | 74,574 | - | - | - | - | - | - |
| 15 | Total Intangible | (34,598) | - | - | - | - | (109,172) | 74,574 | - | - | - | - | - | - |
| 16 | Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | Total Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | Transmission Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Total Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | Distribution Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | Total Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | General Plant | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Total General | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | Total Amortization Expense | (34,598) | - | - | - | - | (109,172) | 74,574 | - | - | - | - | - | - |
| 25 | Amortization of Plant Acquisition Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | Total Depreciation & Amortization Expense | 680,965 | - | - | - | - | 20,516 | 660,449 | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 37 SIT-37 SIT: Reflect Current SIT impact of adjustments | 38 EP-38 EP: Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements | 39 AD-39 AD: Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant | 40 AD-40 AD: Increase A/D provision from 1/1/15 through the 13-month average ending 12/31/16 for forecasted net plant in-service additions using | 41 AD-41 AD: Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13-month average | XXX- XXX: Xxxx |
|---|---|---|---|---|---|---|---|---|
| 1 | **Depreciation Expense** | | | | | | | |
| 2 | Steam | - | - | - | - | - | - | - |
| 3 | A317 ARO Steam | - | - | - | - | - | - | - |
| 4 | Total Production | - | - | - | - | - | - | - |
| 5 | Transmission | - | - | - | - | - | - | - |
| 6 | Total Transmission | - | - | - | - | - | - | - |
| 7 | Distribution | 703,594 | - | - | - | - | - | - |
| 8 | Total Distribution | 703,594 | - | - | - | - | - | - |
| 9 | General | 11,969 | - | - | - | - | - | - |
| 10 | General ARO | - | - | - | - | - | - | - |
| 11 | Total General | 11,969 | - | - | - | - | - | - |
| 12 | Total Depreciation Expense | 715,563 | - | - | - | - | - | - |
| 13 | **Amortization Expense** | | | | | | | |
| 14 | Intangible Plant | (34,598) | - | - | - | - | - | - |
| 15 | Total Intangible | (34,598) | - | - | - | - | - | - |
| 16 | Production | - | - | - | - | - | - | - |
| 17 | Total Production | - | - | - | - | - | - | - |
| 18 | Transmission Plant | - | - | - | - | - | - | - |
| 19 | Total Transmission | - | - | - | - | - | - | - |
| 20 | Distribution Plant | - | - | - | - | - | - | - |
| 21 | Total Distribution | - | - | - | - | - | - | - |
| 22 | General Plant | - | - | - | - | - | - | - |
| 23 | Total General | - | - | - | - | - | - | - |
| 24 | Total Amortization Expense | (34,598) | - | - | - | - | - | - |
| 25 | Amortization of Plant Acquisition Adjustment | - | - | - | - | - | - | - |
| 26 | Total Depreciation & Amortization Expense | 680,965 | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 1<br>OR-1<br>Operating Revenue: Weather Normalization | 2<br>OR-2<br>Operating Revenue: Customer Growth | 3<br>OR-3<br>Operating Revenue: Adjust Revenues From a Book to Billed Basis | 4<br>OR-4<br>Operating Revenue: Transfer Non-Base PPAR and Non-Base Fuel Into Base Revenue | 5<br>OR-5<br>Operating Revenue: Rate Annualization | 6<br>OR-6<br>Operating Revenue: Decrease test year pole attachment revenues to remove prior period adjustment | 7<br>OR-7<br>Operating Revenue: Increase reconnect and bad check fees | 8<br>OM-8<br>O&M: Distribution Reliability to an on-going level level of expenses. Related to a reliability rider. | 9<br>OM-9<br>O&M: Increase test year distribution expense to remove prior period portion (2009-2013) of reclassification recorded in 2014 to capitalize AEPSC | 10<br>OM-10<br>O&M: Increase test year rate case expenses to a going-level. | 11<br>OM-11<br>O&M: Decrease test year pole attachment rental expenses to remove prior period adjustment. | 12<br>OM-12<br>O&M: Normalization of Major Storm Expenses (average of 2010, 2011, 2012 and 2014) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Other Taxes** | | | | | | | | | | | | | |
| 2 | Current Payroll Taxes | | | | | | | | | | | | | |
| 3 | FICA | 600 | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Fed Unemployment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | State Unemployment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Total Payroll Related Tax | 600 | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Real and Personal Property Tax | 141,247 | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | **Other** | | | | | | | | | | | | | |
| 9 | P.S.C. | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Sales & Use | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Bus Franchise | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Regis Fee | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | State Gross Receipts Tax | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Federal Excise | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Taxes on Capital Leases | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Total Taxes Other Than Income | 141,847 | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | **Other Income / Expense** | | | | | | | | | | | | | |
| 18 | Interest on Customer Deposits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Cost of Short-Term Debt | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | ABFUDC (432) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | Total Other Income / Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | **State Income Tax** | (268,447) | (157,688) | (45,042) | 14,758 | - | 127,094 | (2,764) | 2,902 | (135,658) | - | (6,579) | 3,626 | (26,423) |
| 2 | **Current Federal Income Taxes** | (420,345) | (793,938) | (226,781) | 74,304 | - | 639,903 | (13,915) | 14,609 | (683,019) | - | (33,125) | 18,257 | (133,037) |
| 3 | **Deferred Federal Income Tax** | (1,442,528) | - | - | - | - | - | - | - | - | (266,734) | - | - | - |
| 4 | **Deferred Investment Tax Credit** | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Federal Income Taxes | (1,862,873) | (793,938) | (226,781) | 74,304 | - | 639,903 | (13,915) | 14,609 | (683,019) | (266,734) | (33,125) | 18,257 | (133,037) |
| 1 | Charitable Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Total Charitable Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - |

## KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

### JCOS Adjustments

| Line No. | Description | Adjusted Totals | 13 OM-13 O&M: Energy Efficiency and Residential Load Control Programs | 14 OM-14 O&M: Adjust Fuel Expense for rate year sales | 15 OM-15 O&M: Adjust Non Fuel Purchased Power Expense for rate year sales | 16 OM-16 O&M: Increase PPAR Expense for Rate Annualization | 17 OM-17 O&M: Annualize wage and salary using the pay period ending 3/13/15. | 18 OM-18 O&M: Provide for wage and salary increases through rate year ending 12/31/16 | 19 OM-19 O&M: Increase savings plan expense related to adjustments to wages and overtime | 20 OM-20 O&M: Increase SFAS 106 Other Post-Retirement Benefits expense to pro forma level | 21 OM-21 O&M: Decrease SFAS 87 pension expense to pro forma level | 22 OM-22 O&M: Decrease group Life insurance expense to pro forma level | 23 OM-23 O&M: Decrease group Medical insurance expense to pro forma level | 24 OM-24 O&M: Decrease group Long Term Disability insurance expense to pro forma level |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Other Taxes** | | | | | | | | | | | | | |
| 2 | Current Payroll Taxes | | | | | | | | | | | | | |
| 3 | FICA | 600 | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Fed Unemployment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | State Unemployment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Total Payroll Related Tax | 600 | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Real and Personal Property Tax | 141,247 | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | **Other** | | | | | | | | | | | | | |
| 9 | P.S.C. | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Sales & Use | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Bus Franchise | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Regis Fee | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | State Gross Receipts Tax | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Federal Excise | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Taxes on Capital Leases | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Total Taxes Other Than Income | 141,847 | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | **Other Income / Expense** | | | | | | | | | | | | | |
| 18 | Interest on Customer Deposits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Cost of Short-Term Debt | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | ABFUDC (432) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | Total Other Income / Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | **State Income Tax** | (268,447) | (19,499) | 75,641 | 92,857 | (128,644) | 4,945 | (5,418) | (19) | - | - | 109 | 3,007 | 4 |
| 2 | **Current Federal Income Taxes** | (420,345) | (98,175) | 380,843 | 467,523 | (647,705) | 24,897 | (27,281) | (95) | - | - | 547 | 15,140 | 22 |
| 3 | **Deferred Federal Income Tax** | (1,442,528) | - | - | - | - | - | - | - | (12,690) | 29,631 | - | - | - |
| 4 | **Deferred Investment Tax Credit** | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Federal Income Taxes | (1,862,873) | (98,175) | 380,843 | 467,523 | (647,705) | 24,897 | (27,281) | (95) | (12,690) | 29,631 | 547 | 15,140 | 22 |
| 1 | Charitable Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Total Charitable Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 25 OM-25: O&M: Increase group Dental insurance expense to pro forma level | 26 OM-26: O&M: Decrease KPCo Incentive Compensation Plan expense to pro forma level | 27 OM-27: OM: Amortization of RTO Demand Response Expense | 28 OM-28: OM: Annualize RTO Demand Response Expense | 29 DE-29: DE: Increase depreciation expense based on test year end depreciable plant balances and currently approved KGPCo | 30 DE-30: DE: Annualize proposed rates at proposed plant in service levels | 31 OT-31: OT: Increase Social Security tax expense related to the annualization of wages and salaries | 32 OT-32: OT: Increase Medicare tax related to wages and salaries | 33 OT-33: OT: Increase Social Security tax expense related to the FICA base increase | 34 OT-34: OT: Increase Property Taxes for Property Additions | 35 FIT-35: FIT: Reflect Current FIT impact of adjustments | 36 FIT-36: FIT: Reflect Current FIT impact of adjustments to interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Other Taxes** | | | | | | | | | | | | | |
| 2 | Current Payroll Taxes | | | | | | | | | | | | | |
| 3 | FICA | 600 | - | - | - | - | - | - | 451 | 106 | 43 | - | - | - |
| 4 | Fed Unemployment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | State Unemployment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Total Payroll Related Tax | 600 | - | - | - | - | - | - | 451 | 106 | 43 | - | - | - |
| 7 | Real and Personal Property Tax | 141,247 | - | - | - | - | - | - | - | - | - | 141,247 | - | - |
| 8 | **Other** | | | | | | | | | | | | | |
| 9 | P.S.C. | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Sales & Use | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Bus Franchise | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Regis Fee | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | State Gross Receipts Tax | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Federal Excise | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Taxes on Capital Leases | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Total Taxes Other Than Income | 141,847 | - | - | - | - | - | - | 451 | 106 | 43 | 141,247 | - | - |
| 17 | **Other Income / Expense** | | | | | | | | | | | | | |
| 18 | Interest on Customer Deposits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Cost of Short-Term Debt | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | ABFUDC (432) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | Total Other Income / Expense | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | **State Income Tax** | (268,447) | (201) | - | - | - | - | (11,562) | (29) | (7) | (3) | (9,181) | - | (44,673) |
| 2 | **Current Federal Income Taxes** | (420,345) | (1,013) | - | - | - | - | 873,038 | (148) | (35) | (14) | (46,223) | - | (224,924) |
| 3 | **Deferred Federal Income Tax** | (1,442,528) | - | 30,523 | (23,341) | (92,588) | (7,181) | (1,100,148) | - | - | - | - | - | - |
| 4 | **Deferred Investment Tax Credit** | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total Federal Income Taxes | (1,862,873) | (1,013) | 30,523 | (23,341) | (92,588) | (7,181) | (227,110) | (148) | (35) | (14) | (46,223) | - | (224,924) |
| 1 | Charitable Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Total Charitable Contributions | - | - | - | - | - | - | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 37 SIT-37 SIT: Reflect Current SIT impact of adjustments. | 38 EP-38 EP: Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements. | 39 AD-39 AD: Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant | 40 AD-40 AD: Increase A/D provision from 1/1/15 through the 13-month average ending 12/31/16 for forecasted net plant in-service additions using | 41 AD-41 AD: Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13-month average | XXX- XXX: Xxxx |
|---|---|---|---|---|---|---|---|---|
| 1 | **Other Taxes** | | | | | | | |
| 2 | Current Payroll Taxes | | | | | | | |
| 3 | FICA | 600 | - | - | - | - | - | - |
| 4 | Fed Unemployment | - | - | - | - | - | - | - |
| 5 | State Unemployment | - | - | - | - | - | - | - |
| 6 | Total Payroll Related Tax | 600 | - | - | - | - | - | - |
| 7 | Real and Personal Property Tax | 141,247 | - | - | - | - | - | - |
| 8 | **Other** | | | | | | | |
| 9 | P.S.C. | - | - | - | - | - | - | - |
| 10 | Sales & Use | - | - | - | - | - | - | - |
| 11 | Bus Franchise | - | - | - | - | - | - | - |
| 12 | Regis Fee | - | - | - | - | - | - | - |
| 13 | State Gross Receipts Tax | - | - | - | - | - | - | - |
| 14 | Federal Excise | - | - | - | - | - | - | - |
| 15 | Taxes on Capital Leases | - | - | - | - | - | - | - |
| 16 | Total Taxes Other Than Income | 141,847 | - | - | - | - | - | - |
| 17 | **Other Income / Expense** | | | | | | | |
| 18 | Interest on Customer Deposits | - | - | - | - | - | - | - |
| 19 | Cost of Short-Term Debt | - | - | - | - | - | - | - |
| 20 | ABFUDC (432) | - | - | - | - | - | - | - |
| 21 | Total Other Income / Expense | - | - | - | - | - | - | - |
| 1 | **State Income Tax** | (268,447) | - | - | - | - | - | - |
| 2 | **Current Federal Income Taxes** | (420,345) | - | - | - | - | - | - |
| 3 | **Deferred Federal Income Tax** | (1,442,528) | - | - | - | - | - | - |
| 4 | **Deferred Investment Tax Credit** | - | - | - | - | - | - | - |
| 5 | Total Federal Income Taxes | (1,862,873) | - | - | - | - | - | - |
| 1 | Charitable Contributions | - | - | - | - | - | - | - |
| 2 | Total Charitable Contributions | - | - | - | - | - | - | - |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 1<br>OR-1<br>Operating Revenue: Weather Normalization | 2<br>OR-2<br>Operating Revenue: Customer Growth | 3<br>OR-3<br>Operating Revenue: Adjust Revenues From a Book to Billed Basis | 4<br>OR-4<br>Operating Revenue: Transfer Non-Base PPAR and Non-Base Fuel Into Base Revenue | 5<br>OR-5<br>Operating Revenue: Rate Annualization | 6<br>OR-6<br>Operating Revenue: Decrease test year pole attachment revenues to remove prior period adjustment | 7<br>OR-7<br>Operating Revenue: Increase reconnect and bad check fees | 8<br>OM-8<br>O&M: Distribution Reliability to an on-going level of expenses. Related to a reliability rider. | 9<br>OM-9<br>O&M: Increase test year distribution expense to remove prior period portion (2009-2013) of reclassification recorded in 2014 to capitalize AEPSC | 10<br>OM-10<br>O&M: Increase test year rate case expenses to a going-level. | 11<br>OM-11<br>O&M: Decrease test year pole attachment rental expenses to remove prior period adjustment. | 12<br>OM-12<br>O&M: Normalization of Major Storm Expenses (average of 2010, 2011, 2012 and 2014). |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Payroll** | | | | | | | | | | | | | |
| 2 | Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Demand Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Energy Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Customer Accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Cust. Svcs/Info | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Subtotal | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | A&G | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Total Operation and Maintenance Payroll | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Payroll Labor Allocation Factor | | | | | | | | | | | | | |
| | Interest Synchronization | (687,312) | - | - | - | - | - | - | - | - | - | - | - | - |
| | Schedule M Adjustment | 1,638,679 | - | - | - | - | - | - | - | - | 762,096 | - | - | - |
| | Bonus Tax Depreciation Schedule M | 2,482,832 | - | - | - | - | - | - | - | - | - | - | - | - |
| | State Only Tax Depreciation Sch. M | (2,660,717) | - | - | - | - | - | - | - | - | - | - | - | - |
| | State Income Tax Rate | 6.4997% | | | | | | | | | | | | |
| | Federal Income Tax Rate | 35% | | | | | | | | | | | | |
| | Pre-Tax Book Income <Loss> | (4,903,626) | (2,426,081) | (692,989) | 227,055 | - | 1,955,389 | (42,522) | 44,641 | (2,087,140) | (762,096) | (101,221) | 55,790 | (406,528) |
| | Total Income Tax Expense <Credit> | (2,131,320) | (951,626) | (271,823) | 89,062 | - | 766,997 | (16,679) | 17,511 | (818,677) | (266,734) | (39,704) | 21,883 | (159,460) |

**KgPCo Jurisdictional Cost of Service Study**
**Twelve Months Ending December 31, 2014**

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 13 OM-13 O&M: Energy Efficiency and Residential Load Control Programs. | 14 OM-14 O&M: Adjust Fuel Expense for rate year sales | 15 OM-15 O&M: Adjust Non Fuel Purchased Power Expense for rate year sales | 16 OM-16 O&M: Increase PPAR Expense for Rate Annualization | 17 OM-17 O&M: Annualize wage and salary using the pay period ending 3/13/15. | 18 OM-18 O&M: Provide for wage and salary increases through rate year ending 12/31/16 | 19 OM-19 O&M: Increase savings plan expense related to adjustments to wages and overtime | 20 OM-20 O&M: Increase SFAS 106 Other Post-Retirement Benefits expense to pro forma level | 21 OM-21 O&M: Decrease SFAS 87 pension expense to pro forma level | 22 OM-22 O&M: Decrease group Life insurance expense to pro forma level | 23 OM-23 O&M: Decrease group Medical insurance expense to pro forma level | 24 OM-24 O&M: Decrease group Long Term Disability insurance expense to pro forma level |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Payroll** | | | | | | | | | | | | | |
| 2 | Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Demand Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Energy Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Customer Accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Cust. Svcs/Info | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Subtotal | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | A&G | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Total Operation and Maintenance Payroll | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Payroll Labor Allocation Factor | | | | | | | | | | | | | |
| | Interest Synchronization | (687,312) | - | - | - | - | - | - | - | - | - | - | - | - |
| | Schedule M Adjustment | 1,638,679 | - | - | - | - | - | - | - | 36,258 | (84,659) | - | - | - |
| | Bonus Tax Depreciation Schedule M | 2,482,832 | - | - | - | - | - | - | - | - | - | - | - | - |
| | State Only Tax Depreciation Sch. M | (2,660,717) | - | - | - | - | - | - | - | - | - | - | - | - |
| | State Income Tax Rate | 6.4997% | | | | | | | | | | | | |
| | Federal Income Tax Rate | 35% | | | | | | | | | | | | |
| | Pre-Tax Book Income <Loss> | (4,903,626) | (300,000) | 1,163,763 | 1,428,638 | (1,979,229) | 76,079 | (83,363) | (291) | (36,258) | 84,659 | 1,672 | 46,264 | 67 |
| | Total Income Tax Expense <Credit> | (2,131,320) | (117,674) | 456,484 | 560,380 | (776,349) | 29,842 | (32,699) | (114) | (12,690) | 29,631 | 656 | 18,147 | 26 |

# KgPCo Jurisdictional Cost of Service Study
## Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 25 OM-25: O&M: Increase group Dental insurance expense to pro forma level | 26 OM-26: O&M: Decrease KPCo Incentive Compensation Plan expense to pro forma level | 27 OM-27: OM: Amortization of RTO Demand Response Expense | 28 OM-28: OM: Annualize RTO Demand Response Expense | 29 DE-29: DE: Increase depreciation expense based on test year end depreciable plant balances and currently approved KGPCo | 30 DE-30: DE: Annualize proposed rates at proposed plant in service levels | 31 OT-31: OT: Increase Social Security tax expense related to the annualization of wages and salaries | 32 OT-32: OT: Increase Medicare tax related to wages and salaries | 33 OT-33: OT: Increase Social Security tax expense related to the FICA base increase | 34 OT-34: OT: Increase Property Taxes for Property Additions | 35 FIT-35: FIT: Reflect Current FIT impact of adjustments | 36 FIT-36: FIT: Reflect Current FIT impact of adjustments to interest. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Payroll** | | | | | | | | | | | | | |
| 2 | Production | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Demand Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Energy Related | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Total | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Transmission | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Customer Accounts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Cust. Svcs/Info | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Subtotal | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | A&G | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Total Operation and Maintenance Payroll | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Payroll Labor Allocation Factor | | | | | | | | | | | | | |
| | Interest Synchronization | (687,312) | - | - | - | - | - | - | - | - | - | - | - | (687,312) |
| | Schedule M Adjustment | 1,638,679 | - | (87,208) | 66,690 | 264,537 | 20,516 | 660,449 | - | - | - | - | - | - |
| | Bonus Tax Depreciation Schedule M | 2,482,832 | - | - | - | - | - | 2,482,832 | - | - | - | - | - | - |
| | State Only Tax Depreciation Sch. M | (2,660,717) | - | - | - | - | - | (2,660,717) | - | - | - | - | - | - |
| | State Income Tax Rate | 6.4997% | | | | | | | | | | | | |
| | Federal Income Tax Rate | 35% | | | | | | | | | | | | |
| | Pre-Tax Book Income <Loss> | (4,903,626) | (3,094) | 87,208 | (66,690) | (264,537) | (20,516) | (660,449) | (451) | (106) | (43) | (141,247) | - | - |
| | Total Income Tax Expense <Credit> | (2,131,320) | (1,214) | 30,523 | (23,341) | (92,588) | (7,181) | (238,672) | (177) | (42) | (17) | (55,404) | - | (269,597) |

# KgPCo Jurisdictional Cost of Service Study
# Twelve Months Ending December 31, 2014

## JCOS Adjustments

| Line No. | Description | Adjusted Totals | 37 SIT-37 SIT: Reflect Current SIT impact of adjustments. | 38 EP-38 EP: Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements. | 39 AD-39 AD: Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant | 40 AD-40 AD: Increase A/D provision from 1/1/15 through the 13-month average ending 12/31/16 for forecasted net plant in-service additions using | 41 AD-41 AD: Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13-month average | XXX- XXX: Xxxx |
|---|---|---|---|---|---|---|---|---|
| 1 | **Payroll** | | | | | | | |
| 2 | Production | - | - | - | - | - | - | - |
| 3 | Demand Related | - | - | - | - | - | - | - |
| 4 | Energy Related | - | - | - | - | - | - | - |
| 5 | Total | - | - | - | - | - | - | - |
| 6 | Transmission | - | - | - | - | - | - | - |
| 7 | Distribution | - | - | - | - | - | - | - |
| 8 | Customer Accounts | - | - | - | - | - | - | - |
| 9 | Cust. Svcs/Info | - | - | - | - | - | - | - |
| 10 | Subtotal | - | - | - | - | - | - | - |
| 11 | A&G | - | - | - | - | - | - | - |
| 12 | Total Operation and Maintenance Payroll | - | - | - | - | - | - | - |
| 13 | Payroll Labor Allocation Factor | | | | | | | |
| | Interest Synchronization | (687,312) | - | - | - | - | - | - |
| | Schedule M Adjustment | 1,638,679 | - | - | - | - | - | - |
| | Bonus Tax Depreciation Schedule M | 2,482,832 | - | - | - | - | - | - |
| | State Only Tax Depreciation Sch. M | (2,660,717) | - | - | - | - | - | - |
| | State Income Tax Rate | 6.4997% | | | | | | |
| | Federal Income Tax Rate | 35% | | | | | | |
| | Pre-Tax Book Income <Loss> | (4,903,626) | - | - | - | - | - | - |
| | Total Income Tax Expense <Credit> | (2,131,320) | - | - | - | - | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total Retail | RS | SGS | Total MGS | Total LGS |
|---|---|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 | | |
| **Rate Base** | | | | | | | | |
| **P-T-D Plant in Service** | | | | | | | | |
| Production | | | | | | | | |
| Demand | - | PROD_DEMAND | TOTAL | - | - | - | - | - |
| **Total** | - | | TOTAL | - | - | - | - | - |
| Transmission | | | | | | | | |
| Bulk & Sub; Other | - | BULK_TRANS | TOTAL | - | - | - | - | - |
| **Total** | - | | TOTAL | - | - | - | - | - |
| Distribution | | | | | | | | |
| 360 Land and Land Rights | 2,371,829 | DIST_CPD | TOTAL | 2,371,829 | 1,611,718 | 31,501 | 191,188 | 332,438 |
| 361 Structures and Improvements | 643,788 | DIST_CPD | TOTAL | 643,788 | 437,470 | 8,550 | 51,894 | 90,234 |
| 362 & 363 Station Equip. & Storage Battery | 19,272,653 | DIST_CPD | TOTAL | 19,272,653 | 13,096,261 | 255,966 | 1,553,525 | 2,701,277 |
| 364 Poles | 23,185,112 | DIST_POLES | TOTAL | 23,185,112 | 16,649,884 | 319,276 | 1,704,064 | 2,760,309 |
| 365 Overhead Lines | 29,205,000 | DIST_OHLINES | TOTAL | 29,205,000 | 20,432,153 | 395,318 | 2,246,112 | 3,772,680 |
| 366 Underground Conduit | 4,704,854 | DIST_UGLINES | TOTAL | 4,704,854 | 3,305,883 | 63,866 | 359,207 | 599,944 |
| 367 Underground Lines | 7,803,928 | DIST_UGLINES | TOTAL | 7,803,928 | 5,483,458 | 105,935 | 595,816 | 995,126 |
| 368 Transformers | 24,523,960 | DIST_TRANSF | TOTAL | 24,523,960 | 18,400,977 | 347,724 | 1,657,039 | 2,487,978 |
| 369 Services | 12,628,066 | DIST_SERV | TOTAL | 12,628,066 | 10,219,231 | 892,299 | 338,108 | 57,919 |
| 370 Meters | 5,646,155 | DIST_METERS | TOTAL | 5,646,155 | 2,032,544 | 597,803 | 2,416,034 | 225,479 |
| 371 Installations on Cust Premises | 2,254,201 | DIST_OL | TOTAL | 2,254,201 | - | - | - | - |
| 373 Street Lighting | 7,433,066 | DIST_SL | TOTAL | 7,433,066 | - | - | - | - |
| **Total** | 139,672,611 | | TOTAL | 139,672,611 | 91,669,579 | 3,018,237 | 11,112,987 | 14,023,385 |
| **Total P-T-D Plant in Service** | 139,672,611 | | TOTAL | 139,672,611 | 91,669,579 | 3,018,237 | 11,112,987 | 14,023,385 |
| **General & Intangible Plant** | 5,175,010 | LABOR_M | TOTAL | 5,175,010 | 3,705,098 | 153,136 | 343,050 | 426,631 |
| **Total Electric Plant in Service** | **144,847,621** | | TOTAL | 144,847,621 | 95,374,678 | 3,171,373 | 11,456,037 | 14,450,016 |
| **Plant Held for Future Use** | | | | | | | | |
| Production | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Transmission | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Distribution | 34,829 | RB_GUP_EPIS_D | TOTAL | 34,829 | 22,859 | 753 | 2,771 | 3,497 |
| **Total** | 34,829 | | TOTAL | 34,829 | 22,859 | 753 | 2,771 | 3,497 |
| **Construction Work in Progress** | | | | | | | | |
| General & Intangible | 183,153 | RB_GUP_EPIS_G | TOTAL | 183,153 | 131,130 | 5,420 | 12,141 | 15,099 |
| Production | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Transmission | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Distribution | 2,025,488 | RB_GUP_EPIS_D | TOTAL | 2,025,488 | 1,329,363 | 43,770 | 161,157 | 203,363 |
| **Total** | 2,208,640 | | TOTAL | 2,208,640 | 1,460,493 | 49,189 | 173,298 | 218,462 |
| **Other** | - | RB_GUP_EPIS_D | TOTAL | - | - | - | - | - |
| **Electric Utility Plant** | 147,091,090 | | TOTAL | 147,091,090 | 96,858,029 | 3,221,315 | 11,632,106 | 14,671,975 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total IP | CS | PS | EHG | OL |
|---|---|---|---|---|---|---|---|---|
| | | | | | 13 | 14 | 15 | 16 |
| **Rate Base** | | | | | | | | |
| **P-T-D Plant in Service** | | | | | | | | |
| Production | | | | | | | | |
| Demand | - | PROD_DEMAND | TOTAL | - | - | - | - | - |
| **Total** | - | | TOTAL | - | - | - | - | - |
| Transmission | | | | | | | | |
| Bulk & Sub; Other | - | BULK_TRANS | TOTAL | - | - | - | - | - |
| **Total** | - | | TOTAL | - | - | - | - | - |
| Distribution | | | | | | | | |
| 360 Land and Land Rights | 2,371,829 | DIST_CPD | TOTAL | 78,139 | 19,105 | 54,478 | 48,318 | 1,651 |
| 361 Structures and Improvements | 643,788 | DIST_CPD | TOTAL | 21,209 | 5,186 | 14,787 | 13,115 | 448 |
| 362 & 363 Station Equip. & Storage Battery | 19,272,653 | DIST_CPD | TOTAL | 634,934 | 155,243 | 442,665 | 392,617 | 13,414 |
| 364 Poles | 23,185,112 | DIST_POLES | TOTAL | 395,511 | 217,564 | 547,021 | 484,234 | 40,104 |
| 365 Overhead Lines | 29,205,000 | DIST_OHLINES | TOTAL | 720,749 | 255,439 | 680,296 | 602,764 | 36,035 |
| 366 Underground Conduit | 4,704,854 | DIST_UGLINES | TOTAL | 110,221 | 41,643 | 109,826 | 97,294 | 6,188 |
| 367 Underground Lines | 7,803,928 | DIST_UGLINES | TOTAL | 182,823 | 69,074 | 182,168 | 161,382 | 10,265 |
| 368 Transformers | 24,523,960 | DIST_TRANSF | TOTAL | 93,398 | 257,306 | 591,395 | 522,706 | 63,565 |
| 369 Services | 12,628,066 | DIST_SERV | TOTAL | - | 45,543 | 7,921 | 146,778 | 919,278 |
| 370 Meters | 5,646,155 | DIST_METERS | TOTAL | 138,271 | 64,239 | 50,186 | 121,599 | - |
| 371 Installations on Cust Premises | 2,254,201 | DIST_OL | TOTAL | - | - | - | - | 2,254,201 |
| 373 Street Lighting | 7,433,066 | DIST_SL | TOTAL | - | - | - | - | - |
| **Total** | 139,672,611 | | TOTAL | 2,375,255 | 1,130,342 | 2,680,741 | 2,590,807 | 3,345,149 |
| **Total P-T-D Plant in Service** | 139,672,611 | | TOTAL | 2,375,255 | 1,130,342 | 2,680,741 | 2,590,807 | 3,345,149 |
| **General & Intangible Plant** | 5,175,010 | LABOR_M | TOTAL | 113,975 | 34,977 | 77,192 | 85,115 | 99,460 |
| **Total Electric Plant in Service** | **144,847,621** | | TOTAL | 2,489,230 | 1,165,319 | 2,757,933 | 2,675,922 | 3,444,609 |
| **Plant Held for Future Use** | | | | | | | | |
| Production | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Transmission | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Distribution | 34,829 | RB_GUP_EPIS_D | TOTAL | 592 | 282 | 668 | 646 | 834 |
| **Total** | 34,829 | | TOTAL | 592 | 282 | 668 | 646 | 834 |
| **Construction Work in Progress** | | | | | | | | |
| General & Intangible | 183,153 | RB_GUP_EPIS_G | TOTAL | 4,034 | 1,238 | 2,732 | 3,012 | 3,520 |
| Production | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Transmission | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Distribution | 2,025,488 | RB_GUP_EPIS_D | TOTAL | 34,445 | 16,392 | 38,875 | 37,571 | 48,510 |
| **Total** | 2,208,640 | | TOTAL | 38,479 | 17,630 | 41,607 | 40,583 | 52,030 |
| **Other** | - | RB_GUP_EPIS_D | TOTAL | - | - | - | - | - |
| **Electric Utility Plant** | 147,091,090 | | TOTAL | 2,528,301 | 1,183,231 | 2,800,209 | 2,717,151 | 3,497,473 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | SL |
|---|---|---|---|---|
| | | | | 17 |
| **Rate Base** | | | | |
| **P-T-D Plant in Service** | | | | |
| Production | | | | |
| Demand | - | PROD_DEMAND | TOTAL | - |
| **Total** | - | | TOTAL | - |
| Transmission | | | | |
| Bulk & Sub; Other | - | BULK_TRANS | TOTAL | - |
| **Total** | - | | TOTAL | - |
| Distribution | | | | |
| 360 Land and Land Rights | 2,371,829 | DIST_CPD | TOTAL | 3,292 |
| 361 Structures and Improvements | 643,788 | DIST_CPD | TOTAL | 894 |
| 362 & 363 Station Equip. & Storage Battery | 19,272,653 | DIST_CPD | TOTAL | 26,750 |
| 364 Poles | 23,185,112 | DIST_POLES | TOTAL | 67,146 |
| 365 Overhead Lines | 29,205,000 | DIST_OHLINES | TOTAL | 63,453 |
| 366 Underground Conduit | 4,704,854 | DIST_UGLINES | TOTAL | 10,781 |
| 367 Underground Lines | 7,803,928 | DIST_UGLINES | TOTAL | 17,883 |
| 368 Transformers | 24,523,960 | DIST_TRANSF | TOTAL | 101,873 |
| 369 Services | 12,628,066 | DIST_SERV | TOTAL | 990 |
| 370 Meters | 5,646,155 | DIST_METERS | TOTAL | - |
| 371 Installations on Cust Premises | 2,254,201 | DIST_OL | TOTAL | - |
| 373 Street Lighting | 7,433,066 | DIST_SL | TOTAL | 7,433,066 |
| **Total** | 139,672,611 | | TOTAL | 7,726,128 |
| **Total P-T-D Plant in Service** | 139,672,611 | | TOTAL | 7,726,128 |
| **General & Intangible Plant** | 5,175,010 | LABOR_M | TOTAL | 136,377 |
| **Total Electric Plant in Service** | **144,847,621** | | TOTAL | 7,862,505 |
| **Plant Held for Future Use** | | | | |
| Production | - | RB_GUP_EPIS_P | TOTAL | - |
| Transmission | - | RB_GUP_EPIS_T | TOTAL | - |
| Distribution | 34,829 | RB_GUP_EPIS_D | TOTAL | 1,927 |
| **Total** | 34,829 | | TOTAL | 1,927 |
| **Construction Work in Progress** | | | | |
| General & Intangible | 183,153 | RB_GUP_EPIS_G | TOTAL | 4,827 |
| Production | - | RB_GUP_EPIS_P | TOTAL | - |
| Transmission | - | RB_GUP_EPIS_T | TOTAL | - |
| Distribution | 2,025,488 | RB_GUP_EPIS_D | TOTAL | 112,042 |
| **Total** | 2,208,640 | | TOTAL | 116,868 |
| **Other** | - | RB_GUP_EPIS_D | TOTAL | - |
| **Electric Utility Plant** | 147,091,090 | | TOTAL | 7,981,300 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total Retail | RS | SGS | Total MGS | Total LGS |
|---|---|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 | | |
| **Accum. Depreciation and Amortization** | | | | | | | | |
| Production | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Bulk Transmission | - | BULK_TRANS | TOTAL | - | - | - | - | - |
| Distribution | (54,668,632) | RB_GUP_EPIS_D | TOTAL | (54,668,632) | (35,879,980) | (1,181,355) | (4,349,685) | (5,488,831) |
| General & Intangible | (1,911,492) | RB_GUP_EPIS_G | TOTAL | (1,911,492) | (1,368,551) | (56,564) | (126,712) | (157,584) |
| **Total** | (56,580,124) | | TOTAL | (56,580,124) | (37,248,531) | (1,237,918) | (4,476,397) | (5,646,415) |
| **Net Electric Plant in Service** | **90,510,966** | | TOTAL | 90,510,966 | 59,609,498 | 1,983,397 | 7,155,709 | 9,025,560 |
| **Working Capital** | | | | | | | | |
| Assets | | | | | | | | |
| O&M; Lead / Lag Study | - | RB_GUP | TOTAL | - | - | - | - | - |
| Materials & Supplies - Gross Plant Related (154) | 226,320 | RB_GUP_EPIS_D | TOTAL | 226,320 | 148,538 | 4,891 | 18,007 | 22,723 |
| Prepayments-Payroll Related (165) | 4,624,527 | LABOR_M | TOTAL | 4,624,527 | 3,310,975 | 136,847 | 306,558 | 381,248 |
| Prepayments-Gross Plant Related (165) | 119,983 | RB_GUP | TOTAL | 119,983 | 79,007 | 2,628 | 9,488 | 11,968 |
| Prepayments-Distribution (165) | 2,108,137 | RB_GUP_EPIS_D | TOTAL | 2,108,137 | 1,383,607 | 45,556 | 167,733 | 211,661 |
| **Total Working Capital** | 7,078,967 | | TOTAL | 7,078,967 | 4,922,127 | 189,920 | 501,787 | 627,600 |
| | - | | | | | | | |
| **Rate Base Offsets** | | | | | | | | |
| Contr In Aid of Constr Advance (Acct. 2530124) | (123,621) | RB_GUP_EPIS_D | TOTAL | (123,621) | (81,135) | (2,671) | (9,836) | (12,412) |
| Customer Deposits (Acct. 235) | (4,085,238) | CUST_DEP | TOTAL | (4,085,238) | (2,816,096) | (144,423) | (445,171) | (546,036) |
| Accumulated Deferred FIT (Acct. 190.1/282.1/283.1) | (17,678,950) | RB_GUP | TOTAL | (17,678,950) | (11,641,414) | (387,171) | (1,398,068) | (1,763,432) |
| Accumulated Deferred ITC (Acct. 255) | (3,123) | RB_GUP | TOTAL | (3,123) | (2,056) | (68) | (247) | (312) |
| **Total** | (21,890,932) | | TOTAL | (21,890,932) | (14,540,701) | (534,334) | (1,853,322) | (2,322,191) |
| **Total Rate Base** | **75,699,001** | | TOTAL | **75,699,001** | **49,990,924** | **1,638,982** | **5,804,174** | **7,330,969** |
| **Operating Revenues** | | | | | | | | |
| **Firm Sales of Electricity** | 157,609,689 | RSALE | TOTAL | 157,609,689 | 59,442,780 | 2,365,884 | 10,504,269 | 19,657,945 |
| **Sales for Resale** | | | | | | | | |
| Demand | - | PROD_DEMAND | TOTAL | - | - | - | - | - |
| Energy | - | PROD_ENERGY | TOTAL | - | - | - | - | - |
| **Total** | - | | TOTAL | - | - | - | - | - |
| **Other Operating Revenues** | | | | | | | | |
| Forfeited Discounts | 280,372 | FORF_DISC | TOTAL | 280,372 | 219,823 | 5,586 | 21,084 | 24,004 |
| Miscellaneous Service Revenue | 29,486 | MISC_SERV_REV | TOTAL | 29,486 | 23,854 | 2,083 | 790 | 139 |
| Mis. Serv. Rev. - Reconnect & Bad Check Fee Adjustment | 44,641 | OR7 | TOTAL | 44,641 | 42,844 | 1,244 | 472 | 81 |
| Rent Assoc Co - Prod | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Rent Assoc Co - Trans | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Rent Assoc Co - Dist | 85,531 | RB_GUP_EPIS_D | TOTAL | 85,531 | 56,135 | 1,848 | 6,805 | 8,587 |
| Rent Non-Assoc Co - Prod | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Rent Non-Assoc Co - Trans | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Rent Non-Assoc Co - Dist | 1,200 | RB_GUP_EPIS_D | TOTAL | 1,200 | 788 | 26 | 95 | 120 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total IP | CS | PS | EHG | OL |
|---|---|---|---|---|---|---|---|---|
| | | | | | 13 | 14 | 15 | 16 |
| **Accum. Depreciation and Amortization** | | | | | | | | |
| Production | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Bulk Transmission | - | BULK_TRANS | TOTAL | - | - | - | - | - |
| Distribution | (54,668,632) | RB_GUP_EPIS_D | TOTAL | (929,688) | (442,422) | (1,049,257) | (1,014,056) | (1,309,310) |
| General & Intangible | (1,911,492) | RB_GUP_EPIS_G | TOTAL | (42,099) | (12,919) | (28,512) | (31,439) | (36,738) |
| **Total** | (56,580,124) | | TOTAL | (971,787) | (455,342) | (1,077,769) | (1,045,495) | (1,346,047) |
| **Net Electric Plant in Service** | **90,510,966** | | TOTAL | 1,556,514 | 727,889 | 1,722,439 | 1,671,656 | 2,151,426 |
| **Working Capital** | | | | | | | | |
| Assets | | | | | | | | |
| O&M; Lead / Lag Study | - | RB_GUP | TOTAL | - | - | - | - | - |
| Materials & Supplies - Gross Plant Related (154) | 226,320 | RB_GUP_EPIS_D | TOTAL | 3,849 | 1,832 | 4,344 | 4,198 | 5,420 |
| Prepayments-Payroll Related (165) | 4,624,527 | LABOR_M | TOTAL | 101,851 | 31,256 | 68,980 | 76,061 | 88,880 |
| Prepayments-Gross Plant Related (165) | 119,983 | RB_GUP | TOTAL | 2,062 | 965 | 2,284 | 2,216 | 2,853 |
| Prepayments-Distribution (165) | 2,108,137 | RB_GUP_EPIS_D | TOTAL | 35,851 | 17,061 | 40,462 | 39,104 | 50,490 |
| **Total Working Capital** | 7,078,967 | | TOTAL | 143,613 | 51,114 | 116,070 | 121,579 | 147,643 |
| | - | | | | | | | |
| **Rate Base Offsets** | | | | | | | | |
| Contr In Aid of Constr Advance (Acct. 2530124) | (123,621) | RB_GUP_EPIS_D | TOTAL | (2,102) | (1,000) | (2,373) | (2,293) | (2,961) |
| Customer Deposits (Acct. 235) | (4,085,238) | CUST_DEP | TOTAL | - | (17,133) | (312) | (116,067) | - |
| Accumulated Deferred FIT (Acct. 190.1/282.1/283.1) | (17,678,950) | RB_GUP | TOTAL | (303,878) | (142,213) | (336,558) | (326,576) | (420,363) |
| Accumulated Deferred ITC (Acct. 255) | (3,123) | RB_GUP | TOTAL | (54) | (25) | (59) | (58) | (74) |
| **Total** | (21,890,932) | | TOTAL | (306,034) | (160,372) | (339,302) | (444,993) | (423,398) |
| **Total Rate Base** | **75,699,001** | | TOTAL | **1,394,093** | **618,631** | **1,499,207** | **1,348,242** | **1,875,671** |
| **Operating Revenues** | | | | | | | | |
| **Firm Sales of Electricity** | 157,609,689 | RSALE | TOTAL | 57,804,203 | 952,823 | 2,267,017 | 2,443,736 | 722,983 |
| **Sales for Resale** | | | | | | | | |
| Demand | - | PROD_DEMAND | TOTAL | - | - | - | - | - |
| Energy | - | PROD_ENERGY | TOTAL | - | - | - | - | - |
| **Total** | - | | TOTAL | - | - | - | - | - |
| **Other Operating Revenues** | | | | | | | | |
| Forfeited Discounts | 280,372 | FORF_DISC | TOTAL | 4,035 | 1,005 | - | 4,836 | - |
| Miscellaneous Service Revenue | 29,486 | MISC_SERV_REV | TOTAL | 3 | 106 | 18 | 343 | 2,146 |
| Mis. Serv. Rev. - Reconnect & Bad Check Fee Adjustment | 44,641 | OR7 | TOTAL | - | - | - | - | - |
| Rent Assoc Co - Prod | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Rent Assoc Co - Trans | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Rent Assoc Co - Dist | 85,531 | RB_GUP_EPIS_D | TOTAL | 1,455 | 692 | 1,642 | 1,587 | 2,048 |
| Rent Non-Assoc Co - Prod | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Rent Non-Assoc Co - Trans | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Rent Non-Assoc Co - Dist | 1,200 | RB_GUP_EPIS_D | TOTAL | 20 | 10 | 23 | 22 | 29 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | SL |
|---|---|---|---|---|
| | | | | 17 |
| **Accum. Depreciation and Amortization** | | | | |
| Production | - | RB_GUP_EPIS_P | TOTAL | - |
| Bulk Transmission | - | BULK_TRANS | TOTAL | - |
| Distribution | (54,668,632) | RB_GUP_EPIS_D | TOTAL | (3,024,049) |
| General & Intangible | (1,911,492) | RB_GUP_EPIS_G | TOTAL | (50,374) |
| **Total** | (56,580,124) | | TOTAL | (3,074,423) |
| **Net Electric Plant in Service** | **90,510,966** | | TOTAL | 4,906,877 |
| **Working Capital** | | | | |
| Assets | | | | |
| O&M; Lead / Lag Study | - | RB_GUP | TOTAL | - |
| Materials & Supplies - Gross Plant Related (154) | 226,320 | RB_GUP_EPIS_D | TOTAL | 12,519 |
| Prepayments-Payroll Related (165) | 4,624,527 | LABOR_M | TOTAL | 121,870 |
| Prepayments-Gross Plant Related (165) | 119,983 | RB_GUP | TOTAL | 6,510 |
| Prepayments-Distribution (165) | 2,108,137 | RB_GUP_EPIS_D | TOTAL | 116,614 |
| **Total Working Capital** | 7,078,967 | | TOTAL | 257,513 |
| | - | | | |
| **Rate Base Offsets** | | | | |
| Contr In Aid of Constr Advance (Acct. 2530124) | (123,621) | RB_GUP_EPIS_D | TOTAL | (6,838) |
| Customer Deposits (Acct. 235) | (4,085,238) | CUST_DEP | TOTAL | - |
| Accumulated Deferred FIT (Acct. 190.1/282.1/283.1) | (17,678,950) | RB_GUP | TOTAL | (959,276) |
| Accumulated Deferred ITC (Acct. 255) | (3,123) | RB_GUP | TOTAL | (169) |
| **Total** | (21,890,932) | | TOTAL | (966,284) |
| **Total Rate Base** | **75,699,001** | | TOTAL | **4,198,107** |
| **Operating Revenues** | | | | |
| **Firm Sales of Electricity** | 157,609,689 | RSALE | TOTAL | 1,448,049 |
| **Sales for Resale** | | | | |
| Demand | - | PROD_DEMAND | TOTAL | - |
| Energy | - | PROD_ENERGY | TOTAL | - |
| **Total** | - | | TOTAL | - |
| **Other Operating Revenues** | | | | |
| Forfeited Discounts | 280,372 | FORF_DISC | TOTAL | - |
| Miscellaneous Service Revenue | 29,486 | MISC_SERV_REV | TOTAL | 2 |
| Mis. Serv. Rev. - Reconnect & Bad Check Fee Adjustment | 44,641 | OR7 | TOTAL | - |
| Rent Assoc Co - Prod | - | RB_GUP_EPIS_P | TOTAL | - |
| Rent Assoc Co - Trans | - | RB_GUP_EPIS_T | TOTAL | - |
| Rent Assoc Co - Dist | 85,531 | RB_GUP_EPIS_D | TOTAL | 4,731 |
| Rent Non-Assoc Co - Prod | - | RB_GUP_EPIS_P | TOTAL | - |
| Rent Non-Assoc Co - Trans | - | RB_GUP_EPIS_T | TOTAL | - |
| Rent Non-Assoc Co - Dist | 1,200 | RB_GUP_EPIS_D | TOTAL | 66 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total Retail | RS | SGS | Total MGS | Total LGS |
|---|---|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 | | |
| Rent ABD - Trans | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Rent ABD - Pole Attch Dist | 1,282,668 | RB_GUP_EPIS_D | TOTAL | 1,282,668 | 841,837 | 27,718 | 102,055 | 128,782 |
| Other Electric Revenue - Prod | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Other Electric Revenue - New - Demand | - | PROD_DEMAND | TOTAL | - | - | - | - | - |
| Other Electric Rev. Prod - New - Energy | - | PROD_ENERGY | TOTAL | - | - | - | - | - |
| Other Electric Revenue - Trans | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Other Electric Revenue - Dist | 81,763 | RB_GUP_EPIS_D | TOTAL | 81,763 | 53,662 | 1,767 | 6,505 | 8,209 |
| Other Electric Revenue - Local Facil Dist | - | RB_GUP_EPIS_D | TOTAL | - | - | - | - | - |
| **Total - Other Operating Revenues** | 1,805,660 | | TOTAL | 1,805,660 | 1,238,944 | 40,272 | 137,807 | 169,923 |
| **Total Other Revenues** | 1,805,660 | | TOTAL | 1,805,660 | 1,238,944 | 40,272 | 137,807 | 169,923 |
| **Total Operating Revenues** | **159,415,349** | | TOTAL | 159,415,349 | 60,681,724 | 2,406,156 | 10,642,076 | 19,827,868 |
| | - | | | | | | | |
| **Operating Expense** | | | | | | | | |
| **O&M Expense** | | | | | | | | |
| Production | | | | | | | | |
| Demand | 67,176,100 | PROD_DEMAND | TOTAL | 67,176,100 | 31,112,379 | 669,484 | 4,054,347 | 6,947,424 |
| Energy & Fuel | 73,932,193 | PROD_ENERGY | TOTAL | 73,932,193 | 24,821,218 | 787,492 | 3,971,302 | 8,412,171 |
| **Total** | 141,108,293 | | TOTAL | 141,108,293 | 55,933,597 | 1,456,976 | 8,025,650 | 15,359,596 |
| Transmission | | | | | | | | |
| Bulk Transmission | - | BULK_TRANS | TOTAL | - | - | - | - | - |
| **Total** | - | | TOTAL | - | - | - | - | - |
| Distribution Operation | | | | | | | | |
| 580 Supervision & Engineering | 272,384 | TOTOXEXP | TOTAL | 272,384 | 175,999 | 6,709 | 21,914 | 25,642 |
| 581 Load Dispatching | 6,792 | RB_GUP_EPIS_D | TOTAL | 6,792 | 4,458 | 147 | 540 | 682 |
| 582 Station Expenses | 61,379 | 362 STATIONS | TOTAL | 61,379 | 41,709 | 815 | 4,948 | 8,603 |
| 583 Overhead Lines | (16,834) | TOTOHLINES | TOTAL | (16,834) | (11,915) | (230) | (1,269) | (2,099) |
| 584 Underground Lines | 71,470 | TOTUGLINES | TOTAL | 71,470 | 50,219 | 970 | 5,457 | 9,114 |
| 585 Street Lighting | 37,009 | DIST_SL | TOTAL | 37,009 | - | - | - | - |
| 586 Meters | 25,196 | DIST_METERS | TOTAL | 25,196 | 9,070 | 2,668 | 10,782 | 1,006 |
| 587 Customer Installs | 83,781 | DIST_PCUST | TOTAL | 83,781 | 67,785 | 5,919 | 2,246 | 396 |
| 588 Miscellaneous Distribution | 759,076 | RB_GUP_EPIS_D | TOTAL | 759,076 | 498,195 | 16,403 | 60,396 | 76,213 |
| 589 Rents | 455,082 | RB_GUP_EPIS_D | TOTAL | 455,082 | 298,678 | 9,834 | 36,208 | 45,691 |
| **Total** | 1,755,334 | | TOTAL | 1,755,334 | 1,134,197 | 43,235 | 141,221 | 165,247 |
| Distribution Maintenance | | | | | | | | |
| 590 Supervision & Engineering | 10,838 | TOTMXEXP | TOTAL | 10,838 | 7,469 | 148 | 799 | 1,304 |
| 591 Structures | 15,503 | RB_GUP_EPIS_D | TOTAL | 15,503 | 10,175 | 335 | 1,233 | 1,557 |
| 592 Station Equipment | 135,649 | 362 STATIONS | TOTAL | 135,649 | 92,177 | 1,802 | 10,934 | 19,013 |
| 593 Overhead Lines | 4,233,999 | TOTOHLINES | TOTAL | 4,233,999 | 2,996,850 | 57,751 | 319,240 | 527,975 |
| 594 Underground Lines | 171,116 | TOTUGLINES | TOTAL | 171,116 | 120,235 | 2,323 | 13,064 | 21,820 |
| 595 Line Transformers | 172,530 | 368 TRANSFORMERS | TOTAL | 172,530 | 129,454 | 2,446 | 11,658 | 17,503 |
| 596 Street Lighting | 119,799 | DIST_SL | TOTAL | 119,799 | - | - | - | - |
| 597 Meters | 581 | DIST_METERS | TOTAL | 581 | 209 | 62 | 249 | 23 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total IP | CS | PS | EHG | OL |
|---|---|---|---|---|---|---|---|---|
| | | | | | 13 | 14 | 15 | 16 |
| Rent ABD - Trans | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Rent ABD - Pole Attch Dist | 1,282,668 | RB_GUP_EPIS_D | TOTAL | 21,813 | 10,380 | 24,618 | 23,792 | 30,720 |
| Other Electric Revenue - Prod | - | RB_GUP_EPIS_P | TOTAL | - | - | - | - | - |
| Other Electric Revenue - New - Demand | - | PROD_DEMAND | TOTAL | - | - | - | - | - |
| Other Electric Rev. Prod - New - Energy | - | PROD_ENERGY | TOTAL | - | - | - | - | - |
| Other Electric Revenue - Trans | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Other Electric Revenue - Dist | 81,763 | RB_GUP_EPIS_D | TOTAL | 1,390 | 662 | 1,569 | 1,517 | 1,958 |
| Other Electric Revenue - Local Facil Dist | - | RB_GUP_EPIS_D | TOTAL | - | - | - | - | - |
| **Total - Other Operating Revenues** | 1,805,660 | | TOTAL | 28,717 | 12,855 | 27,871 | 32,097 | 36,901 |
| **Total Other Revenues** | 1,805,660 | | TOTAL | 28,717 | 12,855 | 27,871 | 32,097 | 36,901 |
| **Total Operating Revenues** | **159,415,349** | | TOTAL | 57,832,920 | 965,678 | 2,294,888 | 2,475,833 | 759,884 |
| | - | | | | | | | |
| **Operating Expense** | | | | | | | | |
| **O&M Expense** | | | | | | | | |
| Production | | | | | | | | |
| Demand | 67,176,100 | PROD_DEMAND | TOTAL | 21,728,526 | 380,509 | 1,301,332 | 977,370 | 1,891 |
| Energy & Fuel | 73,932,193 | PROD_ENERGY | TOTAL | 33,174,046 | 350,541 | 1,020,905 | 938,763 | 160,021 |
| **Total** | 141,108,293 | | TOTAL | 54,902,572 | 731,050 | 2,322,238 | 1,916,134 | 161,912 |
| Transmission | | | | | | | | |
| Bulk Transmission | - | BULK_TRANS | TOTAL | - | - | - | - | - |
| **Total** | - | | TOTAL | - | - | - | - | - |
| Distribution Operation | | | | | | | | |
| 580 Supervision & Engineering | 272,384 | TOTOXEXP | TOTAL | 4,541 | 2,102 | 4,848 | 4,875 | 6,512 |
| 581 Load Dispatching | 6,792 | RB_GUP_EPIS_D | TOTAL | 116 | 55 | 130 | 126 | 163 |
| 582 Station Expenses | 61,379 | 362 STATIONS | TOTAL | 2,022 | 494 | 1,410 | 1,250 | 43 |
| 583 Overhead Lines | (16,834) | TOTOHLINES | TOTAL | (359) | (152) | (394) | (349) | (24) |
| 584 Underground Lines | 71,470 | TOTUGLINES | TOTAL | 1,674 | 633 | 1,668 | 1,478 | 94 |
| 585 Street Lighting | 37,009 | DIST_SL | TOTAL | - | - | - | - | - |
| 586 Meters | 25,196 | DIST_METERS | TOTAL | 617 | 287 | 224 | 543 | - |
| 587 Customer Installs | 83,781 | DIST_PCUST | TOTAL | 3 | 302 | 53 | 974 | 6,098 |
| 588 Miscellaneous Distribution | 759,076 | RB_GUP_EPIS_D | TOTAL | 12,909 | 6,143 | 14,569 | 14,080 | 18,180 |
| 589 Rents | 455,082 | RB_GUP_EPIS_D | TOTAL | 7,739 | 3,683 | 8,734 | 8,441 | 10,899 |
| **Total** | 1,755,334 | | TOTAL | 29,262 | 13,547 | 31,242 | 31,418 | 41,963 |
| Distribution Maintenance | | | | | | | | |
| 590 Supervision & Engineering | 10,838 | TOTMXEXP | TOTAL | 221 | 95 | 246 | 219 | 27 |
| 591 Structures | 15,503 | RB_GUP_EPIS_D | TOTAL | 264 | 125 | 298 | 288 | 371 |
| 592 Station Equipment | 135,649 | 362 STATIONS | TOTAL | 4,469 | 1,093 | 3,116 | 2,763 | 94 |
| 593 Overhead Lines | 4,233,999 | TOTOHLINES | TOTAL | 90,212 | 38,227 | 99,188 | 87,848 | 6,153 |
| 594 Underground Lines | 171,116 | TOTUGLINES | TOTAL | 4,009 | 1,515 | 3,994 | 3,539 | 225 |
| 595 Line Transformers | 172,530 | 368 TRANSFORMERS | TOTAL | 657 | 1,810 | 4,161 | 3,677 | 447 |
| 596 Street Lighting | 119,799 | DIST_SL | TOTAL | - | - | - | - | - |
| 597 Meters | 581 | DIST_METERS | TOTAL | 14 | 7 | 5 | 13 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | SL |
|---|---|---|---|---|
| | | | | 17 |
| Rent ABD - Trans | - | RB_GUP_EPIS_T | TOTAL | - |
| Rent ABD - Pole Attch Dist | 1,282,668 | RB_GUP_EPIS_D | TOTAL | 70,952 |
| Other Electric Revenue - Prod | - | RB_GUP_EPIS_P | TOTAL | - |
| Other Electric Revenue - New - Demand | - | PROD_DEMAND | TOTAL | - |
| Other Electric Rev. Prod - New - Energy | - | PROD_ENERGY | TOTAL | - |
| Other Electric Revenue - Trans | - | RB_GUP_EPIS_T | TOTAL | - |
| Other Electric Revenue - Dist | 81,763 | RB_GUP_EPIS_D | TOTAL | 4,523 |
| Other Electric Revenue - Local Facil Dist | - | RB_GUP_EPIS_D | TOTAL | - |
| **Total - Other Operating Revenues** | 1,805,660 | | TOTAL | 80,275 |
| **Total Other Revenues** | 1,805,660 | | TOTAL | 80,275 |
| **Total Operating Revenues** | **159,415,349** | | TOTAL | 1,528,324 |
| | - | | | |
| **Operating Expense** | | | | |
| **O&M Expense** | | | | |
| Production | | | | |
| Demand | 67,176,100 | PROD_DEMAND | TOTAL | 2,837 |
| Energy & Fuel | 73,932,193 | PROD_ENERGY | TOTAL | 295,733 |
| **Total** | 141,108,293 | | TOTAL | 298,570 |
| Transmission | | | | |
| Bulk Transmission | - | BULK_TRANS | TOTAL | - |
| **Total** | - | | TOTAL | - |
| Distribution Operation | | | | |
| 580 Supervision & Engineering | 272,384 | TOTOXEXP | TOTAL | 19,242 |
| 581 Load Dispatching | 6,792 | RB_GUP_EPIS_D | TOTAL | 376 |
| 582 Station Expenses | 61,379 | 362 STATIONS | TOTAL | 85 |
| 583 Overhead Lines | (16,834) | TOTOHLINES | TOTAL | (42) |
| 584 Underground Lines | 71,470 | TOTUGLINES | TOTAL | 164 |
| 585 Street Lighting | 37,009 | DIST_SL | TOTAL | 37,009 |
| 586 Meters | 25,196 | DIST_METERS | TOTAL | - |
| 587 Customer Installs | 83,781 | DIST_PCUST | TOTAL | 7 |
| 588 Miscellaneous Distribution | 759,076 | RB_GUP_EPIS_D | TOTAL | 41,989 |
| 589 Rents | 455,082 | RB_GUP_EPIS_D | TOTAL | 25,173 |
| **Total** | 1,755,334 | | TOTAL | 124,002 |
| Distribution Maintenance | | | | |
| 590 Supervision & Engineering | 10,838 | TOTMXEXP | TOTAL | 309 |
| 591 Structures | 15,503 | RB_GUP_EPIS_D | TOTAL | 858 |
| 592 Station Equipment | 135,649 | 362 STATIONS | TOTAL | 188 |
| 593 Overhead Lines | 4,233,999 | TOTOHLINES | TOTAL | 10,555 |
| 594 Underground Lines | 171,116 | TOTUGLINES | TOTAL | 392 |
| 595 Line Transformers | 172,530 | 368 TRANSFORMERS | TOTAL | 717 |
| 596 Street Lighting | 119,799 | DIST_SL | TOTAL | 119,799 |
| 597 Meters | 581 | DIST_METERS | TOTAL | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total Retail | RS | SGS | Total MGS | Total LGS |
|---|---|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 | | |
| 598 Miscellaneous Distribution | 214,971 | RB_GUP_EPIS_D | TOTAL | 214,971 | 141,089 | 4,645 | 17,104 | 21,583 |
| **Total** | 5,074,985 | | TOTAL | 5,074,985 | 3,497,658 | 69,512 | 374,282 | 610,779 |
| Customer Accounts | | | | | | | | |
| 901 Supervision | 65,775 | TOTOX234 | TOTAL | 65,775 | 53,606 | 3,890 | 3,090 | 899 |
| 902 Meter Read | 140,481 | CUST_902 | TOTAL | 140,481 | 51,941 | 22,242 | 43,025 | 15,159 |
| 903 Customer Records | 1,267,504 | CUST_903 | TOTAL | 1,267,504 | 1,095,307 | 61,085 | 23,182 | 4,086 |
| 904 Uncollectibles | 1,734 | CUST_904 | TOTAL | 1,734 | 1,648 | 39 | 24 | 12 |
| 905 Miscellaneous | 3,038 | TOTOX234 | TOTAL | 3,038 | 2,476 | 180 | 143 | 42 |
| **Total** | 1,478,532 | | TOTAL | 1,478,532 | 1,204,979 | 87,436 | 69,464 | 20,198 |
| Customer Service & Infor. & Sales Exp | | | | | | | | |
| 907 Supervision | 14,885 | CUST_TOTAL | TOTAL | 14,885 | 12,042 | 1,051 | 399 | 70 |
| 908 Customer Assist | 39,006 | CUST_TOTAL | TOTAL | 39,006 | 31,556 | 2,755 | 1,046 | 184 |
| 908-Customer Assistance - DSM | 300,992 | PROD_DEMAND | TOTAL | 300,992 | 139,403 | 3,000 | 18,166 | 31,129 |
| 908.1-Customer Assistance - Demand Response | 331,227 | PROD_DEMAND | TOTAL | 331,227 | 153,406 | 3,301 | 19,991 | 34,256 |
| 909 Info & Instr | - | CUST_TOTAL | TOTAL | - | - | - | - | - |
| 910 Miscellaneous | 640 | CUST_TOTAL | TOTAL | 640 | 518 | 45 | 17 | 3 |
| 911 - 916 Sales Exp. | 14,584 | CUST_TOTAL | TOTAL | 14,584 | 11,799 | 1,030 | 391 | 69 |
| **Total** | 701,334 | | TOTAL | 701,334 | 348,725 | 11,183 | 40,010 | 65,711 |
| | - | | | | | | | |
| Administrative & General Expense | | | | | | | | |
| Reg Commission | 101,480 | CUST_TOTAL | TOTAL | 101,480 | 82,098 | 7,168 | 2,720 | 479 |
| Insurance - Transmission | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Insurance - Distribution | 154,918 | RB_GUP_EPIS_D | TOTAL | 154,918 | 101,675 | 3,348 | 12,326 | 15,554 |
| A&G - Labor Related | 1,404,115 | LABOR_M | TOTAL | 1,404,115 | 1,005,290 | 41,550 | 93,078 | 115,756 |
| **Total** | 1,660,512 | | TOTAL | 1,660,512 | 1,189,063 | 52,066 | 108,124 | 131,789 |
| Other Expenses | | | | | | | | |
| Other O&M | - | RB_GUP_EPIS_D | TOTAL | - | - | - | - | - |
| Factoring Expense | 730,469 | RSALE | TOTAL | 730,469 | 275,498 | 10,965 | 48,684 | 91,108 |
| Other O&M | - | RB_GUP_EPIS_D | TOTAL | - | - | - | - | - |
| **Total** | 730,469 | | TOTAL | 730,469 | 275,498 | 10,965 | 48,684 | 91,108 |
| **Total O&M Expense** | **152,509,460** | | TOTAL | 152,509,460 | 63,583,716 | 1,731,373 | 8,807,435 | 16,444,428 |
| | - | | | | | | | |
| **Depreciation & Amortization Expense** | | | | | | | | |
| Production | - | RB_GUP-Land_P | TOTAL | - | - | - | - | - |
| Bulk Transmission | - | RB_GUP-Land_T | TOTAL | - | - | - | - | - |
| Distribution | 5,139,252 | RB_GUP-Land_D | TOTAL | 5,139,252 | 3,370,921 | 111,795 | 408,810 | 512,460 |
| General & Intangible | 509,927 | RB_GUP-Land_G | TOTAL | 509,927 | 365,087 | 15,089 | 33,803 | 42,039 |
| **Total Depreciation & Amort Expense** | 5,649,179 | | TOTAL | 5,649,179 | 3,736,008 | 126,885 | 442,613 | 554,499 |
| | - | | | | | | | |
| **Taxes Other Than Income** | | | | | | | | |
| Federal Insurance Tax | 152,184 | LABOR_M | TOTAL | 152,184 | 108,957 | 4,503 | 10,088 | 12,546 |
| Federal Unemployment Tax | 912 | LABOR_M | TOTAL | 912 | 653 | 27 | 60 | 75 |
| State Unemployment Insurance | (1,453) | LABOR_M | TOTAL | (1,453) | (1,040) | (43) | (96) | (120) |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total IP | CS | PS | EHG | OL |
|---|---|---|---|---|---|---|---|---|
| | | | | | 13 | 14 | 15 | 16 |
| 598 Miscellaneous Distribution | 214,971 | RB_GUP_EPIS_D | TOTAL | 3,656 | 1,740 | 4,126 | 3,988 | 5,149 |
| **Total** | 5,074,985 | | TOTAL | 103,502 | 44,611 | 115,133 | 102,333 | 12,466 |
| Customer Accounts | | | | | | | | |
| 901 Supervision | 65,775 | TOTOX234 | TOTAL | 474 | 199 | 35 | 643 | 2,937 |
| 902 Meter Read | 140,481 | CUST_902 | TOTAL | 3,019 | 1,157 | 201 | 3,730 | - |
| 903 Customer Records | 1,267,504 | CUST_903 | TOTAL | 7,134 | 3,116 | 539 | 10,052 | 62,937 |
| 904 Uncollectibles | 1,734 | CUST_904 | TOTAL | - | 1 | - | 9 | - |
| 905 Miscellaneous | 3,038 | TOTOX234 | TOTAL | 22 | 9 | 2 | 30 | 136 |
| **Total** | 1,478,532 | | TOTAL | 10,649 | 4,482 | 776 | 14,464 | 66,009 |
| Customer Service & Infor. & Sales Exp | | | | | | | | |
| 907 Supervision | 14,885 | CUST_TOTAL | TOTAL | 2 | 54 | 9 | 173 | 1,083 |
| 908 Customer Assist | 39,006 | CUST_TOTAL | TOTAL | 5 | 141 | 24 | 453 | 2,839 |
| 908-Customer Assistance - DSM | 300,992 | PROD_DEMAND | TOTAL | 97,358 | 1,705 | 5,831 | 4,379 | 8 |
| 908.1-Customer Assistance - Demand Response | 331,227 | PROD_DEMAND | TOTAL | 107,137 | 1,876 | 6,417 | 4,819 | 9 |
| 909 Info & Instr | - | CUST_TOTAL | TOTAL | - | - | - | - | - |
| 910 Miscellaneous | 640 | CUST_TOTAL | TOTAL | 0 | 2 | 0 | 7 | 47 |
| 911 - 916 Sales Exp. | 14,584 | CUST_TOTAL | TOTAL | 2 | 53 | 9 | 169 | 1,061 |
| **Total** | 701,334 | | TOTAL | 204,503 | 3,830 | 12,291 | 10,001 | 5,048 |
| | - | | | | | | | |
| Administrative & General Expense | | | | | | | | |
| Reg Commission | 101,480 | CUST_TOTAL | TOTAL | 12 | 366 | 64 | 1,179 | 7,385 |
| Insurance - Transmission | - | RB_GUP_EPIS_T | TOTAL | - | - | - | - | - |
| Insurance - Distribution | 154,918 | RB_GUP_EPIS_D | TOTAL | 2,635 | 1,254 | 2,973 | 2,874 | 3,710 |
| A&G - Labor Related | 1,404,115 | LABOR_M | TOTAL | 30,924 | 9,490 | 20,944 | 23,094 | 26,986 |
| **Total** | 1,660,512 | | TOTAL | 33,571 | 11,110 | 23,981 | 27,147 | 38,082 |
| Other Expenses | | | | | | | | |
| Other O&M | - | RB_GUP_EPIS_D | TOTAL | - | - | - | - | - |
| Factoring Expense | 730,469 | RSALE | TOTAL | 267,903 | 4,416 | 10,507 | 11,326 | 3,351 |
| Other O&M | - | RB_GUP_EPIS_D | TOTAL | - | - | - | - | - |
| **Total** | 730,469 | | TOTAL | 267,903 | 4,416 | 10,507 | 11,326 | 3,351 |
| **Total O&M Expense** | **152,509,460** | | TOTAL | 55,551,962 | 813,046 | 2,516,167 | 2,112,823 | 328,831 |
| | - | | | | | | | |
| **Depreciation & Amortization Expense** | | | | | | | | |
| Production | - | RB_GUP-Land_P | TOTAL | - | - | - | - | - |
| Bulk Transmission | - | RB_GUP-Land_T | TOTAL | - | - | - | - | - |
| Distribution | 5,139,252 | RB_GUP-Land_D | TOTAL | 85,982 | 41,594 | 98,303 | 95,167 | 125,149 |
| General & Intangible | 509,927 | RB_GUP-Land_G | TOTAL | 11,231 | 3,447 | 7,606 | 8,387 | 9,800 |
| **Total Depreciation & Amort Expense** | 5,649,179 | | TOTAL | 97,213 | 45,041 | 105,909 | 103,554 | 134,950 |
| | - | | | | | | | |
| **Taxes Other Than Income** | | | | | | | | |
| Federal Insurance Tax | 152,184 | LABOR_M | TOTAL | 3,352 | 1,029 | 2,270 | 2,503 | 2,925 |
| Federal Unemployment Tax | 912 | LABOR_M | TOTAL | 20 | 6 | 14 | 15 | 18 |
| State Unemployment Insurance | (1,453) | LABOR_M | TOTAL | (32) | (10) | (22) | (24) | (28) |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | SL 17 |
|---|---|---|---|---|
| 598 Miscellaneous Distribution | 214,971 | RB_GUP_EPIS_D | TOTAL | 11,891 |
| **Total** | 5,074,985 | | TOTAL | 144,709 |
| | | | | |
| Customer Accounts | | | | |
| 901 Supervision | 65,775 | TOTOX234 | TOTAL | 3 |
| 902 Meter Read | 140,481 | CUST_902 | TOTAL | 5 |
| 903 Customer Records | 1,267,504 | CUST_903 | TOTAL | 66 |
| 904 Uncollectibles | 1,734 | CUST_904 | TOTAL | - |
| 905 Miscellaneous | 3,038 | TOTOX234 | TOTAL | 0 |
| **Total** | 1,478,532 | | TOTAL | 74 |
| | | | | |
| Customer Service & Infor. & Sales Exp | | | | |
| 907 Supervision | 14,885 | CUST_TOTAL | TOTAL | 1 |
| 908 Customer Assist | 39,006 | CUST_TOTAL | TOTAL | 3 |
| 908-Customer Assistance - DSM | 300,992 | PROD_DEMAND | TOTAL | 13 |
| 908.1-Customer Assistance - Demand Response | 331,227 | PROD_DEMAND | TOTAL | 14 |
| 909 Info & Instr | - | CUST_TOTAL | TOTAL | - |
| 910 Miscellaneous | 640 | CUST_TOTAL | TOTAL | 0 |
| 911 - 916 Sales Exp. | 14,584 | CUST_TOTAL | TOTAL | 1 |
| **Total** | 701,334 | | TOTAL | 32 |
| | - | | | |
| Administrative & General Expense | | | | |
| Reg Commission | 101,480 | CUST_TOTAL | TOTAL | 8 |
| Insurance - Transmission | - | RB_GUP_EPIS_T | TOTAL | - |
| Insurance - Distribution | 154,918 | RB_GUP_EPIS_D | TOTAL | 8,569 |
| A&G - Labor Related | 1,404,115 | LABOR_M | TOTAL | 37,003 |
| **Total** | 1,660,512 | | TOTAL | 45,580 |
| | | | | |
| Other Expenses | | | | |
| Other O&M | - | RB_GUP_EPIS_D | TOTAL | - |
| Factoring Expense | 730,469 | RSALE | TOTAL | 6,711 |
| Other O&M | - | RB_GUP_EPIS_D | TOTAL | - |
| **Total** | 730,469 | | TOTAL | 6,711 |
| | | | | |
| **Total O&M Expense** | **152,509,460** | | TOTAL | 619,679 |
| | - | | | |
| **Depreciation & Amortization Expense** | | | | |
| Production | - | RB_GUP-Land_P | TOTAL | - |
| Bulk Transmission | - | RB_GUP-Land_T | TOTAL | - |
| Distribution | 5,139,252 | RB_GUP-Land_D | TOTAL | 289,070 |
| General & Intangible | 509,927 | RB_GUP-Land_G | TOTAL | 13,438 |
| **Total Depreciation & Amort Expense** | 5,649,179 | | TOTAL | 302,509 |
| | - | | | |
| **Taxes Other Than Income** | | | | |
| Federal Insurance Tax | 152,184 | LABOR_M | TOTAL | 4,011 |
| Federal Unemployment Tax | 912 | LABOR_M | TOTAL | 24 |
| State Unemployment Insurance | (1,453) | LABOR_M | TOTAL | (38) |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total Retail | RS | SGS | Total MGS | Total LGS |
|---|---|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 | | |
| Real & Personal Property Tax | 1,100,164 | RB_GUP | TOTAL | 1,100,164 | 724,447 | 24,094 | 87,002 | 109,739 |
| PSC Assessment | 534,478 | RSALE | TOTAL | 534,478 | 201,579 | 8,023 | 35,622 | 66,663 |
| Sales and Use Taxes | 1,702 | RB_GUP | TOTAL | 1,702 | 1,121 | 37 | 135 | 170 |
| Bus Franchise | 121,883 | RB_GUP | TOTAL | 121,883 | 80,259 | 2,669 | 9,639 | 12,158 |
| Regis Fee | 2,810 | RB_GUP | TOTAL | 2,810 | 1,851 | 62 | 222 | 280 |
| Gross Receipts Tax | 3,972,742 | RSALE | TOTAL | 3,972,742 | 1,498,327 | 59,635 | 264,773 | 495,502 |
| Federal Excise Tax | - | RB_GUP | TOTAL | - | - | - | - | - |
| Misc Capital Lease Tax | - | RB_GUP | TOTAL | - | - | - | - | - |
| **Total Taxes Other Than Income** | 5,885,423 | | TOTAL | 5,885,423 | 2,616,154 | 99,007 | 407,444 | 697,013 |
| | - | | | | | | | |
| **Other Income / Expense** | | | | | | | | |
| Cost of Short-Term Debt | - | NP | TOTAL | - | - | - | - | - |
| Interest on Customer Deposits | 238,216 | CUST_DEP | TOTAL | 238,216 | 164,211 | 8,422 | 25,959 | 31,840 |
| AFUDC | (3,902) | RB_GUP_CWIP | TOTAL | (3,902) | (2,580) | (87) | (306) | (386) |
| **Charitable Contributions** | 9,821 | LABOR_M | TOTAL | 9,821 | 7,031 | 291 | 651 | 810 |
| **Total Operating Expense Before Income Tax** | 164,288,197 | | TOTAL | 164,288,197 | 70,104,540 | 1,965,891 | 9,683,795 | 17,728,204 |
| **Net Operating Income Before Income Tax** | (4,872,848) | | TOTAL | (4,872,848) | (9,422,816) | 440,265 | 958,281 | 2,099,664 |
| **Adjustment** | - | | TOTAL | - | - | - | - | - |
| **Taxable Income Before Tax** | (4,872,848) | | TOTAL | (4,872,848) | (9,422,816) | 440,265 | 958,281 | 2,099,664 |
| **Total State Income Tax** | (445,755) | PRE_TAX_OP_INC | TOTAL | (445,755) | (861,975) | 40,274 | 87,661 | 192,072 |
| **Total Current FIT** | (1,670,847) | PRE_TAX_OP_INC | TOTAL | (1,670,847) | (3,230,981) | 150,962 | 328,584 | 719,952 |
| **Total Current Year DFIT** | (535,455) | NP | TOTAL | (535,455) | (352,645) | (11,734) | (42,333) | (53,394) |
| **Total Deferred ITC** | - | NP | TOTAL | - | - | - | - | - |
| **Total Federal Income Tax** | (2,206,302) | | TOTAL | (2,206,302) | (3,583,626) | 139,229 | 286,252 | 666,558 |
| **Total Income Tax** | (2,652,057) | | TOTAL | (2,652,057) | (4,445,601) | 179,503 | 373,913 | 858,629 |
| **Total Expenses** | 161,636,140 | | TOTAL | 161,636,140 | 65,658,939 | 2,145,394 | 10,057,708 | 18,586,833 |
| **Net Operating Income** | **(2,220,791)** | | TOTAL | **(2,220,791)** | **(4,977,215)** | **260,762** | **584,368** | **1,241,035** |
| **Current Rate of Return** | -2.93% | | | -2.93% | -9.96% | 15.91% | 10.07% | 16.93% |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total IP | CS | PS | EHG | OL |
|---|---|---|---|---|---|---|---|---|
| | | | | | 13 | 14 | 15 | 16 |
| Real & Personal Property Tax | 1,100,164 | RB_GUP | TOTAL | 18,910 | 8,850 | 20,944 | 20,323 | 26,159 |
| PSC Assessment | 534,478 | RSALE | TOTAL | 196,023 | 3,231 | 7,688 | 8,287 | 2,452 |
| Sales and Use Taxes | 1,702 | RB_GUP | TOTAL | 29 | 14 | 32 | 31 | 40 |
| Bus Franchise | 121,883 | RB_GUP | TOTAL | 2,095 | 980 | 2,320 | 2,252 | 2,898 |
| Regis Fee | 2,810 | RB_GUP | TOTAL | 48 | 23 | 54 | 52 | 67 |
| Gross Receipts Tax | 3,972,742 | RSALE | TOTAL | 1,457,024 | 24,017 | 57,143 | 61,597 | 18,224 |
| Federal Excise Tax | - | RB_GUP | TOTAL | - | - | - | - | - |
| Misc Capital Lease Tax | - | RB_GUP | TOTAL | - | - | - | - | - |
| **Total Taxes Other Than Income** | 5,885,423 | | TOTAL | 1,677,470 | 38,140 | 90,443 | 95,036 | 52,755 |
| | - | | | | | | | |
| **Other Income / Expense** | | | | | | | | |
| Cost of Short-Term Debt | - | NP | TOTAL | - | - | - | - | - |
| Interest on Customer Deposits | 238,216 | CUST_DEP | TOTAL | - | 999 | 18 | 6,768 | - |
| AFUDC | (3,902) | RB_GUP_CWIP | TOTAL | (68) | (31) | (74) | (72) | (92) |
| **Charitable Contributions** | 9,821 | LABOR_M | TOTAL | 216 | 66 | 146 | 162 | 189 |
| **Total Operating Expense Before Income Tax** | 164,288,197 | | TOTAL | 57,326,794 | 897,261 | 2,712,610 | 2,318,271 | 516,632 |
| **Net Operating Income Before Income Tax** | (4,872,848) | | TOTAL | 506,126 | 68,417 | (417,723) | 157,561 | 243,252 |
| **Adjustment** | - | | TOTAL | - | - | - | - | - |
| **Taxable Income Before Tax** | (4,872,848) | | TOTAL | 506,126 | 68,417 | (417,723) | 157,561 | 243,252 |
| **Total State Income Tax** | (445,755) | PRE_TAX_OP_INC | TOTAL | 46,299 | 6,259 | (38,212) | 14,413 | 22,252 |
| **Total Current FIT** | (1,670,847) | PRE_TAX_OP_INC | TOTAL | 173,545 | 23,459 | (143,233) | 54,026 | 83,408 |
| **Total Current Year DFIT** | (535,455) | NP | TOTAL | (9,208) | (4,306) | (10,190) | (9,889) | (12,728) |
| **Total Deferred ITC** | - | NP | TOTAL | - | - | - | - | - |
| **Total Federal Income Tax** | (2,206,302) | | TOTAL | 164,337 | 19,153 | (153,422) | 44,137 | 70,681 |
| **Total Income Tax** | (2,652,057) | | TOTAL | 210,636 | 25,412 | (191,635) | 58,550 | 92,933 |
| **Total Expenses** | 161,636,140 | | TOTAL | 57,537,430 | 922,673 | 2,520,976 | 2,376,821 | 609,565 |
| **Net Operating Income** | **(2,220,791)** | | TOTAL | **295,490** | **43,005** | **(226,088)** | **99,011** | **150,319** |
| **Current Rate of Return** | -2.93% | | | 21.20% | 6.95% | -15.08% | 7.34% | 8.01% |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | SL |
|---|---|---|---|---|
| | | | | 17 |
| Real & Personal Property Tax | 1,100,164 | RB_GUP | TOTAL | 59,696 |
| PSC Assessment | 534,478 | RSALE | TOTAL | 4,911 |
| Sales and Use Taxes | 1,702 | RB_GUP | TOTAL | 92 |
| Bus Franchise | 121,883 | RB_GUP | TOTAL | 6,614 |
| Regis Fee | 2,810 | RB_GUP | TOTAL | 152 |
| Gross Receipts Tax | 3,972,742 | RSALE | TOTAL | 36,500 |
| Federal Excise Tax | - | RB_GUP | TOTAL | - |
| Misc Capital Lease Tax | - | RB_GUP | TOTAL | - |
| **Total Taxes Other Than Income** | 5,885,423 | | TOTAL | 111,961 |
| | - | | | |
| **Other Income / Expense** | | | | |
| Cost of Short-Term Debt | - | NP | TOTAL | - |
| Interest on Customer Deposits | 238,216 | CUST_DEP | TOTAL | - |
| AFUDC | (3,902) | RB_GUP_CWIP | TOTAL | (206) |
| **Charitable Contributions** | 9,821 | LABOR_M | TOTAL | 259 |
| **Total Operating Expense Before Income Tax** | 164,288,197 | | TOTAL | 1,034,200 |
| **Net Operating Income Before Income Tax** | (4,872,848) | | TOTAL | 494,123 |
| **Adjustment** | - | | TOTAL | - |
| **Taxable Income Before Tax** | (4,872,848) | | TOTAL | 494,123 |
| **Total State Income Tax** | (445,755) | PRE_TAX_OP_INC | TOTAL | 45,201 |
| **Total Current FIT** | (1,670,847) | PRE_TAX_OP_INC | TOTAL | 169,430 |
| **Total Current Year DFIT** | (535,455) | NP | TOTAL | (29,029) |
| **Total Deferred ITC** | - | NP | TOTAL | - |
| **Total Federal Income Tax** | (2,206,302) | | TOTAL | 140,401 |
| **Total Income Tax** | (2,652,057) | | TOTAL | 185,602 |
| **Total Expenses** | 161,636,140 | | TOTAL | 1,219,802 |
| **Net Operating Income** | **(2,220,791)** | | TOTAL | **308,521** |
| **Current Rate of Return** | -2.93% | | | 7.35% |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total Retail | RS | SGS | Total MGS | Total LGS |
|---|---|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 | | |
| **O&M Labor** | | | | | | | | |
| Production Demand | - | PROD_DEMAND | TOTAL | - | - | - | - | - |
| Production Energy | - | PROD_ENERGY | TOTAL | - | - | - | - | - |
| Transmission | - | TOTBSEXP | TOTAL | - | - | - | - | - |
| Distribution | 1,857,415 | EXP_OM_DIST | TOTAL | 1,857,415 | 1,259,572 | 30,660 | 140,184 | 211,030 |
| Customer Accounts | 852,455 | EXP_OM_CUSTACCT | TOTAL | 852,455 | 694,736 | 50,412 | 40,050 | 11,645 |
| Customer Service | 64,693 | EXP_OM_CUSTSERV | TOTAL | 64,693 | 32,167 | 1,032 | 3,691 | 6,061 |
| **Total** | 2,774,563 | | TOTAL | 2,774,563 | 1,986,475 | 82,103 | 183,925 | 228,736 |
| **Calculation of Proposed Revenues** | | | | | | | | |
| **Proposed Operating Income** | 4,783,410 | RATEBASE | TOTAL | 4,783,409 | (166,234) | 319,813 | 846,549 | 1,731,685 |
| **Proposed Rate of Return** | | | | **6.69%** | **-0.33%** | **19.51%** | **14.59%** | **23.62%** |
| **Income Increase** | 7,312,722 | | TOTAL | 7,312,721 | 4,810,982 | 59,051 | 262,180 | 490,650 |
| **Gross Revenue Conversion Factor** | 1.6571 | | | | | | | |
| **Revenue Increase** | **12,118,174** | | TOTAL | 12,118,172 | 7,972,450 | 97,856 | 434,468 | 813,074 |
| **Proposed Sales Revenue** | 168,279,813 | | TOTAL | 168,279,812 | 67,415,230 | 2,463,740 | 10,938,737 | 20,471,019 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | Total IP | CS | PS | EHG | OL |
|---|---|---|---|---|---|---|---|---|
| | | | | | 13 | 14 | 15 | 16 |
| **O&M Labor** | | | | | | | | |
| Production Demand | - | PROD_DEMAND | TOTAL | - | - | - | - | - |
| Production Energy | - | PROD_ENERGY | TOTAL | - | - | - | - | - |
| Transmission | - | TOTBSEXP | TOTAL | - | - | - | - | - |
| Distribution | 1,857,415 | EXP_OM_DIST | TOTAL | 36,103 | 15,815 | 39,805 | 36,372 | 14,801 |
| Customer Accounts | 852,455 | EXP_OM_CUSTACCT | TOTAL | 6,140 | 2,584 | 448 | 8,339 | 38,058 |
| Customer Service | 64,693 | EXP_OM_CUSTSERV | TOTAL | 18,864 | 353 | 1,134 | 923 | 466 |
| **Total** | 2,774,563 | | TOTAL | 61,107 | 18,753 | 41,386 | 45,634 | 53,325 |
| **Calculation of Proposed Revenues** | | | | | | | | |
| **Proposed Operating Income** | 4,783,410 | RATEBASE | TOTAL | 1,738,248 | 66,787 | (81,809) | 160,006 | 168,364 |
| **Proposed Rate of Return** | | | | **124.69%** | **10.80%** | **-5.46%** | **11.87%** | **8.98%** |
| **Income Increase** | 7,312,722 | | TOTAL | 1,442,758 | 23,782 | 144,279 | 60,994 | 18,045 |
| **Gross Revenue Conversion Factor** | 1.6571 | | | | | | | |
| **Revenue Increase** | **12,118,174** | | TOTAL | 2,390,846 | 39,410 | 239,090 | 101,076 | 29,903 |
| **Proposed Sales Revenue** | 168,279,813 | | TOTAL | 60,195,049 | 992,233 | 2,506,107 | 2,544,812 | 752,886 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Label | Constant | Allocation Factor | Function | SL |
|---|---|---|---|---|
| | | | | 17 |
| **O&M Labor** | | | | |
| Production Demand | - | PROD_DEMAND | TOTAL | - |
| Production Energy | - | PROD_ENERGY | TOTAL | - |
| Transmission | - | TOTBSEXP | TOTAL | - |
| Distribution | 1,857,415 | EXP_OM_DIST | TOTAL | 73,072 |
| Customer Accounts | 852,455 | EXP_OM_CUSTACCT | TOTAL | 43 |
| Customer Service | 64,693 | EXP_OM_CUSTSERV | TOTAL | 3 |
| **Total** | 2,774,563 | | TOTAL | 73,118 |
| **Calculation of Proposed Revenues** | | | | |
| **Proposed Operating Income** | 4,783,410 | RATEBASE | TOTAL | |
| **Proposed Rate of Return** | | | | |
| **Income Increase** | 7,312,722 | | TOTAL | |
| **Gross Revenue Conversion Factor** | 1.6571 | | | |
| **Revenue Increase** | **12,118,174** | | TOTAL | |
| **Proposed Sales Revenue** | 168,279,813 | | TOTAL | |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| PROD_DEMAND PRODUCTION | 1.00000000 | 0.46314655 | 0.00996610 | 0.06008656 | 0.00026745 | - | 0.09586486 | 0.00755622 | - |
| PROD_DEMAND BULKTRAN | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND SUBTRAN | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND DISTPRI | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND DISTSEC | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND ENERGY | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND CUSTOMER | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND TOTAL | 1.00000000 | 0.46314655 | 0.00996610 | 0.06008656 | 0.00026745 | - | 0.09586486 | 0.00755622 | - |
| PROD_ENERGY PRODUCTION | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY BULKTRAN | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY SUBTRAN | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY DISTPRI | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY DISTSEC | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY ENERGY | 1.00000000 | 0.33572949 | 0.01065155 | 0.05347900 | 0.00023647 | - | 0.10555351 | 0.00822874 | - |
| PROD_ENERGY CUSTOMER | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY TOTAL | 1.00000000 | 0.33572949 | 0.01065155 | 0.05347900 | 0.00023647 | - | 0.10555351 | 0.00822874 | - |
| BULK_TRANS PRODUCTION | - | - | - | - | - | - | - | - | - |
| BULK_TRANS BULKTRAN | 1.00000000 | 0.46314655 | 0.00996610 | 0.06008656 | 0.00026745 | - | 0.09586486 | 0.00755622 | - |
| BULK_TRANS SUBTRAN | - | - | - | - | - | - | - | - | - |
| BULK_TRANS DISTPRI | - | - | - | - | - | - | - | - | - |
| BULK_TRANS DISTSEC | - | - | - | - | - | - | - | - | - |
| BULK_TRANS ENERGY | - | - | - | - | - | - | - | - | - |
| BULK_TRANS CUSTOMER | - | - | - | - | - | - | - | - | - |
| BULK_TRANS TOTAL | 1.00000000 | 0.46314655 | 0.00996610 | 0.06008656 | 0.00026745 | - | 0.09586486 | 0.00755622 | - |
| DIST_CPD PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_CPD BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_CPD SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_CPD DISTPRI | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| DIST_CPD DISTSEC | - | - | - | - | - | - | - | - | - |
| DIST_CPD ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_CPD CUSTOMER | - | - | - | - | - | - | - | - | - |
| DIST_CPD TOTAL | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| DISTSEC PRODUCTION | - | - | - | - | - | - | - | - | - |
| DISTSEC BULKTRAN | - | - | - | - | - | - | - | - | - |
| DISTSEC SUBTRAN | - | - | - | - | - | - | - | - | - |
| DISTSEC DISTPRI | - | - | - | - | - | - | - | - | - |
| DISTSEC DISTSEC | 1.00000000 | 0.75958086 | 0.01429626 | 0.06586376 | - | - | 0.09639110 | - | - |
| DISTSEC ENERGY | - | - | - | - | - | - | - | - | - |
| DISTSEC CUSTOMER | - | - | - | - | - | - | - | - | - |
| DISTSEC TOTAL | 1.00000000 | 0.75958086 | 0.01429626 | 0.06586376 | - | - | 0.09639110 | - | - |
| CUST_TOTAL PRODUCTION | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL BULKTRAN | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL SUBTRAN | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL DISTPRI | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL DISTSEC | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL ENERGY | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL CUSTOMER | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |
| CUST_TOTAL TOTAL | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |
| DIST_PCUST PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_PCUST BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_PCUST SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_PCUST DISTPRI | - | - | - | - | - | - | - | - | - |
| DIST_PCUST DISTSEC | - | - | - | - | - | - | - | - | - |
| DIST_PCUST ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_PCUST CUSTOMER | 1.00000000 | 0.80907309 | 0.07064472 | 0.02676857 | 0.00003919 | - | 0.00458554 | 0.00013717 | - |
| DIST_PCUST TOTAL | 1.00000000 | 0.80907309 | 0.07064472 | 0.02676857 | 0.00003919 | - | 0.00458554 | 0.00013717 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| PROD_DEMAND PRODUCTION | 0.02364274 | - | 0.29981346 | 0.00566435 | 0.01937196 | 0.01454938 | 0.00002815 | 0.00004223 |
| PROD_DEMAND BULKTRAN | - | - | - | - | - | - | - | - |
| PROD_DEMAND SUBTRAN | - | - | - | - | - | - | - | - |
| PROD_DEMAND DISTPRI | - | - | - | - | - | - | - | - |
| PROD_DEMAND DISTSEC | - | - | - | - | - | - | - | - |
| PROD_DEMAND ENERGY | - | - | - | - | - | - | - | - |
| PROD_DEMAND CUSTOMER | - | - | - | - | - | - | - | - |
| PROD_DEMAND TOTAL | 0.02364274 | - | 0.29981346 | 0.00566435 | 0.01937196 | 0.01454938 | 0.00002815 | 0.00004223 |
| PROD_ENERGY PRODUCTION | - | - | - | - | - | - | - | - |
| PROD_ENERGY BULKTRAN | - | - | - | - | - | - | - | - |
| PROD_ENERGY SUBTRAN | - | - | - | - | - | - | - | - |
| PROD_ENERGY DISTPRI | - | - | - | - | - | - | - | - |
| PROD_ENERGY DISTSEC | - | - | - | - | - | - | - | - |
| PROD_ENERGY ENERGY | 0.03157526 | - | 0.41713381 | 0.00474138 | 0.01380867 | 0.01269763 | 0.00216443 | 0.00400006 |
| PROD_ENERGY CUSTOMER | - | - | - | - | - | - | - | - |
| PROD_ENERGY TOTAL | 0.03157526 | - | 0.41713381 | 0.00474138 | 0.01380867 | 0.01269763 | 0.00216443 | 0.00400006 |
| BULK_TRANS PRODUCTION | - | - | - | - | - | - | - | - |
| BULK_TRANS BULKTRAN | 0.02364274 | - | 0.29981346 | 0.00566435 | 0.01937196 | 0.01454938 | 0.00002815 | 0.00004223 |
| BULK_TRANS SUBTRAN | - | - | - | - | - | - | - | - |
| BULK_TRANS DISTPRI | - | - | - | - | - | - | - | - |
| BULK_TRANS DISTSEC | - | - | - | - | - | - | - | - |
| BULK_TRANS ENERGY | - | - | - | - | - | - | - | - |
| BULK_TRANS CUSTOMER | - | - | - | - | - | - | - | - |
| BULK_TRANS TOTAL | 0.02364274 | - | 0.29981346 | 0.00566435 | 0.01937196 | 0.01454938 | 0.00002815 | 0.00004223 |
| DIST_CPD PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_CPD BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_CPD SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_CPD DISTPRI | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| DIST_CPD DISTSEC | - | - | - | - | - | - | - | - |
| DIST_CPD ENERGY | - | - | - | - | - | - | - | - |
| DIST_CPD CUSTOMER | - | - | - | - | - | - | - | - |
| DIST_CPD TOTAL | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| DISTSEC PRODUCTION | - | - | - | - | - | - | - | - |
| DISTSEC BULKTRAN | - | - | - | - | - | - | - | - |
| DISTSEC SUBTRAN | - | - | - | - | - | - | - | - |
| DISTSEC DISTPRI | - | - | - | - | - | - | - | - |
| DISTSEC DISTSEC | - | - | - | 0.01081056 | 0.02426485 | 0.02143728 | 0.00283975 | 0.00451557 |
| DISTSEC ENERGY | - | - | - | - | - | - | - | - |
| DISTSEC CUSTOMER | - | - | - | - | - | - | - | - |
| DISTSEC TOTAL | - | - | - | 0.01081056 | 0.02426485 | 0.02143728 | 0.00283975 | 0.00451557 |
| CUST_TOTAL PRODUCTION | - | - | - | - | - | - | - | - |
| CUST_TOTAL BULKTRAN | - | - | - | - | - | - | - | - |
| CUST_TOTAL SUBTRAN | - | - | - | - | - | - | - | - |
| CUST_TOTAL DISTPRI | - | - | - | - | - | - | - | - |
| CUST_TOTAL DISTSEC | - | - | - | - | - | - | - | - |
| CUST_TOTAL ENERGY | - | - | - | - | - | - | - | - |
| CUST_TOTAL CUSTOMER | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |
| CUST_TOTAL TOTAL | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |
| DIST_PCUST PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_PCUST BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_PCUST SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_PCUST DISTPRI | - | - | - | - | - | - | - | - |
| DIST_PCUST DISTSEC | - | - | - | - | - | - | - | - |
| DIST_PCUST ENERGY | - | - | - | - | - | - | - | - |
| DIST_PCUST CUSTOMER | 0.00003919 | - | - | 0.00360572 | 0.00062708 | 0.01162062 | 0.07278072 | 0.00007839 |
| DIST_PCUST TOTAL | 0.00003919 | - | - | 0.00360572 | 0.00062708 | 0.01162062 | 0.07278072 | 0.00007839 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| DIST_SERV PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_SERV BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_SERV SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_SERV DISTPRI | - | - | - | - | - | - | - | - | - |
| DIST_SERV DISTSEC | - | - | - | - | - | - | - | - | - |
| DIST_SERV ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_SERV CUSTOMER | 1.00000000 | 0.80924754 | 0.07065995 | 0.02677434 | - | - | 0.00458653 | - | - |
| DIST_SERV TOTAL | 1.00000000 | 0.80924754 | 0.07065995 | 0.02677434 | - | - | 0.00458653 | - | - |
| DIST_METERS PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_METERS BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_METERS SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_METERS DISTPRI | - | - | - | - | - | - | - | - | - |
| DIST_METERS DISTSEC | - | - | - | - | - | - | - | - | - |
| DIST_METERS ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_METERS CUSTOMER | 1.00000000 | 0.35998720 | 0.10587791 | 0.42558720 | 0.00232059 | - | 0.03119971 | 0.00873532 | - |
| DIST_METERS TOTAL | 1.00000000 | 0.35998720 | 0.10587791 | 0.42558720 | 0.00232059 | - | 0.03119971 | 0.00873532 | - |
| DIST_OL PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_OL BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_OL SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_OL DISTPRI | - | - | - | - | - | - | - | - | - |
| DIST_OL DISTSEC | - | - | - | - | - | - | - | - | - |
| DIST_OL ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_OL CUSTOMER | 1.00000000 | - | - | - | - | - | - | - | - |
| DIST_OL TOTAL | 1.00000000 | - | - | - | - | - | - | - | - |
| DIST_SL PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_SL BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_SL SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_SL DISTPRI | - | - | - | - | - | - | - | - | - |
| DIST_SL DISTSEC | - | - | - | - | - | - | - | - | - |
| DIST_SL ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_SL CUSTOMER | 1.00000000 | - | - | - | - | - | - | - | - |
| DIST_SL TOTAL | 1.00000000 | - | - | - | - | - | - | - | - |
| CUST_902 PRODUCTION | - | - | - | - | - | - | - | - | - |
| CUST_902 BULKTRAN | - | - | - | - | - | - | - | - | - |
| CUST_902 SUBTRAN | - | - | - | - | - | - | - | - | - |
| CUST_902 DISTPRI | - | - | - | - | - | - | - | - | - |
| CUST_902 DISTSEC | - | - | - | - | - | - | - | - | - |
| CUST_902 ENERGY | - | - | - | - | - | - | - | - | - |
| CUST_902 CUSTOMER | 1.00000000 | 0.36973654 | 0.15832930 | 0.30582272 | 0.00044776 | - | 0.10477674 | 0.00313435 | - |
| CUST_902 TOTAL | 1.00000000 | 0.36973654 | 0.15832930 | 0.30582272 | 0.00044776 | - | 0.10477674 | 0.00313435 | - |
| CUST_903 PRODUCTION | - | - | - | - | - | - | - | - | - |
| CUST_903 BULKTRAN | - | - | - | - | - | - | - | - | - |
| CUST_903 SUBTRAN | - | - | - | - | - | - | - | - | - |
| CUST_903 DISTPRI | - | - | - | - | - | - | - | - | - |
| CUST_903 DISTSEC | - | - | - | - | - | - | - | - | - |
| CUST_903 ENERGY | - | - | - | - | - | - | - | - | - |
| CUST_903 CUSTOMER | 1.00000000 | 0.86414534 | 0.04819328 | 0.01825955 | 0.00002981 | - | 0.00313032 | 0.00009334 | - |
| CUST_903 TOTAL | 1.00000000 | 0.86414534 | 0.04819328 | 0.01825955 | 0.00002981 | - | 0.00313032 | 0.00009334 | - |
| CUST_451 PRODUCTION | - | - | - | - | - | - | - | - | - |
| CUST_451 BULKTRAN | - | - | - | - | - | - | - | - | - |
| CUST_451 SUBTRAN | - | - | - | - | - | - | - | - | - |
| CUST_451 DISTPRI | - | - | - | - | - | - | - | - | - |
| CUST_451 DISTSEC | - | - | - | - | - | - | - | - | - |
| CUST_451 ENERGY | - | - | - | - | - | - | - | - | - |
| CUST_451 CUSTOMER | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |
| CUST_451 TOTAL | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| DIST_SERV PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_SERV BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_SERV SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_SERV DISTPRI | - | - | - | - | - | - | - | - |
| DIST_SERV DISTSEC | - | - | - | - | - | - | - | - |
| DIST_SERV ENERGY | - | - | - | - | - | - | - | - |
| DIST_SERV CUSTOMER | - | - | - | 0.00360650 | 0.00062722 | 0.01162312 | 0.07279641 | 0.00007840 |
| DIST_SERV TOTAL | - | - | - | 0.00360650 | 0.00062722 | 0.01162312 | 0.07279641 | 0.00007840 |
| DIST_METERS PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_METERS BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_METERS SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_METERS DISTPRI | - | - | - | - | - | - | - | - |
| DIST_METERS DISTSEC | - | - | - | - | - | - | - | - |
| DIST_METERS ENERGY | - | - | - | - | - | - | - | - |
| DIST_METERS CUSTOMER | 0.00341201 | - | 0.02107743 | 0.01137752 | 0.00888855 | 0.02153655 | - | - |
| DIST_METERS TOTAL | 0.00341201 | - | 0.02107743 | 0.01137752 | 0.00888855 | 0.02153655 | - | - |
| DIST_OL PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_OL BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_OL SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_OL DISTPRI | - | - | - | - | - | - | - | - |
| DIST_OL DISTSEC | - | - | - | - | - | - | - | - |
| DIST_OL ENERGY | - | - | - | - | - | - | - | - |
| DIST_OL CUSTOMER | - | - | - | - | - | - | 1.00000000 | - |
| DIST_OL TOTAL | - | - | - | - | - | - | 1.00000000 | - |
| DIST_SL PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_SL BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_SL SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_SL DISTPRI | - | - | - | - | - | - | - | - |
| DIST_SL DISTSEC | - | - | - | - | - | - | - | - |
| DIST_SL ENERGY | - | - | - | - | - | - | - | - |
| DIST_SL CUSTOMER | - | - | - | - | - | - | - | 1.00000000 |
| DIST_SL TOTAL | - | - | - | - | - | - | - | 1.00000000 |
| CUST_902 PRODUCTION | - | - | - | - | - | - | - | - |
| CUST_902 BULKTRAN | - | - | - | - | - | - | - | - |
| CUST_902 SUBTRAN | - | - | - | - | - | - | - | - |
| CUST_902 DISTPRI | - | - | - | - | - | - | - | - |
| CUST_902 DISTSEC | - | - | - | - | - | - | - | - |
| CUST_902 ENERGY | - | - | - | - | - | - | - | - |
| CUST_902 CUSTOMER | 0.00716422 | - | 0.01432844 | 0.00823886 | 0.00143284 | 0.02655240 | - | 0.00003582 |
| CUST_902 TOTAL | 0.00716422 | - | 0.01432844 | 0.00823886 | 0.00143284 | 0.02655240 | - | 0.00003582 |
| CUST_903 PRODUCTION | - | - | - | - | - | - | - | - |
| CUST_903 BULKTRAN | - | - | - | - | - | - | - | - |
| CUST_903 SUBTRAN | - | - | - | - | - | - | - | - |
| CUST_903 DISTPRI | - | - | - | - | - | - | - | - |
| CUST_903 DISTSEC | - | - | - | - | - | - | - | - |
| CUST_903 ENERGY | - | - | - | - | - | - | - | - |
| CUST_903 CUSTOMER | 0.00002981 | - | 0.00559853 | 0.00245814 | 0.00042511 | 0.00793051 | 0.04965451 | 0.00005177 |
| CUST_903 TOTAL | 0.00002981 | - | 0.00559853 | 0.00245814 | 0.00042511 | 0.00793051 | 0.04965451 | 0.00005177 |
| CUST_451 PRODUCTION | - | - | - | - | - | - | - | - |
| CUST_451 BULKTRAN | - | - | - | - | - | - | - | - |
| CUST_451 SUBTRAN | - | - | - | - | - | - | - | - |
| CUST_451 DISTPRI | - | - | - | - | - | - | - | - |
| CUST_451 DISTSEC | - | - | - | - | - | - | - | - |
| CUST_451 ENERGY | - | - | - | - | - | - | - | - |
| CUST_451 CUSTOMER | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |
| CUST_451 TOTAL | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| CUST_DEP PRODUCTION | 0.49662291 | 0.37971096 | 0.01028862 | 0.04282809 | 0.00095703 | - | 0.04923632 | - | - |
| CUST_DEP BULKTRAN | - | - | - | - | - | - | - | - | - |
| CUST_DEP SUBTRAN | - | - | - | - | - | - | - | - | - |
| CUST_DEP DISTPRI | 0.03515527 | 0.00001212 | 0.00350878 | 0.01138300 | 0.00007114 | - | 0.01692806 | - | - |
| CUST_DEP DISTSEC | 0.01563653 | (0.00251264) | 0.00235487 | 0.00578250 | - | - | 0.00783084 | - | - |
| CUST_DEP ENERGY | 0.42633452 | 0.30003394 | 0.01197385 | 0.04151703 | 0.00092214 | - | 0.05903274 | - | - |
| CUST_DEP CUSTOMER | 0.02625076 | 0.01209029 | 0.00722634 | 0.00549452 | 0.00001510 | - | 0.00063287 | - | - |
| CUST_DEP TOTAL | 1.00000000 | 0.68933468 | 0.03535246 | 0.10700514 | 0.00196541 | - | 0.13366083 | - | - |
| CUST_904 PRODUCTION | - | - | - | - | - | - | - | - | - |
| CUST_904 BULKTRAN | - | - | - | - | - | - | - | - | - |
| CUST_904 SUBTRAN | - | - | - | - | - | - | - | - | - |
| CUST_904 DISTPRI | - | - | - | - | - | - | - | - | - |
| CUST_904 DISTSEC | - | - | - | - | - | - | - | - | - |
| CUST_904 ENERGY | - | - | - | - | - | - | - | - | - |
| CUST_904 CUSTOMER | 1.00000000 | 0.95065089 | 0.02264395 | 0.01405902 | - | - | 0.00711293 | - | - |
| CUST_904 TOTAL | 1.00000000 | 0.95065089 | 0.02264395 | 0.01405902 | - | - | 0.00711293 | - | - |
| MBO PRODUCTION | - | - | - | - | - | - | - | - | - |
| MBO BULKTRAN | - | - | - | - | - | - | - | - | - |
| MBO SUBTRAN | - | - | - | - | - | - | - | - | - |
| MBO DISTPRI | - | - | - | - | - | - | - | - | - |
| MBO DISTSEC | - | - | - | - | - | - | - | - | - |
| MBO ENERGY | - | - | - | - | - | - | - | - | - |
| MBO CUSTOMER | - | - | - | - | - | - | - | - | - |
| MBO TOTAL | - | - | - | - | - | - | - | - | - |
| OR7 PRODUCTION | - | - | - | - | - | - | - | - | - |
| OR7 BULKTRAN | - | - | - | - | - | - | - | - | - |
| OR7 SUBTRAN | - | - | - | - | - | - | - | - | - |
| OR7 DISTPRI | - | - | - | - | - | - | - | - | - |
| OR7 DISTSEC | - | - | - | - | - | - | - | - | - |
| OR7 ENERGY | - | - | - | - | - | - | - | - | - |
| OR7 CUSTOMER | 1.00000000 | 0.95974553 | 0.02786967 | 0.01056033 | 0.00001546 | - | 0.00180902 | - | - |
| OR7 TOTAL | 1.00000000 | 0.95974553 | 0.02786967 | 0.01056033 | 0.00001546 | - | 0.00180902 | - | - |
| DIST_POLES PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_POLES BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_POLES SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_POLES DISTPRI | 0.51780000 | 0.35185836 | 0.00687706 | 0.04155533 | 0.00018336 | - | 0.06725801 | 0.00531745 | - |
| DIST_POLES DISTSEC | 0.48220000 | 0.36626989 | 0.00689366 | 0.03175951 | - | - | 0.04647979 | - | - |
| DIST_POLES ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_POLES CUSTOMER | - | - | - | - | - | - | - | - | - |
| DIST_POLES TOTAL | 1.00000000 | 0.71812826 | 0.01377072 | 0.07331483 | 0.00018336 | - | 0.11373779 | 0.00531745 | - |
| DIST_OHLINES PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_OHLINES BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_OHLINES SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_OHLINES DISTPRI | 0.74910000 | 0.50903264 | 0.00994903 | 0.06011799 | 0.00026527 | - | 0.09730199 | 0.00769274 | - |
| DIST_OHLINES DISTSEC | 0.25090000 | 0.19057884 | 0.00358693 | 0.01652522 | - | - | 0.02418453 | - | - |
| DIST_OHLINES ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_OHLINES CUSTOMER | - | - | - | - | - | - | - | - | - |
| DIST_OHLINES TOTAL | 1.00000000 | 0.69961148 | 0.01353596 | 0.07664321 | 0.00026527 | - | 0.12148652 | 0.00769274 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| CUST_DEP PRODUCTION | - | - | - | 0.00174636 | 0.00004573 | 0.01180980 | - | - |
| CUST_DEP BULKTRAN | - | - | - | - | - | - | - | - |
| CUST_DEP SUBTRAN | - | - | - | - | - | - | - | - |
| CUST_DEP DISTPRI | - | - | - | 0.00041670 | (0.00000274) | 0.00283820 | - | - |
| CUST_DEP DISTSEC | - | - | - | 0.00034405 | (0.00000208) | 0.00183899 | - | - |
| CUST_DEP ENERGY | - | - | - | 0.00159234 | 0.00003554 | 0.01122694 | - | - |
| CUST_DEP CUSTOMER | - | - | - | 0.00009452 | (0.00000015) | 0.00069729 | - | - |
| CUST_DEP TOTAL | - | - | - | 0.00419397 | 0.00007629 | 0.02841122 | - | - |
| CUST_904 PRODUCTION | - | - | - | - | - | - | - | - |
| CUST_904 BULKTRAN | - | - | - | - | - | - | - | - |
| CUST_904 SUBTRAN | - | - | - | - | - | - | - | - |
| CUST_904 DISTPRI | - | - | - | - | - | - | - | - |
| CUST_904 DISTSEC | - | - | - | - | - | - | - | - |
| CUST_904 ENERGY | - | - | - | - | - | - | - | - |
| CUST_904 CUSTOMER | - | - | - | 0.00032946 | - | 0.00520376 | - | - |
| CUST_904 TOTAL | - | - | - | 0.00032946 | - | 0.00520376 | - | - |
| MBO PRODUCTION | - | - | - | - | - | - | - | - |
| MBO BULKTRAN | - | - | - | - | - | - | - | - |
| MBO SUBTRAN | - | - | - | - | - | - | - | - |
| MBO DISTPRI | - | - | - | - | - | - | - | - |
| MBO DISTSEC | - | - | - | - | - | - | - | - |
| MBO ENERGY | - | - | - | - | - | - | - | - |
| MBO CUSTOMER | - | - | - | - | - | - | - | - |
| MBO TOTAL | - | - | - | - | - | - | - | - |
| OR7 PRODUCTION | - | - | - | - | - | - | - | - |
| OR7 BULKTRAN | - | - | - | - | - | - | - | - |
| OR7 SUBTRAN | - | - | - | - | - | - | - | - |
| OR7 DISTPRI | - | - | - | - | - | - | - | - |
| OR7 DISTSEC | - | - | - | - | - | - | - | - |
| OR7 ENERGY | - | - | - | - | - | - | - | - |
| OR7 CUSTOMER | - | - | - | - | - | - | - | - |
| OR7 TOTAL | - | - | - | - | - | - | - | - |
| DIST_POLES PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_POLES BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_POLES SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_POLES DISTPRI | 0.01705882 | - | - | 0.00417092 | 0.01189312 | 0.01054848 | 0.00036040 | 0.00071869 |
| DIST_POLES DISTSEC | - | - | - | 0.00521285 | 0.01170051 | 0.01033706 | 0.00136933 | 0.00217741 |
| DIST_POLES ENERGY | - | - | - | - | - | - | - | - |
| DIST_POLES CUSTOMER | - | - | - | - | - | - | - | - |
| DIST_POLES TOTAL | 0.01705882 | - | - | 0.00938377 | 0.02359363 | 0.02088554 | 0.00172973 | 0.00289610 |
| DIST_OHLINES PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_OHLINES BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_OHLINES SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_OHLINES DISTPRI | 0.02467896 | - | - | 0.00603406 | 0.01720575 | 0.01526046 | 0.00052139 | 0.00103972 |
| DIST_OHLINES DISTSEC | - | - | - | 0.00271237 | 0.00608805 | 0.00537861 | 0.00071249 | 0.00113296 |
| DIST_OHLINES ENERGY | - | - | - | - | - | - | - | - |
| DIST_OHLINES CUSTOMER | - | - | - | - | - | - | - | - |
| DIST_OHLINES TOTAL | 0.02467896 | - | - | 0.00874643 | 0.02329380 | 0.02063908 | 0.00123388 | 0.00217268 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| DIST_UGLINES PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_UGLINES BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_UGLINES SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_UGLINES DISTPRI | 0.71110000 | 0.48321067 | 0.00944434 | 0.05706835 | 0.00025181 | - | 0.09236610 | 0.00730250 | - |
| DIST_UGLINES DISTSEC | 0.28890000 | 0.21944291 | 0.00413019 | 0.01902804 | - | - | 0.02784739 | - | - |
| DIST_UGLINES ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_UGLINES CUSTOMER | - | - | - | - | - | - | - | - | - |
| DIST_UGLINES TOTAL | 1.00000000 | 0.70265358 | 0.01357453 | 0.07609640 | 0.00025181 | - | 0.12021349 | 0.00730250 | - |
| DIST_TRANSF PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_TRANSF BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_TRANSF SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_TRANSF DISTPRI | 0.11560000 | 0.07855316 | 0.00153532 | 0.00927732 | 0.00004094 | - | 0.01501550 | 0.00118713 | - |
| DIST_TRANSF DISTSEC | 0.88440000 | 0.67177331 | 0.01264361 | 0.05824991 | - | - | 0.08524829 | - | - |
| DIST_TRANSF ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_TRANSF CUSTOMER | - | - | - | - | - | - | - | - | - |
| DIST_TRANSF TOTAL | 1.00000000 | 0.75032648 | 0.01417893 | 0.06752723 | 0.00004094 | - | 0.10026379 | 0.00118713 | - |
| RB_GUP_EPIS_P PRODUCTION | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P DISTPRI | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P DISTSEC | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P CUSTOMER | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P TOTAL | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T PRODUCTION | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T DISTPRI | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T DISTSEC | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T CUSTOMER | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T TOTAL | - | - | - | - | - | - | - | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| DIST_UGLINES PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_UGLINES BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_UGLINES SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_UGLINES DISTPRI | 0.02342706 | - | - | 0.00572796 | 0.01633295 | 0.01448634 | 0.00049494 | 0.00098698 |
| DIST_UGLINES DISTSEC | - | - | - | 0.00312317 | 0.00701011 | 0.00619323 | 0.00082040 | 0.00130455 |
| DIST_UGLINES ENERGY | - | - | - | - | - | - | - | - |
| DIST_UGLINES CUSTOMER | - | - | - | - | - | - | - | - |
| DIST_UGLINES TOTAL | 0.02342706 | - | - | 0.00885113 | 0.02334306 | 0.02067957 | 0.00131534 | 0.00229153 |
| DIST_TRANSF PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_TRANSF BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_TRANSF SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_TRANSF DISTPRI | 0.00380842 | - | - | 0.00093117 | 0.00265517 | 0.00235497 | 0.00008046 | 0.00016045 |
| DIST_TRANSF DISTSEC | - | - | - | 0.00956086 | 0.02145983 | 0.01895913 | 0.00251148 | 0.00399357 |
| DIST_TRANSF ENERGY | - | - | - | - | - | - | - | - |
| DIST_TRANSF CUSTOMER | - | - | - | - | - | - | - | - |
| DIST_TRANSF TOTAL | 0.00380842 | - | - | 0.01049202 | 0.02411500 | 0.02131411 | 0.00259194 | 0.00415402 |
| RB_GUP_EPIS_P PRODUCTION | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P DISTPRI | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P DISTSEC | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P CUSTOMER | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P TOTAL | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T PRODUCTION | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T DISTPRI | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T DISTSEC | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T CUSTOMER | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T TOTAL | - | - | - | - | - | - | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| RB_GUP_EPIS_D PRODUCTION | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D DISTPRI | 0.48614363 | 0.33034705 | 0.00645662 | 0.03901479 | 0.00017215 | - | 0.06314610 | 0.00499236 | - |
| RB_GUP_EPIS_D DISTSEC | 0.31366331 | 0.23825264 | 0.00448421 | 0.02065905 | - | - | 0.03023435 | - | - |
| RB_GUP_EPIS_D ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D CUSTOMER | 0.20019306 | 0.08771781 | 0.01066853 | 0.01962475 | 0.00009381 | - | 0.00167590 | 0.00035312 | - |
| RB_GUP_EPIS_D TOTAL | 1.00000000 | 0.65631750 | 0.02160937 | 0.07929858 | 0.00026596 | - | 0.09505635 | 0.00534548 | - |
| RB_GUP_EPIS_G PRODUCTION | 0.02101867 | 0.00973472 | 0.00020947 | 0.00126294 | 0.00000562 | - | 0.00201495 | 0.00015882 | - |
| RB_GUP_EPIS_G BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G DISTPRI | 0.38780910 | 0.26352622 | 0.00515061 | 0.03112309 | 0.00013733 | - | 0.05037325 | 0.00398253 | - |
| RB_GUP_EPIS_G DISTSEC | 0.21998670 | 0.16709769 | 0.00314499 | 0.01448915 | - | - | 0.02120476 | - | - |
| RB_GUP_EPIS_G ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G CUSTOMER | 0.37118553 | 0.27560106 | 0.02108640 | 0.01922680 | 0.00004474 | - | 0.00449878 | 0.00020744 | - |
| RB_GUP_EPIS_G TOTAL | 1.00000000 | 0.71595969 | 0.02959148 | 0.06610198 | 0.00018769 | - | 0.07809174 | 0.00434879 | - |
| RB_GUP-Land_P PRODUCTION | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P DISTPRI | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P DISTSEC | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P CUSTOMER | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P TOTAL | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T PRODUCTION | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T DISTPRI | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T DISTSEC | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T CUSTOMER | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T TOTAL | - | - | - | - | - | - | - | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| RB_GUP_EPIS_D PRODUCTION | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D DISTPRI | 0.01601591 | - | - | 0.00391592 | 0.01116602 | 0.00990359 | 0.00033836 | 0.00067475 |
| RB_GUP_EPIS_D DISTSEC | - | - | - | 0.00339088 | 0.00761099 | 0.00672409 | 0.00089073 | 0.00141637 |
| RB_GUP_EPIS_D ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D CUSTOMER | 0.00013793 | - | 0.00085204 | 0.00078600 | 0.00041602 | 0.00192147 | 0.02272084 | 0.05322487 |
| RB_GUP_EPIS_D TOTAL | 0.01615384 | - | 0.00085204 | 0.00809280 | 0.01919304 | 0.01854914 | 0.02394993 | 0.05531598 |
| RB_GUP_EPIS_G PRODUCTION | 0.00049694 | - | 0.00630168 | 0.00011906 | 0.00040717 | 0.00030581 | 0.00000059 | 0.00000089 |
| RB_GUP_EPIS_G BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G DISTPRI | 0.01277630 | - | - | 0.00312383 | 0.00890742 | 0.00790034 | 0.00026992 | 0.00053827 |
| RB_GUP_EPIS_G DISTSEC | - | - | - | 0.00237818 | 0.00533794 | 0.00471592 | 0.00062471 | 0.00099337 |
| RB_GUP_EPIS_G ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G CUSTOMER | 0.00026088 | - | 0.00218823 | 0.00113778 | 0.00026368 | 0.00352518 | 0.01832406 | 0.02482051 |
| RB_GUP_EPIS_G TOTAL | 0.01353412 | - | 0.00848991 | 0.00675885 | 0.01491621 | 0.01644724 | 0.01921928 | 0.02635302 |
| RB_GUP-Land_P PRODUCTION | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P DISTPRI | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P DISTSEC | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P CUSTOMER | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P TOTAL | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T PRODUCTION | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T DISTPRI | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T DISTSEC | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T CUSTOMER | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T TOTAL | - | - | - | - | - | - | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| RB_GUP-Land_D PRODUCTION | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D DISTPRI | 0.47726692 | 0.32431510 | 0.00633873 | 0.03830240 | 0.00016901 | - | 0.06199309 | 0.00490120 | - |
| RB_GUP-Land_D DISTSEC | 0.31908174 | 0.24236839 | 0.00456168 | 0.02101592 | - | - | 0.03075664 | - | - |
| RB_GUP-Land_D ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D CUSTOMER | 0.20365134 | 0.08923310 | 0.01085283 | 0.01996376 | 0.00009543 | - | 0.00170485 | 0.00035922 | - |
| RB_GUP-Land_D TOTAL | 1.00000000 | 0.65591659 | 0.02175323 | 0.07928208 | 0.00026444 | - | 0.09445458 | 0.00526042 | - |
| RB_GUP-Land_G PRODUCTION | 0.02101867 | 0.00973472 | 0.00020947 | 0.00126294 | 0.00000562 | - | 0.00201495 | 0.00015882 | - |
| RB_GUP-Land_G BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G DISTPRI | 0.38780910 | 0.26352622 | 0.00515061 | 0.03112309 | 0.00013733 | - | 0.05037325 | 0.00398253 | - |
| RB_GUP-Land_G DISTSEC | 0.21998670 | 0.16709769 | 0.00314499 | 0.01448915 | - | - | 0.02120476 | - | - |
| RB_GUP-Land_G ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G CUSTOMER | 0.37118553 | 0.27560106 | 0.02108640 | 0.01922680 | 0.00004474 | - | 0.00449878 | 0.00020744 | - |
| RB_GUP-Land_G TOTAL | 1.00000000 | 0.71595969 | 0.02959148 | 0.06610198 | 0.00018769 | - | 0.07809174 | 0.00434879 | - |
| RB_GUP_CWIP PRODUCTION | 0.00174298 | 0.00080726 | 0.00001737 | 0.00010473 | 0.00000047 | - | 0.00016709 | 0.00001317 | - |
| RB_GUP_CWIP BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP DISTPRI | 0.47798920 | 0.32480590 | 0.00634832 | 0.03836037 | 0.00016926 | - | 0.06208691 | 0.00490862 | - |
| RB_GUP_CWIP DISTSEC | 0.30589513 | 0.23235209 | 0.00437316 | 0.02014740 | - | - | 0.02948557 | - | - |
| RB_GUP_CWIP ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP CUSTOMER | 0.21437269 | 0.10329811 | 0.01153244 | 0.01959175 | 0.00008974 | - | 0.00190999 | 0.00034104 | - |
| RB_GUP_CWIP TOTAL | 1.00000000 | 0.66126336 | 0.02227129 | 0.07820425 | 0.00025947 | - | 0.09364955 | 0.00526283 | - |
| RB_GUP PRODUCTION | 0.00076566 | 0.00035461 | 0.00000763 | 0.00004601 | 0.00000020 | - | 0.00007340 | 0.00000579 | - |
| RB_GUP BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP DISTPRI | 0.48256155 | 0.32791293 | 0.00640905 | 0.03872731 | 0.00017088 | - | 0.06268082 | 0.00495557 | - |
| RB_GUP DISTSEC | 0.31025090 | 0.23566065 | 0.00443543 | 0.02043429 | - | - | 0.02990542 | - | - |
| RB_GUP ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP CUSTOMER | 0.20642189 | 0.09456192 | 0.01104803 | 0.01961025 | 0.00009202 | - | 0.00177873 | 0.00034781 | - |
| RB_GUP TOTAL | 1.00000000 | 0.65849012 | 0.02190014 | 0.07881786 | 0.00026311 | - | 0.09443837 | 0.00530917 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI 10 | IP-SUB 11 | IP-TRA 12 | CS 13 | PS 14 | EHG 15 | OL 16 | SL 17 |
|---|---|---|---|---|---|---|---|---|
| RB_GUP-Land_D PRODUCTION | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D DISTPRI | 0.01572347 | - | - | 0.00384442 | 0.01096214 | 0.00972275 | 0.00033219 | 0.00066243 |
| RB_GUP-Land_D DISTSEC | - | - | - | 0.00344945 | 0.00774247 | 0.00684025 | 0.00090611 | 0.00144084 |
| RB_GUP-Land_D ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D CUSTOMER | 0.00014031 | - | 0.00086676 | 0.00079958 | 0.00042321 | 0.00195466 | 0.02311333 | 0.05414431 |
| RB_GUP-Land_D TOTAL | 0.01586378 | - | 0.00086676 | 0.00809345 | 0.01912781 | 0.01851766 | 0.02435163 | 0.05624757 |
| RB_GUP-Land_G PRODUCTION | 0.00049694 | - | 0.00630168 | 0.00011906 | 0.00040717 | 0.00030581 | 0.00000059 | 0.00000089 |
| RB_GUP-Land_G BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G DISTPRI | 0.01277630 | - | - | 0.00312383 | 0.00890742 | 0.00790034 | 0.00026992 | 0.00053827 |
| RB_GUP-Land_G DISTSEC | - | - | - | 0.00237818 | 0.00533794 | 0.00471592 | 0.00062471 | 0.00099337 |
| RB_GUP-Land_G ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G CUSTOMER | 0.00026088 | - | 0.00218823 | 0.00113778 | 0.00026368 | 0.00352518 | 0.01832406 | 0.02482051 |
| RB_GUP-Land_G TOTAL | 0.01353412 | - | 0.00848991 | 0.00675885 | 0.01491621 | 0.01644724 | 0.01921928 | 0.02635302 |
| RB_GUP_CWIP PRODUCTION | 0.00004121 | - | 0.00052257 | 0.00000987 | 0.00003376 | 0.00002536 | 0.00000005 | 0.00000007 |
| RB_GUP_CWIP BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP DISTPRI | 0.01574726 | - | - | 0.00385024 | 0.01097873 | 0.00973747 | 0.00033269 | 0.00066343 |
| RB_GUP_CWIP DISTSEC | - | - | - | 0.00330690 | 0.00742250 | 0.00655756 | 0.00086867 | 0.00138129 |
| RB_GUP_CWIP ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP CUSTOMER | 0.00014812 | - | 0.00096284 | 0.00081517 | 0.00040339 | 0.00205445 | 0.02235623 | 0.05086942 |
| RB_GUP_CWIP TOTAL | 0.01593660 | - | 0.00148541 | 0.00798218 | 0.01883838 | 0.01837484 | 0.02355764 | 0.05291422 |
| RB_GUP PRODUCTION | 0.00001810 | - | 0.00022955 | 0.00000434 | 0.00001483 | 0.00001114 | 0.00000002 | 0.00000003 |
| RB_GUP BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP DISTPRI | 0.01589790 | - | - | 0.00388707 | 0.01108375 | 0.00983061 | 0.00033587 | 0.00066978 |
| RB_GUP DISTSEC | - | - | - | 0.00335399 | 0.00752819 | 0.00665094 | 0.00088104 | 0.00140096 |
| RB_GUP ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP CUSTOMER | 0.00014241 | - | 0.00090071 | 0.00079881 | 0.00041047 | 0.00197989 | 0.02256067 | 0.05219017 |
| RB_GUP TOTAL | 0.01605841 | - | 0.00113027 | 0.00804420 | 0.01903724 | 0.01847258 | 0.02377760 | 0.05426094 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| NP PRODUCTION | 0.00080039 | 0.00037070 | 0.00000798 | 0.00004809 | 0.00000021 | - | 0.00007673 | 0.00000605 | - |
| NP BULKTRAN | - | - | - | - | - | - | - | - | - |
| NP SUBTRAN | - | - | - | - | - | - | - | - | - |
| NP DISTPRI | 0.48239904 | 0.32780251 | 0.00640689 | 0.03871427 | 0.00017082 | - | 0.06265971 | 0.00495390 | - |
| NP DISTSEC | 0.31009609 | 0.23554305 | 0.00443322 | 0.02042410 | - | - | 0.02989050 | - | - |
| NP ENERGY | - | - | - | - | - | - | - | - | - |
| NP CUSTOMER | 0.20670448 | 0.09487243 | 0.01106525 | 0.01960959 | 0.00009194 | - | 0.00178340 | 0.00034757 | - |
| NP TOTAL | 1.00000000 | 0.65858868 | 0.02191333 | 0.07879605 | 0.00026298 | - | 0.09441034 | 0.00530752 | - |
| RATEBASE PRODUCTION | (0.02473776) | (0.01953614) | (0.00053468) | (0.00218731) | (0.00005110) | - | (0.00245932) | 0.00001559 | - |
| RATEBASE BULKTRAN | - | - | - | - | - | - | - | - | - |
| RATEBASE SUBTRAN | - | - | - | - | - | - | - | - | - |
| RATEBASE DISTPRI | 0.50082845 | 0.34161432 | 0.00648750 | 0.03973125 | 0.00017418 | - | 0.06438642 | 0.00516264 | - |
| RATEBASE DISTSEC | 0.32055054 | 0.24426063 | 0.00446765 | 0.02085618 | - | - | 0.03055695 | - | - |
| RATEBASE ENERGY | (0.02300794) | (0.01619189) | (0.00064619) | (0.00224054) | (0.00004977) | - | (0.00318581) | - | - |
| RATEBASE CUSTOMER | 0.22636670 | 0.11024389 | 0.01187703 | 0.02034824 | 0.00009324 | - | 0.00200931 | 0.00035787 | - |
| RATEBASE TOTAL | 1.00000000 | 0.66039081 | 0.02165131 | 0.07650782 | 0.00016656 | - | 0.09130755 | 0.00553611 | - |
| MISC_SERV_REV PRODUCTION | - | - | - | - | - | - | - | - | - |
| MISC_SERV_REV BULKTRAN | - | - | - | - | - | - | - | - | - |
| MISC_SERV_REV SUBTRAN | - | - | - | - | - | - | - | - | - |
| MISC_SERV_REV DISTPRI | 0.45405812 | 0.40720225 | 0.02110615 | 0.01316907 | 0.00002537 | - | 0.00304594 | 0.00012810 | - |
| MISC_SERV_REV DISTSEC | 0.32545234 | 0.29368209 | 0.01465851 | 0.00697326 | - | - | 0.00145840 | - | - |
| MISC_SERV_REV ENERGY | - | - | - | - | - | - | - | - | - |
| MISC_SERV_REV CUSTOMER | 0.22048954 | 0.10812534 | 0.03487452 | 0.00662414 | 0.00001382 | - | 0.00008084 | 0.00000906 | - |
| MISC_SERV_REV TOTAL | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| NP PRODUCTION | 0.00001892 | - | 0.00023997 | 0.00000453 | 0.00001551 | 0.00001165 | 0.00000002 | 0.00000003 |
| NP BULKTRAN | - | - | - | - | - | - | - | - |
| NP SUBTRAN | - | - | - | - | - | - | - | - |
| NP DISTPRI | 0.01589255 | - | - | 0.00388576 | 0.01108001 | 0.00982730 | 0.00033576 | 0.00066955 |
| NP DISTSEC | - | - | - | 0.00335231 | 0.00752443 | 0.00664762 | 0.00088060 | 0.00140026 |
| NP ENERGY | - | - | - | - | - | - | - | - |
| NP CUSTOMER | 0.00014261 | - | 0.00090292 | 0.00079939 | 0.00041022 | 0.00198254 | 0.02255341 | 0.05214322 |
| NP TOTAL | 0.01605408 | - | 0.00114289 | 0.00804200 | 0.01903017 | 0.01846910 | 0.02376978 | 0.05421307 |
| RATEBASE PRODUCTION | 0.00004879 | - | 0.00061864 | (0.00008256) | 0.00003750 | (0.00060732) | 0.00000006 | 0.00000009 |
| RATEBASE BULKTRAN | - | - | - | - | - | - | - | - |
| RATEBASE SUBTRAN | - | - | - | - | - | - | - | - |
| RATEBASE DISTPRI | 0.01656220 | - | - | 0.00402701 | 0.01154704 | 0.01008822 | 0.00034991 | 0.00069777 |
| RATEBASE DISTSEC | - | - | - | 0.00345589 | 0.00779870 | 0.00679058 | 0.00091268 | 0.00145128 |
| RATEBASE ENERGY | - | - | - | (0.00008593) | (0.00000192) | (0.00060588) | - | - |
| RATEBASE CUSTOMER | 0.00015744 | - | 0.00102920 | 0.00085785 | 0.00042352 | 0.00214497 | 0.02351537 | 0.05330876 |
| RATEBASE TOTAL | 0.01676843 | - | 0.00164784 | 0.00817225 | 0.01980485 | 0.01781057 | 0.02477802 | 0.05545789 |
| MISC_SERV_REV PRODUCTION | - | - | - | - | - | - | - | - |
| MISC_SERV_REV BULKTRAN | - | - | - | - | - | - | - | - |
| MISC_SERV_REV SUBTRAN | - | - | - | - | - | - | - | - |
| MISC_SERV_REV DISTPRI | 0.00003885 | - | - | 0.00174459 | 0.00036479 | 0.00620389 | 0.00102816 | 0.00000096 |
| MISC_SERV_REV DISTSEC | - | - | - | 0.00151068 | 0.00024865 | 0.00421216 | 0.00270659 | 0.00000201 |
| MISC_SERV_REV ENERGY | - | - | - | - | - | - | - | - |
| MISC_SERV_REV CUSTOMER | 0.00000033 | - | 0.00007838 | 0.00035017 | 0.00001359 | 0.00120366 | 0.06904026 | 0.00007542 |
| MISC_SERV_REV TOTAL | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 362 STATIONS PRODUCTION | - | - | - | - | - | - | - | - | - |
| 362 STATIONS BULKTRAN | - | - | - | - | - | - | - | - | - |
| 362 STATIONS SUBTRAN | - | - | - | - | - | - | - | - | - |
| 362 STATIONS DISTPRI | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| 362 STATIONS DISTSEC | - | - | - | - | - | - | - | - | - |
| 362 STATIONS ENERGY | - | - | - | - | - | - | - | - | - |
| 362 STATIONS CUSTOMER | - | - | - | - | - | - | - | - | - |
| 362 STATIONS TOTAL | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| TOTOHLINES PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTOHLINES BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTOHLINES SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTOHLINES DISTPRI | 0.64673877 | 0.43947556 | 0.00858954 | 0.05190313 | 0.00022902 | - | 0.08400610 | 0.00664156 | - |
| TOTOHLINES DISTSEC | 0.35326123 | 0.26833047 | 0.00505032 | 0.02326711 | - | - | 0.03405124 | - | - |
| TOTOHLINES ENERGY | - | - | - | - | - | - | - | - | - |
| TOTOHLINES CUSTOMER | - | - | - | - | - | - | - | - | - |
| TOTOHLINES TOTAL | 1.00000000 | 0.70780603 | 0.01363985 | 0.07517025 | 0.00022902 | - | 0.11805734 | 0.00664156 | - |
| TOTUGLINES PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTUGLINES BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTUGLINES SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTUGLINES DISTPRI | 0.71110000 | 0.48321067 | 0.00944434 | 0.05706835 | 0.00025181 | - | 0.09236610 | 0.00730250 | - |
| TOTUGLINES DISTSEC | 0.28890000 | 0.21944291 | 0.00413019 | 0.01902804 | - | - | 0.02784739 | - | - |
| TOTUGLINES ENERGY | - | - | - | - | - | - | - | - | - |
| TOTUGLINES CUSTOMER | - | - | - | - | - | - | - | - | - |
| TOTUGLINES TOTAL | 1.00000000 | 0.70265358 | 0.01357453 | 0.07609640 | 0.00025181 | - | 0.12021349 | 0.00730250 | - |
| 368 TRANSFORMERS PRODUCTION | - | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS BULKTRAN | - | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS SUBTRAN | - | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS DISTPRI | 0.11560000 | 0.07855316 | 0.00153532 | 0.00927732 | 0.00004094 | - | 0.01501550 | 0.00118713 | - |
| 368 TRANSFORMERS DISTSEC | 0.88440000 | 0.67177331 | 0.01264361 | 0.05824991 | - | - | 0.08524829 | - | - |
| 368 TRANSFORMERS ENERGY | - | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS CUSTOMER | - | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS TOTAL | 1.00000000 | 0.75032648 | 0.01417893 | 0.06752723 | 0.00004094 | - | 0.10026379 | 0.00118713 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI 10 | IP-SUB 11 | IP-TRA 12 | CS 13 | PS 14 | EHG 15 | OL 16 | SL 17 |
|---|---|---|---|---|---|---|---|---|
| 362 STATIONS PRODUCTION | - | - | - | - | - | - | - | - |
| 362 STATIONS BULKTRAN | - | - | - | - | - | - | - | - |
| 362 STATIONS SUBTRAN | - | - | - | - | - | - | - | - |
| 362 STATIONS DISTPRI | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| 362 STATIONS DISTSEC | - | - | - | - | - | - | - | - |
| 362 STATIONS ENERGY | - | - | - | - | - | - | - | - |
| 362 STATIONS CUSTOMER | - | - | - | - | - | - | - | - |
| 362 STATIONS TOTAL | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| TOTOHLINES PRODUCTION | - | - | - | - | - | - | - | - |
| TOTOHLINES BULKTRAN | - | - | - | - | - | - | - | - |
| TOTOHLINES SUBTRAN | - | - | - | - | - | - | - | - |
| TOTOHLINES DISTPRI | 0.02130669 | - | - | 0.00520953 | 0.01485466 | 0.01317519 | 0.00045014 | 0.00089765 |
| TOTOHLINES DISTSEC | - | - | - | 0.00381895 | 0.00857183 | 0.00757296 | 0.00100317 | 0.00159518 |
| TOTOHLINES ENERGY | - | - | - | - | - | - | - | - |
| TOTOHLINES CUSTOMER | - | - | - | - | - | - | - | - |
| TOTOHLINES TOTAL | 0.02130669 | - | - | 0.00902848 | 0.02342649 | 0.02074815 | 0.00145332 | 0.00249283 |
| TOTUGLINES PRODUCTION | - | - | - | - | - | - | - | - |
| TOTUGLINES BULKTRAN | - | - | - | - | - | - | - | - |
| TOTUGLINES SUBTRAN | - | - | - | - | - | - | - | - |
| TOTUGLINES DISTPRI | 0.02342706 | - | - | 0.00572796 | 0.01633295 | 0.01448634 | 0.00049494 | 0.00098698 |
| TOTUGLINES DISTSEC | - | - | - | 0.00312317 | 0.00701011 | 0.00619323 | 0.00082040 | 0.00130455 |
| TOTUGLINES ENERGY | - | - | - | - | - | - | - | - |
| TOTUGLINES CUSTOMER | - | - | - | - | - | - | - | - |
| TOTUGLINES TOTAL | 0.02342706 | - | - | 0.00885113 | 0.02334306 | 0.02067957 | 0.00131534 | 0.00229153 |
| 368 TRANSFORMERS PRODUCTION | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS BULKTRAN | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS SUBTRAN | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS DISTPRI | 0.00380842 | - | - | 0.00093117 | 0.00265517 | 0.00235497 | 0.00008046 | 0.00016045 |
| 368 TRANSFORMERS DISTSEC | - | - | - | 0.00956086 | 0.02145983 | 0.01895913 | 0.00251148 | 0.00399357 |
| 368 TRANSFORMERS ENERGY | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS CUSTOMER | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS TOTAL | 0.00380842 | - | - | 0.01049202 | 0.02411500 | 0.02131411 | 0.00259194 | 0.00415402 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| TOTBSEXP PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTBSEXP BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTBSEXP SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTBSEXP DISTPRI | - | - | - | - | - | - | - | - | - |
| TOTBSEXP DISTSEC | - | - | - | - | - | - | - | - | - |
| TOTBSEXP ENERGY | - | - | - | - | - | - | - | - | - |
| TOTBSEXP CUSTOMER | - | - | - | - | - | - | - | - | - |
| TOTBSEXP TOTAL | - | - | - | - | - | - | - | - | - |
| TOTOXEXP PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTOXEXP BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTOXEXP SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTOXEXP DISTPRI | 0.46857355 | 0.31840773 | 0.00622327 | 0.03760473 | 0.00016593 | - | 0.06086389 | 0.00481192 | - |
| TOTOXEXP DISTSEC | 0.26816000 | 0.20368920 | 0.00383369 | 0.01766203 | - | - | 0.02584824 | - | - |
| TOTOXEXP ENERGY | - | - | - | - | - | - | - | - | - |
| TOTOXEXP CUSTOMER | 0.26326646 | 0.12404599 | 0.01457373 | 0.02490078 | 0.00011888 | - | 0.00216897 | 0.00044690 | - |
| TOTOXEXP TOTAL | 1.00000000 | 0.64614292 | 0.02463068 | 0.08016753 | 0.00028480 | - | 0.08888110 | 0.00525882 | - |
| TOTMXEXP PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTMXEXP BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTMXEXP SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTMXEXP DISTPRI | 0.61759822 | 0.41967382 | 0.00820251 | 0.04956450 | 0.00021870 | - | 0.08022098 | 0.00634230 | - |
| TOTMXEXP DISTSEC | 0.34951974 | 0.26548850 | 0.00499683 | 0.02302069 | - | - | 0.03369059 | - | - |
| TOTMXEXP ENERGY | - | - | - | - | - | - | - | - | - |
| TOTMXEXP CUSTOMER | 0.03288204 | 0.00403341 | 0.00049768 | 0.00094197 | 0.00000454 | - | 0.00007985 | 0.00001707 | - |
| TOTMXEXP TOTAL | 1.00000000 | 0.68919573 | 0.01369702 | 0.07352715 | 0.00022324 | - | 0.11399143 | 0.00635938 | - |
| EXP_OM_DIST PRODUCTION | - | - | - | - | - | - | - | - | - |
| EXP_OM_DIST BULKTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_DIST SUBTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_DIST DISTPRI | 0.57930014 | 0.39364929 | 0.00769386 | 0.04649094 | 0.00020514 | - | 0.07524637 | 0.00594901 | - |
| EXP_OM_DIST DISTSEC | 0.32861097 | 0.24960661 | 0.00469791 | 0.02164356 | - | - | 0.03167517 | - | - |
| EXP_OM_DIST ENERGY | - | - | - | - | - | - | - | - | - |
| EXP_OM_DIST CUSTOMER | 0.09208888 | 0.03487563 | 0.00411511 | 0.00709918 | 0.00003392 | - | 0.00061674 | 0.00012753 | - |
| EXP_OM_DIST TOTAL | 1.00000000 | 0.67813152 | 0.01650688 | 0.07523367 | 0.00023906 | - | 0.10753828 | 0.00607654 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| TOTBSEXP PRODUCTION | - | - | - | - | - | - | - | - |
| TOTBSEXP BULKTRAN | - | - | - | - | - | - | - | - |
| TOTBSEXP SUBTRAN | - | - | - | - | - | - | - | - |
| TOTBSEXP DISTPRI | - | - | - | - | - | - | - | - |
| TOTBSEXP DISTSEC | - | - | - | - | - | - | - | - |
| TOTBSEXP ENERGY | - | - | - | - | - | - | - | - |
| TOTBSEXP CUSTOMER | - | - | - | - | - | - | - | - |
| TOTBSEXP TOTAL | - | - | - | - | - | - | - | - |
| TOTOXEXP PRODUCTION | - | - | - | - | - | - | - | - |
| TOTOXEXP BULKTRAN | - | - | - | - | - | - | - | - |
| TOTOXEXP SUBTRAN | - | - | - | - | - | - | - | - |
| TOTOXEXP DISTPRI | 0.01543707 | - | - | 0.00377440 | 0.01076246 | 0.00954565 | 0.00032614 | 0.00065036 |
| TOTOXEXP DISTSEC | - | - | - | 0.00289896 | 0.00650686 | 0.00574862 | 0.00076151 | 0.00121090 |
| TOTOXEXP ENERGY | - | - | - | - | - | - | - | - |
| TOTOXEXP CUSTOMER | 0.00017375 | - | 0.00105962 | 0.00104415 | 0.00052897 | 0.00260443 | 0.02281845 | 0.06878187 |
| TOTOXEXP TOTAL | 0.01561081 | - | 0.00105962 | 0.00771750 | 0.01779829 | 0.01789870 | 0.02390609 | 0.07064313 |
| TOTMXEXP PRODUCTION | - | - | - | - | - | - | - | - |
| TOTMXEXP BULKTRAN | - | - | - | - | - | - | - | - |
| TOTMXEXP SUBTRAN | - | - | - | - | - | - | - | - |
| TOTMXEXP DISTPRI | 0.02034666 | - | - | 0.00497480 | 0.01418535 | 0.01258154 | 0.00042986 | 0.00085720 |
| TOTMXEXP DISTSEC | - | - | - | 0.00377850 | 0.00848104 | 0.00749275 | 0.00099255 | 0.00157828 |
| TOTMXEXP ENERGY | - | - | - | - | - | - | - | - |
| TOTMXEXP CUSTOMER | 0.00000667 | - | 0.00004120 | 0.00003708 | 0.00001995 | 0.00008992 | 0.00103404 | 0.02607866 |
| TOTMXEXP TOTAL | 0.02035333 | - | 0.00004120 | 0.00879038 | 0.02268634 | 0.02016422 | 0.00245645 | 0.02851414 |
| EXP_OM_DIST PRODUCTION | - | - | - | - | - | - | - | - |
| EXP_OM_DIST BULKTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_DIST SUBTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_DIST DISTPRI | 0.01908493 | - | - | 0.00466631 | 0.01330569 | 0.01180135 | 0.00040320 | 0.00080405 |
| EXP_OM_DIST DISTSEC | - | - | - | 0.00355247 | 0.00797370 | 0.00704453 | 0.00093317 | 0.00148387 |
| EXP_OM_DIST ENERGY | - | - | - | - | - | - | - | - |
| EXP_OM_DIST CUSTOMER | 0.00004961 | - | 0.00030292 | 0.00029589 | 0.00015077 | 0.00073613 | 0.00663245 | 0.03705302 |
| EXP_OM_DIST TOTAL | 0.01913454 | - | 0.00030292 | 0.00851466 | 0.02143015 | 0.01958200 | 0.00796883 | 0.03934093 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| TOTOX234 PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTOX234 BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTOX234 SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTOX234 DISTPRI | - | - | - | - | - | - | - | - | - |
| TOTOX234 DISTSEC | - | - | - | - | - | - | - | - | - |
| TOTOX234 ENERGY | - | - | - | - | - | - | - | - | - |
| TOTOX234 CUSTOMER | 1.00000000 | 0.81498292 | 0.05913713 | 0.04691063 | 0.00007142 | - | 0.01326449 | 0.00039626 | - |
| TOTOX234 TOTAL | 1.00000000 | 0.81498292 | 0.05913713 | 0.04691063 | 0.00007142 | - | 0.01326449 | 0.00039626 | - |
| EXP_OM_CUSTACCT PRODUCTION | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT BULKTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT SUBTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT DISTPRI | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT DISTSEC | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT ENERGY | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT CUSTOMER | 1.00000000 | 0.81498292 | 0.05913713 | 0.04691063 | 0.00007142 | - | 0.01326449 | 0.00039626 | - |
| EXP_OM_CUSTACCT TOTAL | 1.00000000 | 0.81498292 | 0.05913713 | 0.04691063 | 0.00007142 | - | 0.01326449 | 0.00039626 | - |
| UNCOLFAC PRODUCTION | - | - | - | - | - | - | - | - | - |
| UNCOLFAC BULKTRAN | - | - | - | - | - | - | - | - | - |
| UNCOLFAC SUBTRAN | - | - | - | - | - | - | - | - | - |
| UNCOLFAC DISTPRI | 0.48614363 | 0.33034705 | 0.00645662 | 0.03901479 | 0.00017215 | - | 0.06314610 | 0.00499236 | - |
| UNCOLFAC DISTSEC | 0.31366331 | 0.23825264 | 0.00448421 | 0.02065905 | - | - | 0.03023435 | - | - |
| UNCOLFAC ENERGY | - | - | - | - | - | - | - | - | - |
| UNCOLFAC CUSTOMER | 0.20019306 | 0.08771781 | 0.01066853 | 0.01962475 | 0.00009381 | - | 0.00167590 | 0.00035312 | - |
| UNCOLFAC TOTAL | 1.00000000 | 0.65631750 | 0.02160937 | 0.07929858 | 0.00026596 | - | 0.09505635 | 0.00534548 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| TOTOX234 PRODUCTION | - | - | - | - | - | - | - | - |
| TOTOX234 BULKTRAN | - | - | - | - | - | - | - | - |
| TOTOX234 SUBTRAN | - | - | - | - | - | - | - | - |
| TOTOX234 DISTPRI | - | - | - | - | - | - | - | - |
| TOTOX234 DISTSEC | - | - | - | - | - | - | - | - |
| TOTOX234 ENERGY | - | - | - | - | - | - | - | - |
| TOTOX234 CUSTOMER | 0.00074073 | - | 0.00646159 | 0.00303158 | 0.00052501 | 0.00978286 | 0.04464527 | 0.00005011 |
| TOTOX234 TOTAL | 0.00074073 | - | 0.00646159 | 0.00303158 | 0.00052501 | 0.00978286 | 0.04464527 | 0.00005011 |
| EXP_OM_CUSTACCT PRODUCTION | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT BULKTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT SUBTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT DISTPRI | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT DISTSEC | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT ENERGY | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT CUSTOMER | 0.00074073 | - | 0.00646159 | 0.00303158 | 0.00052501 | 0.00978286 | 0.04464527 | 0.00005011 |
| EXP_OM_CUSTACCT TOTAL | 0.00074073 | - | 0.00646159 | 0.00303158 | 0.00052501 | 0.00978286 | 0.04464527 | 0.00005011 |
| UNCOLFAC PRODUCTION | - | - | - | - | - | - | - | - |
| UNCOLFAC BULKTRAN | - | - | - | - | - | - | - | - |
| UNCOLFAC SUBTRAN | - | - | - | - | - | - | - | - |
| UNCOLFAC DISTPRI | 0.01601591 | - | - | 0.00391592 | 0.01116602 | 0.00990359 | 0.00033836 | 0.00067475 |
| UNCOLFAC DISTSEC | - | - | - | 0.00339088 | 0.00761099 | 0.00672409 | 0.00089073 | 0.00141637 |
| UNCOLFAC ENERGY | - | - | - | - | - | - | - | - |
| UNCOLFAC CUSTOMER | 0.00013793 | - | 0.00085204 | 0.00078600 | 0.00041602 | 0.00192147 | 0.02272084 | 0.05322487 |
| UNCOLFAC TOTAL | 0.01615384 | - | 0.00085204 | 0.00809280 | 0.01919304 | 0.01854914 | 0.02394993 | 0.05531598 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| EXP_OM_CUSTSERV PRODUCTION | 0.90145185 | 0.41750432 | 0.00898396 | 0.05416514 | 0.00024109 | - | 0.08641755 | 0.00681157 | - |
| EXP_OM_CUSTSERV BULKTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV SUBTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV DISTPRI | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV DISTSEC | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV ENERGY | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV CUSTOMER | 0.09854815 | 0.07972640 | 0.00696136 | 0.00263779 | 0.00000386 | - | 0.00045186 | 0.00001352 | - |
| EXP_OM_CUSTSERV TOTAL | 1.00000000 | 0.49723072 | 0.01594532 | 0.05680293 | 0.00024496 | - | 0.08686941 | 0.00682508 | - |
| EXP_OM PRODUCTION | 0.44695493 | 0.20700756 | 0.00445395 | 0.02685443 | 0.00011955 | - | 0.04284466 | 0.00337721 | - |
| EXP_OM BULKTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM SUBTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM DISTPRI | 0.03014320 | 0.02039187 | 0.00040569 | 0.00244216 | 0.00001067 | - | 0.00396769 | 0.00031868 | - |
| EXP_OM DISTSEC | 0.01711587 | 0.01295279 | 0.00024870 | 0.00114090 | - | - | 0.00167683 | - | - |
| EXP_OM ENERGY | 0.48709767 | 0.16353824 | 0.00518792 | 0.02604847 | 0.00011519 | - | 0.05141264 | 0.00400816 | - |
| EXP_OM CUSTOMER | 0.01868833 | 0.01302607 | 0.00105630 | 0.00101595 | 0.00000277 | - | 0.00020708 | 0.00001266 | - |
| EXP_OM TOTAL | 1.00000000 | 0.41691653 | 0.01135256 | 0.05750190 | 0.00024819 | - | 0.10010890 | 0.00771672 | - |
| LABOR_M PRODUCTION | 0.02101867 | 0.00973472 | 0.00020947 | 0.00126294 | 0.00000562 | - | 0.00201495 | 0.00015882 | - |
| LABOR_M BULKTRAN | - | - | - | - | - | - | - | - | - |
| LABOR_M SUBTRAN | - | - | - | - | - | - | - | - | - |
| LABOR_M DISTPRI | 0.38780910 | 0.26352622 | 0.00515061 | 0.03112309 | 0.00013733 | - | 0.05037325 | 0.00398253 | - |
| LABOR_M DISTSEC | 0.21998670 | 0.16709769 | 0.00314499 | 0.01448915 | - | - | 0.02120476 | - | - |
| LABOR_M ENERGY | - | - | - | - | - | - | - | - | - |
| LABOR_M CUSTOMER | 0.37118553 | 0.27560106 | 0.02108640 | 0.01922680 | 0.00004474 | - | 0.00449878 | 0.00020744 | - |
| LABOR_M TOTAL | 1.00000000 | 0.71595969 | 0.02959148 | 0.06610198 | 0.00018769 | - | 0.07809174 | 0.00434879 | - |
| RSALE PRODUCTION | 0.44768964 | 0.20774913 | 0.00436866 | 0.02657497 | 0.00012188 | - | 0.04237343 | 0.00336747 | - |
| RSALE BULKTRAN | - | - | - | - | - | - | - | - | - |
| RSALE SUBTRAN | - | - | - | - | - | - | - | - | - |
| RSALE DISTPRI | 0.02803373 | 0.00000663 | 0.00148987 | 0.00706319 | 0.00000906 | - | 0.01456852 | 0.00219511 | - |
| RSALE DISTSEC | 0.01141073 | (0.00137473) | 0.00099990 | 0.00358806 | - | - | 0.00673933 | - | - |
| RSALE ENERGY | 0.48572891 | 0.16415589 | 0.00508423 | 0.02576146 | 0.00011744 | - | 0.05080437 | 0.00398954 | - |
| RSALE CUSTOMER | 0.02713699 | 0.00661489 | 0.00306838 | 0.00340937 | 0.00000192 | - | 0.00054465 | 0.00014307 | - |
| RSALE TOTAL | 1.00000000 | 0.37715181 | 0.01501103 | 0.06639705 | 0.00025031 | - | 0.11503029 | 0.00969519 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| EXP_OM_CUSTSERV PRODUCTION | 0.02131279 | - | 0.27026740 | 0.00510614 | 0.01746289 | 0.01311556 | 0.00002538 | 0.00003807 |
| EXP_OM_CUSTSERV BULKTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV SUBTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV DISTPRI | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV DISTSEC | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV ENERGY | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV CUSTOMER | 0.00000386 | - | 0.00000772 | 0.00035531 | 0.00006179 | 0.00114510 | 0.00717184 | 0.00000772 |
| EXP_OM_CUSTSERV TOTAL | 0.02131665 | - | 0.27027512 | 0.00546145 | 0.01752468 | 0.01426066 | 0.00719722 | 0.00004579 |
| EXP_OM PRODUCTION | 0.01056691 | - | 0.13400684 | 0.00253162 | 0.00865815 | 0.00650259 | 0.00001258 | 0.00001887 |
| EXP_OM BULKTRAN | - | - | - | - | - | - | - | - |
| EXP_OM SUBTRAN | - | - | - | - | - | - | - | - |
| EXP_OM DISTPRI | 0.00099298 | - | - | 0.00024460 | 0.00068679 | 0.00061875 | 0.00002115 | 0.00004216 |
| EXP_OM DISTSEC | - | - | - | 0.00018682 | 0.00041211 | 0.00037055 | 0.00004911 | 0.00007806 |
| EXP_OM ENERGY | 0.01538009 | - | 0.20318387 | 0.00230948 | 0.00672614 | 0.00618479 | 0.00105428 | 0.00194841 |
| EXP_OM CUSTOMER | 0.00001204 | - | 0.00010984 | 0.00005860 | 0.00001526 | 0.00017704 | 0.00101901 | 0.00197571 |
| EXP_OM TOTAL | 0.02695203 | - | 0.33730054 | 0.00533112 | 0.01649843 | 0.01385372 | 0.00215614 | 0.00406321 |
| LABOR_M PRODUCTION | 0.00049694 | - | 0.00630168 | 0.00011906 | 0.00040717 | 0.00030581 | 0.00000059 | 0.00000089 |
| LABOR_M BULKTRAN | - | - | - | - | - | - | - | - |
| LABOR_M SUBTRAN | - | - | - | - | - | - | - | - |
| LABOR_M DISTPRI | 0.01277630 | - | - | 0.00312383 | 0.00890742 | 0.00790034 | 0.00026992 | 0.00053827 |
| LABOR_M DISTSEC | - | - | - | 0.00237818 | 0.00533794 | 0.00471592 | 0.00062471 | 0.00099337 |
| LABOR_M ENERGY | - | - | - | - | - | - | - | - |
| LABOR_M CUSTOMER | 0.00026088 | - | 0.00218823 | 0.00113778 | 0.00026368 | 0.00352518 | 0.01832406 | 0.02482051 |
| LABOR_M TOTAL | 0.01353412 | - | 0.00848991 | 0.00675885 | 0.01491621 | 0.01644724 | 0.01921928 | 0.02635302 |
| RSALE PRODUCTION | 0.01051623 | - | 0.13500264 | 0.00251731 | 0.00862155 | 0.00644502 | 0.00001254 | 0.00001881 |
| RSALE BULKTRAN | - | - | - | - | - | - | - | - |
| RSALE SUBTRAN | - | - | - | - | - | - | - | - |
| RSALE DISTPRI | 0.00090733 | - | - | 0.00060067 | (0.00051690) | 0.00154891 | 0.00005512 | 0.00010623 |
| RSALE DISTSEC | - | - | - | 0.00049594 | (0.00039282) | 0.00100360 | 0.00013864 | 0.00021281 |
| RSALE ENERGY | 0.01530543 | - | 0.20239688 | 0.00229530 | 0.00670039 | 0.00612693 | 0.00105020 | 0.00194086 |
| RSALE CUSTOMER | 0.00001164 | - | 0.00261524 | 0.00013625 | (0.00002847) | 0.00038053 | 0.00333068 | 0.00690885 |
| RSALE TOTAL | 0.02674063 | - | 0.34001476 | 0.00604546 | 0.01438374 | 0.01550499 | 0.00458717 | 0.00918756 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| FORF_DISC PRODUCTION | 0.51360956 | 0.43187810 | 0.00579875 | 0.02980812 | 0.00035239 | - | 0.03002321 | 0.00142756 | - |
| FORF_DISC BULKTRAN | - | - | - | - | - | - | - | - | - |
| FORF_DISC SUBTRAN | - | - | - | - | - | - | - | - | - |
| FORF_DISC DISTPRI | 0.02376041 | 0.00001379 | 0.00197758 | 0.00792251 | 0.00002619 | - | 0.01032236 | 0.00093057 | - |
| FORF_DISC DISTSEC | 0.00867945 | (0.00285784) | 0.00132722 | 0.00402459 | - | - | 0.00477507 | - | - |
| FORF_DISC ENERGY | 0.43133980 | 0.34125454 | 0.00674856 | 0.02889564 | 0.00033954 | - | 0.03599686 | 0.00169128 | - |
| FORF_DISC CUSTOMER | 0.02261078 | 0.01375133 | 0.00407282 | 0.00382416 | 0.00000556 | - | 0.00038591 | 0.00006065 | - |
| FORF_DISC TOTAL | 1.00000000 | 0.78403992 | 0.01992493 | 0.07447501 | 0.00072368 | - | 0.08150341 | 0.00411006 | - |
| PRE_TAX_OP_INC PRODUCTION | (0.07966353) | (0.05334827) | 0.00233790 | 0.00607641 | (0.00006059) | - | 0.01056729 | (0.00016353) | - |
| PRE_TAX_OP_INC BULKTRAN | - | - | - | - | - | - | - | - | - |
| PRE_TAX_OP_INC SUBTRAN | - | - | - | - | - | - | - | - | - |
| PRE_TAX_OP_INC DISTPRI | 0.59331518 | 0.99780390 | (0.02710319) | (0.10268362) | 0.00023988 | - | (0.26409477) | (0.05357490) | - |
| PRE_TAX_OP_INC DISTSEC | 0.52674036 | 0.71367345 | (0.01866068) | (0.05388208) | - | - | (0.12530620) | - | - |
| PRE_TAX_OP_INC ENERGY | (0.02024865) | (0.04427566) | 0.00282361 | 0.00621471 | (0.00005905) | - | 0.01366960 | - | - |
| PRE_TAX_OP_INC CUSTOMER | (0.02014336) | 0.31988548 | (0.04974838) | (0.05263142) | 0.00012850 | - | (0.00827506) | (0.00371300) | - |
| PRE_TAX_OP_INC TOTAL | 1.00000000 | 1.93373890 | (0.09035074) | (0.19690600) | 0.00024874 | - | (0.37343912) | (0.05745143) | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| Allocation Factor | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|
| | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| FORF_DISC PRODUCTION | 0.00565955 | - | - | 0.00149196 | - | 0.00716990 | - | - |
| FORF_DISC BULKTRAN | - | - | - | - | - | - | - | - |
| FORF_DISC SUBTRAN | - | - | - | - | - | - | - | - |
| FORF_DISC DISTPRI | 0.00048830 | - | - | 0.00035600 | - | 0.00172312 | - | - |
| FORF_DISC DISTSEC | - | - | - | 0.00029393 | - | 0.00111648 | - | - |
| FORF_DISC ENERGY | 0.00823698 | - | - | 0.00136038 | - | 0.00681604 | - | - |
| FORF_DISC CUSTOMER | 0.00000626 | - | - | 0.00008075 | - | 0.00042333 | - | - |
| FORF_DISC TOTAL | 0.01439110 | - | - | 0.00358303 | - | 0.01724887 | - | - |
| PRE_TAX_OP_INC PRODUCTION | 0.00005380 | - | (0.04667026) | 0.00015850 | 0.00015835 | 0.00122717 | (0.00000012) | (0.00000017) |
| PRE_TAX_OP_INC BULKTRAN | - | - | - | - | - | - | - | - |
| PRE_TAX_OP_INC SUBTRAN | - | - | - | - | - | - | - | - |
| PRE_TAX_OP_INC DISTPRI | 0.02010481 | - | - | (0.00693363) | 0.04997793 | (0.01843801) | (0.00070493) | (0.00127828) |
| PRE_TAX_OP_INC DISTSEC | - | - | - | (0.00594686) | 0.03376235 | (0.01240464) | (0.00183778) | (0.00265721) |
| PRE_TAX_OP_INC ENERGY | - | - | - | 0.00016407 | (0.00000794) | 0.00122202 | - | - |
| PRE_TAX_OP_INC CUSTOMER | 0.00018947 | - | (0.07754440) | (0.00148254) | 0.00183384 | (0.00394109) | (0.04737704) | (0.09746773) |
| PRE_TAX_OP_INC TOTAL | 0.02034808 | - | (0.12421466) | (0.01404047) | 0.08572453 | (0.03233455) | (0.04991988) | (0.10140340) |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **CPG** | | 355,204 | 164,512 | 3,540 | 21,343 | 95 | - | 34,052 | 2,684 | - |
| PROD_DEMAND | PRODUCTION | 1.00000000 | 0.46314655 | 0.00996610 | 0.06008656 | 0.00026745 | - | 0.09586486 | 0.00755622 | - |
| PROD_DEMAND | BULKTRAN | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND | SUBTRAN | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND | DISTPRI | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND | DISTSEC | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND | ENERGY | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND | CUSTOMER | - | - | - | - | - | - | - | - | - |
| PROD_DEMAND | TOTAL | 1.00000000 | 0.46314655 | 0.00996610 | 0.06008656 | 0.00026745 | - | 0.09586486 | 0.00755622 | - |
| **ENER** | | 2,211,007,458 | 742,300,412 | 23,550,652 | 118,242,469 | 522,829 | - | 233,379,605 | 18,193,797 | - |
| PROD_ENERGY | PRODUCTION | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY | BULKTRAN | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY | SUBTRAN | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY | DISTPRI | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY | DISTSEC | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY | ENERGY | 1.00000000 | 0.33572949 | 0.01065155 | 0.05347900 | 0.00023647 | - | 0.10555351 | 0.00822874 | - |
| PROD_ENERGY | CUSTOMER | - | - | - | - | - | - | - | - | - |
| PROD_ENERGY | TOTAL | 1.00000000 | 0.33572949 | 0.01065155 | 0.05347900 | 0.00023647 | - | 0.10555351 | 0.00822874 | - |
| **CPT** | Same as CPG | 355,204 | 164,512 | 3,540 | 21,343 | 95 | - | 34,052 | 2,684 | - |
| BULK_TRANS | PRODUCTION | - | - | - | - | - | - | - | - | - |
| BULK_TRANS | BULKTRAN | 1.00000000 | 0.46314655 | 0.00996610 | 0.06008656 | 0.00026745 | - | 0.09586486 | 0.00755622 | - |
| BULK_TRANS | SUBTRAN | - | - | - | - | - | - | - | - | - |
| BULK_TRANS | DISTPRI | - | - | - | - | - | - | - | - | - |
| BULK_TRANS | DISTSEC | - | - | - | - | - | - | - | - | - |
| BULK_TRANS | ENERGY | - | - | - | - | - | - | - | - | - |
| BULK_TRANS | CUSTOMER | - | - | - | - | - | - | - | - | - |
| BULK_TRANS | TOTAL | 1.00000000 | 0.46314655 | 0.00996610 | 0.06008656 | 0.00026745 | - | 0.09586486 | 0.00755622 | - |
| **CPD** | | 245,684 | 166,948 | 3,263 | 19,717 | 87 | - | 31,912 | 2,523 | - |
| DIST_CPD | PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_CPD | BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_CPD | SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_CPD | DISTPRI | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| DIST_CPD | DISTSEC | - | - | - | - | - | - | - | - | - |
| DIST_CPD | ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_CPD | CUSTOMER | - | - | - | - | - | - | - | - | - |
| DIST_CPD | TOTAL | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| **NCP** | Sec. Only | 386,133 | 281,736 | 5,023 | 27,976 | - | - | 42,511 | - | - |
| CALC1 | PRODUCTION | - | - | - | - | - | - | - | - | - |
| CALC1 | BULKTRAN | - | - | - | - | - | - | - | - | - |
| CALC1 | SUBTRAN | - | - | - | - | - | - | - | - | - |
| CALC1 | DISTPRI | - | - | - | - | - | - | - | - | - |
| CALC1 | DISTSEC | 1.00000000 | 0.72963461 | 0.01300847 | 0.07245172 | - | - | 0.11009419 | - | - |
| CALC1 | ENERGY | - | - | - | - | - | - | - | - | - |
| CALC1 | CUSTOMER | - | - | - | - | - | - | - | - | - |
| CALC1 | TOTAL | 1.00000000 | 0.72963461 | 0.01300847 | 0.07245172 | - | - | 0.11009419 | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **CPG** | | 8,398 | - | 106,495 | 2,012 | 6,881 | 5,168 | 10 | 15 |
| PROD_DEMAND | PRODUCTION | 0.02364274 | - | 0.29981346 | 0.00566435 | 0.01937196 | 0.01454938 | 0.00002815 | 0.00004223 |
| PROD_DEMAND | BULKTRAN | - | - | - | - | - | - | - | - |
| PROD_DEMAND | SUBTRAN | - | - | - | - | - | - | - | - |
| PROD_DEMAND | DISTPRI | - | - | - | - | - | - | - | - |
| PROD_DEMAND | DISTSEC | - | - | - | - | - | - | - | - |
| PROD_DEMAND | ENERGY | - | - | - | - | - | - | - | - |
| PROD_DEMAND | CUSTOMER | - | - | - | - | - | - | - | - |
| PROD_DEMAND | TOTAL | 0.02364274 | - | 0.29981346 | 0.00566435 | 0.01937196 | 0.01454938 | 0.00002815 | 0.00004223 |
| **ENER** | | 69,813,146 | - | 922,285,975 | 10,483,232 | 30,531,073 | 28,074,545 | 4,785,564 | 8,844,158 |
| PROD_ENERGY | PRODUCTION | - | - | - | - | - | - | - | - |
| PROD_ENERGY | BULKTRAN | - | - | - | - | - | - | - | - |
| PROD_ENERGY | SUBTRAN | - | - | - | - | - | - | - | - |
| PROD_ENERGY | DISTPRI | - | - | - | - | - | - | - | - |
| PROD_ENERGY | DISTSEC | - | - | - | - | - | - | - | - |
| PROD_ENERGY | ENERGY | 0.03157526 | - | 0.41713381 | 0.00474138 | 0.01380867 | 0.01269763 | 0.00216443 | 0.00400006 |
| PROD_ENERGY | CUSTOMER | - | - | - | - | - | - | - | - |
| PROD_ENERGY | TOTAL | 0.03157526 | - | 0.41713381 | 0.00474138 | 0.01380867 | 0.01269763 | 0.00216443 | 0.00400006 |
| **CPT** | Same as CPG | 8,398 | - | 106,495 | 2,012 | 6,881 | 5,168 | 10 | 15 |
| BULK_TRANS | PRODUCTION | - | - | - | - | - | - | - | - |
| BULK_TRANS | BULKTRAN | 0.02364274 | - | 0.29981346 | 0.00566435 | 0.01937196 | 0.01454938 | 0.00002815 | 0.00004223 |
| BULK_TRANS | SUBTRAN | - | - | - | - | - | - | - | - |
| BULK_TRANS | DISTPRI | - | - | - | - | - | - | - | - |
| BULK_TRANS | DISTSEC | - | - | - | - | - | - | - | - |
| BULK_TRANS | ENERGY | - | - | - | - | - | - | - | - |
| BULK_TRANS | CUSTOMER | - | - | - | - | - | - | - | - |
| BULK_TRANS | TOTAL | 0.02364274 | - | 0.29981346 | 0.00566435 | 0.01937196 | 0.01454938 | 0.00002815 | 0.00004223 |
| **CPD** | | 8,094 | - | - | 1,979 | 5,643 | 5,005 | 171 | 341 |
| DIST_CPD | PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_CPD | BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_CPD | SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_CPD | DISTPRI | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| DIST_CPD | DISTSEC | - | - | - | - | - | - | - | - |
| DIST_CPD | ENERGY | - | - | - | - | - | - | - | - |
| DIST_CPD | CUSTOMER | - | - | - | - | - | - | - | - |
| DIST_CPD | TOTAL | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| **NCP** | Sec. Only | - | - | - | 4,763 | 11,580 | 8,923 | 1,398 | 2,223 |
| CALC1 | PRODUCTION | - | - | - | - | - | - | - | - |
| CALC1 | BULKTRAN | - | - | - | - | - | - | - | - |
| CALC1 | SUBTRAN | - | - | - | - | - | - | - | - |
| CALC1 | DISTPRI | - | - | - | - | - | - | - | - |
| CALC1 | DISTSEC | - | - | - | 0.01233513 | 0.02998967 | 0.02310862 | 0.00362051 | 0.00575708 |
| CALC1 | ENERGY | - | - | - | - | - | - | - | - |
| CALC1 | CUSTOMER | - | - | - | - | - | - | - | - |
| CALC1 | TOTAL | - | - | - | 0.01233513 | 0.02998967 | 0.02310862 | 0.00362051 | 0.00575708 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **SNCP** | Sec. Only | 598,460 | 466,142 | 9,053 | 36,873 | - | - | 52,395 | - | - |
| CALC2 | PRODUCTION | - | - | - | - | - | - | - | - | - |
| CALC2 | BULKTRAN | - | - | - | - | - | - | - | - | - |
| CALC2 | SUBTRAN | - | - | - | - | - | - | - | - | - |
| CALC2 | DISTPRI | - | - | - | - | - | - | - | - | - |
| CALC2 | DISTSEC | 1.00000000 | 0.77890252 | 0.01512716 | 0.06161314 | - | - | 0.08754971 | - | - |
| CALC2 | ENERGY | - | - | - | - | - | - | - | - | - |
| CALC2 | CUSTOMER | - | - | - | - | - | - | - | - | - |
| CALC2 | TOTAL | 1.00000000 | 0.77890252 | 0.01512716 | 0.06161314 | - | - | 0.08754971 | - | - |
| **SECDEM** | ( CALC1 + CALC2 ) / 2 | 492,297 | 373,939 | 7,038 | 32,425 | - | - | 47,453 | - | - |
| DISTSEC | PRODUCTION | - | - | - | - | - | - | - | - | - |
| DISTSEC | BULKTRAN | - | - | - | - | - | - | - | - | - |
| DISTSEC | SUBTRAN | - | - | - | - | - | - | - | - | - |
| DISTSEC | DISTPRI | - | - | - | - | - | - | - | - | - |
| DISTSEC | DISTSEC | 1.00000000 | 0.75958086 | 0.01429626 | 0.06586376 | - | - | 0.09639110 | - | - |
| DISTSEC | ENERGY | - | - | - | - | - | - | - | - | - |
| DISTSEC | CUSTOMER | - | - | - | - | - | - | - | - | - |
| DISTSEC | TOTAL | 1.00000000 | 0.75958086 | 0.01429626 | 0.06586376 | - | - | 0.09639110 | - | - |
| **TOTCUST** | | 51,034 | 41,287 | 3,605 | 1,366 | 2 | - | 234 | 7 | - |
| CUST_TOTAL | PRODUCTION | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL | BULKTRAN | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL | SUBTRAN | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL | DISTPRI | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL | DISTSEC | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL | ENERGY | - | - | - | - | - | - | - | - | - |
| CUST_TOTAL | CUSTOMER | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |
| CUST_TOTAL | TOTAL | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |
| **PRICUST** | TOTCust excl Sub. & Tran. | 51,030 | 41,287 | 3,605 | 1,366 | 2 | - | 234 | 7 | - |
| DIST_PCUST | PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_PCUST | BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_PCUST | SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_PCUST | DISTPRI | - | - | - | - | - | - | - | - | - |
| DIST_PCUST | DISTSEC | - | - | - | - | - | - | - | - | - |
| DIST_PCUST | ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_PCUST | CUSTOMER | 1.00000000 | 0.80907309 | 0.07064472 | 0.02676857 | 0.00003919 | - | 0.00458554 | 0.00013717 | - |
| DIST_PCUST | TOTAL | 1.00000000 | 0.80907309 | 0.07064472 | 0.02676857 | 0.00003919 | - | 0.00458554 | 0.00013717 | - |
| **SECCUST** | TOTCust excl Pri., Sub. & Tran. | 51,019 | 41,287 | 3,605 | 1,366 | - | - | 234 | - | - |
| DIST_SERV | PRODUCTION | - | - | - | - | - | - | - | - | - |
| DIST_SERV | BULKTRAN | - | - | - | - | - | - | - | - | - |
| DIST_SERV | SUBTRAN | - | - | - | - | - | - | - | - | - |
| DIST_SERV | DISTPRI | - | - | - | - | - | - | - | - | - |
| DIST_SERV | DISTSEC | - | - | - | - | - | - | - | - | - |
| DIST_SERV | ENERGY | - | - | - | - | - | - | - | - | - |
| DIST_SERV | CUSTOMER | 1.00000000 | 0.80924754 | 0.07065995 | 0.02677434 | - | - | 0.00458653 | - | - |
| DIST_SERV | TOTAL | 1.00000000 | 0.80924754 | 0.07065995 | 0.02677434 | - | - | 0.00458653 | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **SNCP** | Sec. Only | - | - | - | 5,881 | 12,311 | 12,184 | 1,398 | 2,223 |
| CALC2 | PRODUCTION | - | - | - | - | - | - | - | - |
| CALC2 | BULKTRAN | - | - | - | - | - | - | - | - |
| CALC2 | SUBTRAN | - | - | - | - | - | - | - | - |
| CALC2 | DISTPRI | - | - | - | - | - | - | - | - |
| CALC2 | DISTSEC | - | - | - | 0.00982689 | 0.02057113 | 0.02035892 | 0.00233600 | 0.00371453 |
| CALC2 | ENERGY | - | - | - | - | - | - | - | - |
| CALC2 | CUSTOMER | - | - | - | - | - | - | - | - |
| CALC2 | TOTAL | - | - | - | 0.00982689 | 0.02057113 | 0.02035892 | 0.00233600 | 0.00371453 |
| **SECDEM** | ( CALC1 + CALC2 ) / 2 | - | - | - | 5,322 | 11,946 | 10,554 | 1,398 | 2,223 |
| DISTSEC | PRODUCTION | - | - | - | - | - | - | - | - |
| DISTSEC | BULKTRAN | - | - | - | - | - | - | - | - |
| DISTSEC | SUBTRAN | - | - | - | - | - | - | - | - |
| DISTSEC | DISTPRI | - | - | - | - | - | - | - | - |
| DISTSEC | DISTSEC | - | - | - | 0.01081056 | 0.02426485 | 0.02143728 | 0.00283975 | 0.00451557 |
| DISTSEC | ENERGY | - | - | - | - | - | - | - | - |
| DISTSEC | CUSTOMER | - | - | - | - | - | - | - | - |
| DISTSEC | TOTAL | - | - | - | 0.01081056 | 0.02426485 | 0.02143728 | 0.00283975 | 0.00451557 |
| **TOTCUST** | | 2 | - | 4 | 184 | 32 | 593 | 3,714 | 4 |
| CUST_TOTAL | PRODUCTION | - | - | - | - | - | - | - | - |
| CUST_TOTAL | BULKTRAN | - | - | - | - | - | - | - | - |
| CUST_TOTAL | SUBTRAN | - | - | - | - | - | - | - | - |
| CUST_TOTAL | DISTPRI | - | - | - | - | - | - | - | - |
| CUST_TOTAL | DISTSEC | - | - | - | - | - | - | - | - |
| CUST_TOTAL | ENERGY | - | - | - | - | - | - | - | - |
| CUST_TOTAL | CUSTOMER | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |
| CUST_TOTAL | TOTAL | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |
| **PRICUST** | TOTCust excl Sub. & Tran. | 2 | - | - | 184 | 32 | 593 | 3,714 | 4 |
| DIST_PCUST | PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_PCUST | BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_PCUST | SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_PCUST | DISTPRI | - | - | - | - | - | - | - | - |
| DIST_PCUST | DISTSEC | - | - | - | - | - | - | - | - |
| DIST_PCUST | ENERGY | - | - | - | - | - | - | - | - |
| DIST_PCUST | CUSTOMER | 0.00003919 | - | - | 0.00360572 | 0.00062708 | 0.01162062 | 0.07278072 | 0.00007839 |
| DIST_PCUST | TOTAL | 0.00003919 | - | - | 0.00360572 | 0.00062708 | 0.01162062 | 0.07278072 | 0.00007839 |
| **SECCUST** | TOTCust excl Pri., Sub. & Tran. | - | - | - | 184 | 32 | 593 | 3,714 | 4 |
| DIST_SERV | PRODUCTION | - | - | - | - | - | - | - | - |
| DIST_SERV | BULKTRAN | - | - | - | - | - | - | - | - |
| DIST_SERV | SUBTRAN | - | - | - | - | - | - | - | - |
| DIST_SERV | DISTPRI | - | - | - | - | - | - | - | - |
| DIST_SERV | DISTSEC | - | - | - | - | - | - | - | - |
| DIST_SERV | ENERGY | - | - | - | - | - | - | - | - |
| DIST_SERV | CUSTOMER | - | - | - | 0.00360650 | 0.00062722 | 0.01162312 | 0.07279641 | 0.00007840 |
| DIST_SERV | TOTAL | - | - | - | 0.00360650 | 0.00062722 | 0.01162312 | 0.07279641 | 0.00007840 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | | |
| **METER** | | | 12,079,696 | 4,348,536 | 1,278,973 | 5,140,964 | 28,032 | - | 376,883 | 105,520 | - |
| DIST_METERS | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| DIST_METERS | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_METERS | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_METERS | DISTPRI | | - | - | - | - | - | - | - | - | - |
| DIST_METERS | DISTSEC | | - | - | - | - | - | - | - | - | - |
| DIST_METERS | ENERGY | | - | - | - | - | - | - | - | - | - |
| DIST_METERS | CUSTOMER | | 1.00000000 | 0.35998720 | 0.10587791 | 0.42558720 | 0.00232059 | - | 0.03119971 | 0.00873532 | - |
| DIST_METERS | TOTAL | | 1.00000000 | 0.35998720 | 0.10587791 | 0.42558720 | 0.00232059 | - | 0.03119971 | 0.00873532 | - |
| **DIR371** | | | 1 | - | - | - | - | - | - | - | - |
| DIST_OL | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| DIST_OL | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_OL | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_OL | DISTPRI | | - | - | - | - | - | - | - | - | - |
| DIST_OL | DISTSEC | | - | - | - | - | - | - | - | - | - |
| DIST_OL | ENERGY | | - | - | - | - | - | - | - | - | - |
| DIST_OL | CUSTOMER | | 1.00000000 | - | - | - | - | - | - | - | - |
| DIST_OL | TOTAL | | 1.00000000 | - | - | - | - | - | - | - | - |
| **DIR373** | | | 1 | - | - | - | - | - | - | - | - |
| DIST_SL | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| DIST_SL | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_SL | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_SL | DISTPRI | | - | - | - | - | - | - | - | - | - |
| DIST_SL | DISTSEC | | - | - | - | - | - | - | - | - | - |
| DIST_SL | ENERGY | | - | - | - | - | - | - | - | - | - |
| DIST_SL | CUSTOMER | | 1.00000000 | - | - | - | - | - | - | - | - |
| DIST_SL | TOTAL | | 1.00000000 | - | - | - | - | - | - | - | - |
| **DIR902** | | | 111,666 | 41,287 | 17,680 | 34,150 | 50 | - | 11,700 | 350 | - |
| CUST_902 | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| CUST_902 | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| CUST_902 | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| CUST_902 | DISTPRI | | - | - | - | - | - | - | - | - | - |
| CUST_902 | DISTSEC | | - | - | - | - | - | - | - | - | - |
| CUST_902 | ENERGY | | - | - | - | - | - | - | - | - | - |
| CUST_902 | CUSTOMER | | 1.00000000 | 0.36973654 | 0.15832930 | 0.30582272 | 0.00044776 | - | 0.10477674 | 0.00313435 | - |
| CUST_902 | TOTAL | | 1.00000000 | 0.36973654 | 0.15832930 | 0.30582272 | 0.00044776 | - | 0.10477674 | 0.00313435 | - |
| CALL CENTER | | | 538,149 | 511,380 | 9,898 | 3,749 | 9 | - | 645 | 19 | - |
| CALL CENTER | CUSTOMER | 42.21% | 1.00000000 | 0.95025727 | 0.01839268 | 0.00696647 | 0.00001672 | - | 0.00119855 | 0.00003531 | - |
| BILLING | | | 48,868 | 33,816 | 2,951 | 1,118 | 2 | - | 192 | 6 | - |
| BILLING | CUSTOMER | 3.83% | 1.00000000 | 0.69198658 | 0.06038717 | 0.02287796 | 0.00004093 | - | 0.00392895 | 0.00012278 | - |
| BILLING OTHER | | | 277,444 | 224,455 | 19,598 | 7,426 | 11 | - | 1,272 | 38 | - |
| BILLING OTHER | CUSTOMER | 21.76% | 1.00000000 | 0.80901011 | 0.07063768 | 0.02676576 | 0.00003965 | - | 0.00458471 | 0.00013696 | - |
| OTHER | | | 410,488 | 332,090 | 28,997 | 10,987 | 16 | - | 1,882 | 56 | - |
| OTHER | CUSTOMER | 32.20% | 1.00000000 | 0.80901269 | 0.07064031 | 0.02676570 | 0.00003898 | - | 0.00458479 | 0.00013642 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **METER** | | | 41,216 | - | 254,609 | 137,437 | 107,371 | 260,155 | - | - |
| DIST_METERS | PRODUCTION | | - | - | - | - | - | - | - | - |
| DIST_METERS | BULKTRAN | | - | - | - | - | - | - | - | - |
| DIST_METERS | SUBTRAN | | - | - | - | - | - | - | - | - |
| DIST_METERS | DISTPRI | | - | - | - | - | - | - | - | - |
| DIST_METERS | DISTSEC | | - | - | - | - | - | - | - | - |
| DIST_METERS | ENERGY | | - | - | - | - | - | - | - | - |
| DIST_METERS | CUSTOMER | | 0.00341201 | - | 0.02107743 | 0.01137752 | 0.00888855 | 0.02153655 | - | - |
| DIST_METERS | TOTAL | | 0.00341201 | - | 0.02107743 | 0.01137752 | 0.00888855 | 0.02153655 | - | - |
| **DIR371** | | | - | - | - | - | - | - | 1 | - |
| DIST_OL | PRODUCTION | | - | - | - | - | - | - | - | - |
| DIST_OL | BULKTRAN | | - | - | - | - | - | - | - | - |
| DIST_OL | SUBTRAN | | - | - | - | - | - | - | - | - |
| DIST_OL | DISTPRI | | - | - | - | - | - | - | - | - |
| DIST_OL | DISTSEC | | - | - | - | - | - | - | - | - |
| DIST_OL | ENERGY | | - | - | - | - | - | - | - | - |
| DIST_OL | CUSTOMER | | - | - | - | - | - | - | 1.00000000 | - |
| DIST_OL | TOTAL | | - | - | - | - | - | - | 1.00000000 | - |
| **DIR373** | | | - | - | - | - | - | - | - | 1 |
| DIST_SL | PRODUCTION | | - | - | - | - | - | - | - | - |
| DIST_SL | BULKTRAN | | - | - | - | - | - | - | - | - |
| DIST_SL | SUBTRAN | | - | - | - | - | - | - | - | - |
| DIST_SL | DISTPRI | | - | - | - | - | - | - | - | - |
| DIST_SL | DISTSEC | | - | - | - | - | - | - | - | - |
| DIST_SL | ENERGY | | - | - | - | - | - | - | - | - |
| DIST_SL | CUSTOMER | | - | - | - | - | - | - | - | 1.00000000 |
| DIST_SL | TOTAL | | - | - | - | - | - | - | - | 1.00000000 |
| **DIR902** | | | 800 | - | 1,600 | 920 | 160 | 2,965 | - | 4 |
| CUST_902 | PRODUCTION | | - | - | - | - | - | - | - | - |
| CUST_902 | BULKTRAN | | - | - | - | - | - | - | - | - |
| CUST_902 | SUBTRAN | | - | - | - | - | - | - | - | - |
| CUST_902 | DISTPRI | | - | - | - | - | - | - | - | - |
| CUST_902 | DISTSEC | | - | - | - | - | - | - | - | - |
| CUST_902 | ENERGY | | - | - | - | - | - | - | - | - |
| CUST_902 | CUSTOMER | | 0.00716422 | - | 0.01432844 | 0.00823886 | 0.00143284 | 0.02655240 | - | 0.00003582 |
| CUST_902 | TOTAL | | 0.00716422 | - | 0.01432844 | 0.00823886 | 0.00143284 | 0.02655240 | - | 0.00003582 |
| CALL CENTER | | | 9 | - | 9 | 503 | 85 | 1,632 | 10,202 | 9 |
| CALL CENTER | CUSTOMER | 42.21% | 0.00001672 | - | 0.00001672 | 0.00093469 | 0.00015795 | 0.00303262 | 0.01895757 | 0.00001672 |
| BILLING | | | 2 | - | 7,075 | 151 | 26 | 485 | 3,041 | 3 |
| BILLING | CUSTOMER | 3.83% | 0.00004093 | - | 0.14477777 | 0.00308996 | 0.00053205 | 0.00992470 | 0.06222886 | 0.00006139 |
| BILLING OTHER | | | 11 | - | 22 | 1,000 | 174 | 3,224 | 20,191 | 22 |
| BILLING OTHER | CUSTOMER | 21.76% | 0.00003965 | - | 0.00007930 | 0.00360433 | 0.00062715 | 0.01162036 | 0.07277505 | 0.00007930 |
| OTHER | | | 16 | - | 32 | 1,480 | 257 | 4,770 | 29,873 | 32 |
| OTHER | CUSTOMER | 32.20% | 0.00003898 | - | 0.00007796 | 0.00360546 | 0.00062608 | 0.01162032 | 0.07277436 | 0.00007796 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | | |
| **DIR903** | | | | | | | | | | | |
| CUST_903 | PRODUCTION | Calculated | - | - | - | - | - | - | - | - | - |
| CUST_903 | BULKTRAN | Weighted | - | - | - | - | - | - | - | - | - |
| CUST_903 | SUBTRAN | Average | - | - | - | - | - | - | - | - | - |
| CUST_903 | DISTPRI | | - | - | - | - | - | - | - | - | - |
| CUST_903 | DISTSEC | | - | - | - | - | - | - | - | - | - |
| CUST_903 | ENERGY | | - | - | - | - | - | - | - | - | - |
| CUST_903 | CUSTOMER | | 1.00000000 | 0.86414534 | 0.04819328 | 0.01825955 | 0.00002981 | - | 0.00313032 | 0.00009334 | - |
| CUST_903 | TOTAL | | 1.00000000 | 0.86414534 | 0.04819328 | 0.01825955 | 0.00002981 | - | 0.00313032 | 0.00009334 | - |
| **DIR904 Uncollectibles** | | | 473,504 | 450,137 | 10,722 | 6,657 | - | - | 3,368 | - | - |
| CUST_904 | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| CUST_904 | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| CUST_904 | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| CUST_904 | DISTPRI | | - | - | - | - | - | - | - | - | - |
| CUST_904 | DISTSEC | | - | - | - | - | - | - | - | - | - |
| CUST_904 | ENERGY | | - | - | - | - | - | - | - | - | - |
| CUST_904 | CUSTOMER | | 1.00000000 | 0.95065089 | 0.02264395 | 0.01405902 | - | - | 0.00711293 | - | - |
| CUST_904 | TOTAL | | 1.00000000 | 0.95065089 | 0.02264395 | 0.01405902 | - | - | 0.00711293 | - | - |
| **CUST451** | Same as TOTCUST | | 51,034 | 41,287 | 3,605 | 1,366 | 2 | - | 234 | 7 | - |
| CUST_451 | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| CUST_451 | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| CUST_451 | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| CUST_451 | DISTPRI | | - | - | - | - | - | - | - | - | - |
| CUST_451 | DISTSEC | | - | - | - | - | - | - | - | - | - |
| CUST_451 | ENERGY | | - | - | - | - | - | - | - | - | - |
| CUST_451 | CUSTOMER | | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |
| CUST_451 | TOTAL | | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |
| **MBO** | | | - | - | - | - | - | - | - | - | - |
| MBO | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| MBO | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| MBO | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| MBO | DISTPRI | | - | - | - | - | - | - | - | - | - |
| MBO | DISTSEC | | - | - | - | - | - | - | - | - | - |
| MBO | ENERGY | | - | - | - | - | - | - | - | - | - |
| MBO | CUSTOMER | | - | - | - | - | - | - | - | - | - |
| MBO | TOTAL | | - | - | - | - | - | - | - | - | - |
| **CUSTDEP** | | | 3,997,645 | 2,755,716 | 141,327 | 427,769 | 7,857 | - | 534,329 | - | - |
| CUSDEP | | | 1.00000000 | 0.68933468 | 0.03535246 | 0.10700514 | 0.00196541 | - | 0.13366083 | - | - |
| CUST_DEP | PRODUCTION | | 0.49662291 | 0.37971096 | 0.01028862 | 0.04282809 | 0.00095703 | - | 0.04923632 | - | - |
| CUST_DEP | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| CUST_DEP | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| CUST_DEP | DISTPRI | | 0.03515527 | 0.00001212 | 0.00350878 | 0.01138300 | 0.00007114 | - | 0.01692806 | - | - |
| CUST_DEP | DISTSEC | | 0.01563653 | (0.00251264) | 0.00235487 | 0.00578250 | - | - | 0.00783084 | - | - |
| CUST_DEP | ENERGY | | 0.42633452 | 0.30003394 | 0.01197385 | 0.04151703 | 0.00092214 | - | 0.05903274 | - | - |
| CUST_DEP | CUSTOMER | | 0.02625076 | 0.01209029 | 0.00722634 | 0.00549452 | 0.00001510 | - | 0.00063287 | - | - |
| CUST_DEP | TOTAL | | 1.00000000 | 0.68933468 | 0.03535246 | 0.10700514 | 0.00196541 | - | 0.13366083 | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **DIR903** | | | | | | | | | | |
| CUST_903 | PRODUCTION | Calculated | - | - | - | - | - | - | - | - |
| CUST_903 | BULKTRAN | Weighted | - | - | - | - | - | - | - | - |
| CUST_903 | SUBTRAN | Average | - | - | - | - | - | - | - | - |
| CUST_903 | DISTPRI | | - | - | - | - | - | - | - | - |
| CUST_903 | DISTSEC | | - | - | - | - | - | - | - | - |
| CUST_903 | ENERGY | | - | - | - | - | - | - | - | - |
| CUST_903 | CUSTOMER | | 0.00002981 | - | 0.00559853 | 0.00245814 | 0.00042511 | 0.00793051 | 0.04965451 | 0.00005177 |
| CUST_903 | TOTAL | | 0.00002981 | - | 0.00559853 | 0.00245814 | 0.00042511 | 0.00793051 | 0.04965451 | 0.00005177 |
| **DIR904 Uncollectibles** | | | - | - | - | 156 | - | 2,464 | - | - |
| CUST_904 | PRODUCTION | | - | - | - | - | - | - | - | - |
| CUST_904 | BULKTRAN | | - | - | - | - | - | - | - | - |
| CUST_904 | SUBTRAN | | - | - | - | - | - | - | - | - |
| CUST_904 | DISTPRI | | - | - | - | - | - | - | - | - |
| CUST_904 | DISTSEC | | - | - | - | - | - | - | - | - |
| CUST_904 | ENERGY | | - | - | - | - | - | - | - | - |
| CUST_904 | CUSTOMER | | - | - | - | 0.00032946 | - | 0.00520376 | - | - |
| CUST_904 | TOTAL | | - | - | - | 0.00032946 | - | 0.00520376 | - | - |
| **CUST451** | Same as TOTCUST | | 2 | - | 4 | 184 | 32 | 593 | 3,714 | 4 |
| CUST_451 | PRODUCTION | | - | - | - | - | - | - | - | - |
| CUST_451 | BULKTRAN | | - | - | - | - | - | - | - | - |
| CUST_451 | SUBTRAN | | - | - | - | - | - | - | - | - |
| CUST_451 | DISTPRI | | - | - | - | - | - | - | - | - |
| CUST_451 | DISTSEC | | - | - | - | - | - | - | - | - |
| CUST_451 | ENERGY | | - | - | - | - | - | - | - | - |
| CUST_451 | CUSTOMER | | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |
| CUST_451 | TOTAL | | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |
| **MBO** | | | - | - | - | - | - | - | - | - |
| MBO | PRODUCTION | | - | - | - | - | - | - | - | - |
| MBO | BULKTRAN | | - | - | - | - | - | - | - | - |
| MBO | SUBTRAN | | - | - | - | - | - | - | - | - |
| MBO | DISTPRI | | - | - | - | - | - | - | - | - |
| MBO | DISTSEC | | - | - | - | - | - | - | - | - |
| MBO | ENERGY | | - | - | - | - | - | - | - | - |
| MBO | CUSTOMER | | - | - | - | - | - | - | - | - |
| MBO | TOTAL | | - | - | - | - | - | - | - | - |
| **CUSTDEP** | | | - | - | - | 16,766 | 305 | 113,578 | - | - |
| CUSDEP | | | - | - | - | 0.00419397 | 0.00007629 | 0.02841122 | - | - |
| CUST_DEP | PRODUCTION | | - | - | - | 0.00174636 | 0.00004573 | 0.01180980 | - | - |
| CUST_DEP | BULKTRAN | | - | - | - | - | - | - | - | - |
| CUST_DEP | SUBTRAN | | - | - | - | - | - | - | - | - |
| CUST_DEP | DISTPRI | | - | - | - | 0.00041670 | (0.00000274) | 0.00283820 | - | - |
| CUST_DEP | DISTSEC | | - | - | - | 0.00034405 | (0.00000208) | 0.00183899 | - | - |
| CUST_DEP | ENERGY | | - | - | - | 0.00159234 | 0.00003554 | 0.01122694 | - | - |
| CUST_DEP | CUSTOMER | | - | - | - | 0.00009452 | (0.00000015) | 0.00069729 | - | - |
| CUST_DEP | TOTAL | | - | - | - | 0.00419397 | 0.00007629 | 0.02841122 | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | | |
| **OR-7 Adjustment: Increase reconnect and bad check fees** | | | Per G. Simmons, Allocate remaining $1797 to SGS, MGS-Sec, MGS-Pri, LGS-Sec based on number of customers | | | | | | | | |
| **DIRECT ASSIGN** | | | 44,641 | 42,844 | 1,244 | 471 | 1 | - | 81 | - | - |
| OR7 | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| OR7 | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| OR7 | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| OR7 | DISTPRI | | - | - | - | - | - | - | - | - | - |
| OR7 | DISTSEC | | - | - | - | - | - | - | - | - | - |
| OR7 | ENERGY | | - | - | - | - | - | - | - | - | - |
| OR7 | CUSTOMER | | 1.00000000 | 0.95974553 | 0.02786967 | 0.01056033 | 0.00001546 | - | 0.00180902 | - | - |
| OR7 | TOTAL | | 1.00000000 | 0.95974553 | 0.02786967 | 0.01056033 | 0.00001546 | - | 0.00180902 | - | - |
| Total Comercial Customers | 5,207 | | | | | | | | | | |
| Total Comercial $s | 1,797 | | | | | | | | | | |
| **INTERNALLY DERIVED** | | | | | | | | | | | |
| DIST_CPD | DISTPRI | 51.78% | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| DISTSEC | DISTSEC | 48.22% | 1.00000000 | 0.75958086 | 0.01429626 | 0.06586376 | - | - | 0.09639110 | - | - |
| **DIST_POLES** | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| DIST_POLES | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_POLES | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_POLES | DISTPRI | | 0.51780000 | 0.35185836 | 0.00687706 | 0.04155533 | 0.00018336 | - | 0.06725801 | 0.00531745 | - |
| DIST_POLES | DISTSEC | | 0.48220000 | 0.36626989 | 0.00689366 | 0.03175951 | - | - | 0.04647979 | - | - |
| DIST_POLES | ENERGY | | - | - | - | - | - | - | - | - | - |
| DIST_POLES | CUSTOMER | | - | - | - | - | - | - | - | - | - |
| DIST_POLES | TOTAL | | 1.00000000 | 0.71812826 | 0.01377072 | 0.07331483 | 0.00018336 | - | 0.11373779 | 0.00531745 | - |
| DIST_CPD | DISTPRI | 74.91% | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| DISTSEC | DISTSEC | 25.09% | 1.00000000 | 0.75958086 | 0.01429626 | 0.06586376 | - | - | 0.09639110 | - | - |
| **DIST_OHLINES** | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| DIST_OHLINES | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_OHLINES | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_OHLINES | DISTPRI | | 0.74910000 | 0.50903264 | 0.00994903 | 0.06011799 | 0.00026527 | - | 0.09730199 | 0.00769274 | - |
| DIST_OHLINES | DISTSEC | | 0.25090000 | 0.19057884 | 0.00358693 | 0.01652522 | - | - | 0.02418453 | - | - |
| DIST_OHLINES | ENERGY | | - | - | - | - | - | - | - | - | - |
| DIST_OHLINES | CUSTOMER | | - | - | - | - | - | - | - | - | - |
| DIST_OHLINES | TOTAL | | 1.00000000 | 0.69961148 | 0.01353596 | 0.07664321 | 0.00026527 | - | 0.12148652 | 0.00769274 | - |
| DIST_CPD | DISTPRI | 71.11% | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| DISTSEC | DISTSEC | 28.89% | 1.00000000 | 0.75958086 | 0.01429626 | 0.06586376 | - | - | 0.09639110 | - | - |
| **DIST_UGLINES** | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| DIST_UGLINES | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_UGLINES | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_UGLINES | DISTPRI | | 0.71110000 | 0.48321067 | 0.00944434 | 0.05706835 | 0.00025181 | - | 0.09236610 | 0.00730250 | - |
| DIST_UGLINES | DISTSEC | | 0.28890000 | 0.21944291 | 0.00413019 | 0.01902804 | - | - | 0.02784739 | - | - |
| DIST_UGLINES | ENERGY | | - | - | - | - | - | - | - | - | - |
| DIST_UGLINES | CUSTOMER | | - | - | - | - | - | - | - | - | - |
| DIST_UGLINES | TOTAL | | 1.00000000 | 0.70265358 | 0.01357453 | 0.07609640 | 0.00025181 | - | 0.12021349 | 0.00730250 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **OR-7 Adjustment: Increase reconnect and bad check fees** | | | | | | | | | | |
| **DIRECT ASSIGN** | | | - | - | - | - | - | - | - | - |
| OR7 | PRODUCTION | | - | - | - | - | - | - | - | - |
| OR7 | BULKTRAN | | - | - | - | - | - | - | - | - |
| OR7 | SUBTRAN | | - | - | - | - | - | - | - | - |
| OR7 | DISTPRI | | - | - | - | - | - | - | - | - |
| OR7 | DISTSEC | | - | - | - | - | - | - | - | - |
| OR7 | ENERGY | | - | - | - | - | - | - | - | - |
| OR7 | CUSTOMER | | - | - | - | - | - | - | - | - |
| OR7 | TOTAL | | - | - | - | - | - | - | - | - |
| Total Comercial Customers | 5,207 | | | | | | | | | |
| Total Comercial $s | 1,797 | | | | | | | | | |
| **INTERNALLY DERIVED** | | | | | | | | | | |
| DIST_CPD | DISTPRI | 51.78% | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| DISTSEC | DISTSEC | 48.22% | - | - | - | 0.01081056 | 0.02426485 | 0.02143728 | 0.00283975 | 0.00451557 |
| **DIST_POLES** | PRODUCTION | | - | - | - | - | - | - | - | - |
| DIST_POLES | BULKTRAN | | - | - | - | - | - | - | - | - |
| DIST_POLES | SUBTRAN | | - | - | - | - | - | - | - | - |
| DIST_POLES | DISTPRI | | 0.01705882 | - | - | 0.00417092 | 0.01189312 | 0.01054848 | 0.00036040 | 0.00071869 |
| DIST_POLES | DISTSEC | | - | - | - | 0.00521285 | 0.01170051 | 0.01033706 | 0.00136933 | 0.00217741 |
| DIST_POLES | ENERGY | | - | - | - | - | - | - | - | - |
| DIST_POLES | CUSTOMER | | - | - | - | - | - | - | - | - |
| DIST_POLES | TOTAL | | 0.01705882 | - | - | 0.00938377 | 0.02359363 | 0.02088554 | 0.00172973 | 0.00289610 |
| DIST_CPD | DISTPRI | 74.91% | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| DISTSEC | DISTSEC | 25.09% | - | - | - | 0.01081056 | 0.02426485 | 0.02143728 | 0.00283975 | 0.00451557 |
| **DIST_OHLINES** | PRODUCTION | | - | - | - | - | - | - | - | - |
| DIST_OHLINES | BULKTRAN | | - | - | - | - | - | - | - | - |
| DIST_OHLINES | SUBTRAN | | - | - | - | - | - | - | - | - |
| DIST_OHLINES | DISTPRI | | 0.02467896 | - | - | 0.00603406 | 0.01720575 | 0.01526046 | 0.00052139 | 0.00103972 |
| DIST_OHLINES | DISTSEC | | - | - | - | 0.00271237 | 0.00608805 | 0.00537861 | 0.00071249 | 0.00113296 |
| DIST_OHLINES | ENERGY | | - | - | - | - | - | - | - | - |
| DIST_OHLINES | CUSTOMER | | - | - | - | - | - | - | - | - |
| DIST_OHLINES | TOTAL | | 0.02467896 | - | - | 0.00874643 | 0.02329380 | 0.02063908 | 0.00123388 | 0.00217268 |
| DIST_CPD | DISTPRI | 71.11% | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| DISTSEC | DISTSEC | 28.89% | - | - | - | 0.01081056 | 0.02426485 | 0.02143728 | 0.00283975 | 0.00451557 |
| **DIST_UGLINES** | PRODUCTION | | - | - | - | - | - | - | - | - |
| DIST_UGLINES | BULKTRAN | | - | - | - | - | - | - | - | - |
| DIST_UGLINES | SUBTRAN | | - | - | - | - | - | - | - | - |
| DIST_UGLINES | DISTPRI | | 0.02342706 | - | - | 0.00572796 | 0.01633295 | 0.01448634 | 0.00049494 | 0.00098698 |
| DIST_UGLINES | DISTSEC | | - | - | - | 0.00312317 | 0.00701011 | 0.00619323 | 0.00082040 | 0.00130455 |
| DIST_UGLINES | ENERGY | | - | - | - | - | - | - | - | - |
| DIST_UGLINES | CUSTOMER | | - | - | - | - | - | - | - | - |
| DIST_UGLINES | TOTAL | | 0.02342706 | - | - | 0.00885113 | 0.02334306 | 0.02067957 | 0.00131534 | 0.00229153 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | | |
| DIST_CPD | DISTPRI | 11.56% | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| DISTSEC | DISTSEC | 88.44% | 1.00000000 | 0.75958086 | 0.01429626 | 0.06586376 | - | - | 0.09639110 | - | - |
| **DIST_TRANSF** | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| DIST_TRANSF | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_TRANSF | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| DIST_TRANSF | DISTPRI | | 0.11560000 | 0.08 | 0.00153532 | 0.00927732 | 0.00004094 | - | 0.01501550 | 0.00118713 | - |
| DIST_TRANSF | DISTSEC | | 0.88440000 | 0.67177331 | 0.01264361 | 0.05824991 | - | - | 0.08524829 | - | - |
| DIST_TRANSF | ENERGY | | - | - | - | - | - | - | - | - | - |
| DIST_TRANSF | CUSTOMER | | - | - | - | - | - | - | - | - | - |
| DIST_TRANSF | TOTAL | | 1.00000000 | 0.75032648 | 0.01417893 | 0.06752723 | 0.00004094 | - | 0.10026379 | 0.00118713 | - |
| **Production EPIS** | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| | DISTPRI | | - | - | - | - | - | - | - | - | - |
| | DISTSEC | | - | - | - | - | - | - | - | - | - |
| | ENERGY | | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | | - | - | - | - | - | - | - | - | - |
| | TOTAL | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | DISTPRI | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | DISTSEC | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | ENERGY | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | CUSTOMER | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | TOTAL | | - | - | - | - | - | - | - | - | - |
| **Transmission EPIS** | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| | DISTPRI | | - | - | - | - | - | - | - | - | - |
| | DISTSEC | | - | - | - | - | - | - | - | - | - |
| | ENERGY | | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | | - | - | - | - | - | - | - | - | - |
| | TOTAL | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | DISTPRI | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | DISTSEC | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | ENERGY | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | CUSTOMER | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | TOTAL | | - | - | - | - | - | - | - | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| DIST_CPD | DISTPRI | 11.56% | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| DISTSEC | DISTSEC | 88.44% | - | - | - | 0.01081056 | 0.02426485 | 0.02143728 | 0.00283975 | 0.00451557 |
| **DIST_TRANSF** | PRODUCTION | | - | - | - | - | - | - | - | - |
| DIST_TRANSF | BULKTRAN | | - | - | - | - | - | - | - | - |
| DIST_TRANSF | SUBTRAN | | - | - | - | - | - | - | - | - |
| DIST_TRANSF | DISTPRI | | 0.00380842 | - | - | 0.00093117 | 0.00265517 | 0.00235497 | 0.00008046 | 0.00016045 |
| DIST_TRANSF | DISTSEC | | - | - | - | 0.00956086 | 0.02145983 | 0.01895913 | 0.00251148 | 0.00399357 |
| DIST_TRANSF | ENERGY | | - | - | - | - | - | - | - | - |
| DIST_TRANSF | CUSTOMER | | - | - | - | - | - | - | - | - |
| DIST_TRANSF | TOTAL | | 0.00380842 | - | - | 0.01049202 | 0.02411500 | 0.02131411 | 0.00259194 | 0.00415402 |
| **Production EPIS** | PRODUCTION | | - | - | - | - | - | - | - | - |
| | BULKTRAN | | - | - | - | - | - | - | - | - |
| | SUBTRAN | | - | - | - | - | - | - | - | - |
| | DISTPRI | | - | - | - | - | - | - | - | - |
| | DISTSEC | | - | - | - | - | - | - | - | - |
| | ENERGY | | - | - | - | - | - | - | - | - |
| | CUSTOMER | | - | - | - | - | - | - | - | - |
| | TOTAL | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | PRODUCTION | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | BULKTRAN | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | SUBTRAN | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | DISTPRI | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | DISTSEC | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | ENERGY | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | CUSTOMER | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_P | TOTAL | | - | - | - | - | - | - | - | - |
| **Transmission EPIS** | PRODUCTION | | - | - | - | - | - | - | - | - |
| | BULKTRAN | | - | - | - | - | - | - | - | - |
| | SUBTRAN | | - | - | - | - | - | - | - | - |
| | DISTPRI | | - | - | - | - | - | - | - | - |
| | DISTSEC | | - | - | - | - | - | - | - | - |
| | ENERGY | | - | - | - | - | - | - | - | - |
| | CUSTOMER | | - | - | - | - | - | - | - | - |
| | TOTAL | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | PRODUCTION | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | BULKTRAN | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | SUBTRAN | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | DISTPRI | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | DISTSEC | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | ENERGY | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | CUSTOMER | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_T | TOTAL | | - | - | - | - | - | - | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **Distribution EPIS** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 67,900,950 | 46,140,435 | 901,814 | 5,449,298 | 24,045 | - | 8,819,781 | 697,296 | - |
| | DISTSEC | 43,810,173 | 33,277,369 | 626,322 | 2,885,503 | - | - | 4,222,911 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 27,961,488 | 12,251,775 | 1,490,102 | 2,741,039 | 13,102 | - | 234,077 | 49,321 | - |
| | TOTAL | 139,672,611 | 91,669,579 | 3,018,237 | 11,075,840 | 37,147 | - | 13,276,769 | 746,617 | - |
| RB_GUP_EPIS_D | PRODUCTION | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | DISTPRI | 0.48614363 | 0.33034705 | 0.00645662 | 0.03901479 | 0.00017215 | - | 0.06314610 | 0.00499236 | - |
| RB_GUP_EPIS_D | DISTSEC | 0.31366331 | 0.23825264 | 0.00448421 | 0.02065905 | - | - | 0.03023435 | - | - |
| RB_GUP_EPIS_D | ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | CUSTOMER | 0.20019306 | 0.08771781 | 0.01066853 | 0.01962475 | 0.00009381 | - | 0.00167590 | 0.00035312 | - |
| RB_GUP_EPIS_D | TOTAL | 1.00000000 | 0.65631750 | 0.02160937 | 0.07929858 | 0.00026596 | - | 0.09505635 | 0.00534548 | - |
| **Gen & Int Plant** | PRODUCTION | 108,772 | 50,377 | 1,084 | 6,536 | 29 | - | 10,427 | 822 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 2,006,916 | 1,363,751 | 26,654 | 161,062 | 711 | - | 260,682 | 20,610 | - |
| | DISTSEC | 1,138,433 | 864,732 | 16,275 | 74,981 | - | - | 109,735 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 1,920,889 | 1,426,238 | 109,122 | 99,499 | 232 | - | 23,281 | 1,074 | - |
| | TOTAL | 5,175,010 | 3,705,098 | 153,136 | 342,078 | 971 | - | 404,125 | 22,505 | - |
| RB_GUP_EPIS_G | PRODUCTION | 0.02101867 | 0.00973472 | 0.00020947 | 0.00126294 | 0.00000562 | - | 0.00201495 | 0.00015882 | - |
| RB_GUP_EPIS_G | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G | DISTPRI | 0.38780910 | 0.26352622 | 0.00515061 | 0.03112309 | 0.00013733 | - | 0.05037325 | 0.00398253 | - |
| RB_GUP_EPIS_G | DISTSEC | 0.21998670 | 0.16709769 | 0.00314499 | 0.01448915 | - | - | 0.02120476 | - | - |
| RB_GUP_EPIS_G | ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G | CUSTOMER | 0.37118553 | 0.27560106 | 0.02108640 | 0.01922680 | 0.00004474 | - | 0.00449878 | 0.00020744 | - |
| RB_GUP_EPIS_G | TOTAL | 1.00000000 | 0.71595969 | 0.02959148 | 0.06610198 | 0.00018769 | - | 0.07809174 | 0.00434879 | - |
| **Production GUP less Land** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - | - |
| | TOTAL | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | PRODUCTION | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | DISTPRI | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | DISTSEC | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | CUSTOMER | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | TOTAL | - | - | - | - | - | - | - | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **Distribution EPIS** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 2,236,984 | - | - | 546,947 | 1,559,587 | 1,383,260 | 47,260 | 94,244 |
| | DISTSEC | - | - | - | 473,612 | 1,063,047 | 939,171 | 124,410 | 197,828 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 19,265 | - | 119,006 | 109,782 | 58,107 | 268,376 | 3,173,478 | 7,434,056 |
| | TOTAL | 2,256,249 | - | 119,006 | 1,130,342 | 2,680,741 | 2,590,807 | 3,345,149 | 7,726,128 |
| RB_GUP_EPIS_D | PRODUCTION | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | DISTPRI | 0.01601591 | - | - | 0.00391592 | 0.01116602 | 0.00990359 | 0.00033836 | 0.00067475 |
| RB_GUP_EPIS_D | DISTSEC | - | - | - | 0.00339088 | 0.00761099 | 0.00672409 | 0.00089073 | 0.00141637 |
| RB_GUP_EPIS_D | ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | CUSTOMER | 0.00013793 | - | 0.00085204 | 0.00078600 | 0.00041602 | 0.00192147 | 0.02272084 | 0.05322487 |
| RB_GUP_EPIS_D | TOTAL | 0.01615384 | - | 0.00085204 | 0.00809280 | 0.01919304 | 0.01854914 | 0.02394993 | 0.05531598 |
| **Gen & Int Plant** | PRODUCTION | 2,572 | - | 32,611 | 616 | 2,107 | 1,583 | 3 | 5 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 66,117 | - | - | 16,166 | 46,096 | 40,884 | 1,397 | 2,786 |
| | DISTSEC | - | - | - | 12,307 | 27,624 | 24,405 | 3,233 | 5,141 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 1,350 | - | 11,324 | 5,888 | 1,365 | 18,243 | 94,827 | 128,446 |
| | TOTAL | 70,039 | - | 43,935 | 34,977 | 77,192 | 85,115 | 99,460 | 136,377 |
| RB_GUP_EPIS_G | PRODUCTION | 0.00049694 | - | 0.00630168 | 0.00011906 | 0.00040717 | 0.00030581 | 0.00000059 | 0.00000089 |
| RB_GUP_EPIS_G | BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G | SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G | DISTPRI | 0.01277630 | - | - | 0.00312383 | 0.00890742 | 0.00790034 | 0.00026992 | 0.00053827 |
| RB_GUP_EPIS_G | DISTSEC | - | - | - | 0.00237818 | 0.00533794 | 0.00471592 | 0.00062471 | 0.00099337 |
| RB_GUP_EPIS_G | ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_G | CUSTOMER | 0.00026088 | - | 0.00218823 | 0.00113778 | 0.00026368 | 0.00352518 | 0.01832406 | 0.02482051 |
| RB_GUP_EPIS_G | TOTAL | 0.01353412 | - | 0.00848991 | 0.00675885 | 0.01491621 | 0.01644724 | 0.01921928 | 0.02635302 |
| **Production GUP less Land** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - |
| | TOTAL | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | PRODUCTION | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | DISTPRI | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | DISTSEC | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | CUSTOMER | - | - | - | - | - | - | - | - |
| RB_GUP-Land_P | TOTAL | - | - | - | - | - | - | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **Transmission GUP less Land** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - | - |
| | TOTAL | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | PRODUCTION | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | DISTPRI | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | DISTSEC | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | CUSTOMER | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | TOTAL | - | - | - | - | - | - | - | - | - |
| **Distribution GUP less Land** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 65,529,122 | 44,528,717 | 870,313 | 5,258,950 | 23,205 | - | 8,511,700 | 672,939 | - |
| | DISTSEC | 43,810,173 | 33,277,369 | 626,322 | 2,885,503 | - | - | 4,222,911 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 27,961,488 | 12,251,775 | 1,490,102 | 2,741,039 | 13,102 | - | 234,077 | 49,321 | - |
| | TOTAL | 137,300,782 | 90,057,861 | 2,986,736 | 10,885,492 | 36,307 | - | 12,968,688 | 722,260 | - |
| RB_GUP-Land_D | PRODUCTION | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D | DISTPRI | 0.47726692 | 0.32431510 | 0.00633873 | 0.03830240 | 0.00016901 | - | 0.06199309 | 0.00490120 | - |
| RB_GUP-Land_D | DISTSEC | 0.31908174 | 0.24236839 | 0.00456168 | 0.02101592 | - | - | 0.03075664 | - | - |
| RB_GUP-Land_D | ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D | CUSTOMER | 0.20365134 | 0.08923310 | 0.01085283 | 0.01996376 | 0.00009543 | - | 0.00170485 | 0.00035922 | - |
| RB_GUP-Land_D | TOTAL | 1.00000000 | 0.65591659 | 0.02175323 | 0.07928208 | 0.00026444 | - | 0.09445458 | 0.00526042 | - |
| **Gen GUP less Land** | PRODUCTION | 108,772 | 50,377 | 1,084 | 6,536 | 29 | - | 10,427 | 822 | - |
| NOTE: No land in General Plant | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 2,006,916 | 1,363,751 | 26,654 | 161,062 | 711 | - | 260,682 | 20,610 | - |
| | DISTSEC | 1,138,433 | 864,732 | 16,275 | 74,981 | - | - | 109,735 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 1,920,889 | 1,426,238 | 109,122 | 99,499 | 232 | - | 23,281 | 1,074 | - |
| | TOTAL | 5,175,010 | 3,705,098 | 153,136 | 342,078 | 971 | - | 404,125 | 22,505 | - |
| RB_GUP-Land_G | PRODUCTION | 0.02101867 | 0.00973472 | 0.00020947 | 0.00126294 | 0.00000562 | - | 0.00201495 | 0.00015882 | - |
| RB_GUP-Land_G | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G | DISTPRI | 0.38780910 | 0.26352622 | 0.00515061 | 0.03112309 | 0.00013733 | - | 0.05037325 | 0.00398253 | - |
| RB_GUP-Land_G | DISTSEC | 0.21998670 | 0.16709769 | 0.00314499 | 0.01448915 | - | - | 0.02120476 | - | - |
| RB_GUP-Land_G | ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G | CUSTOMER | 0.37118553 | 0.27560106 | 0.02108640 | 0.01922680 | 0.00004474 | - | 0.00449878 | 0.00020744 | - |
| RB_GUP-Land_G | TOTAL | 1.00000000 | 0.71595969 | 0.02959148 | 0.06610198 | 0.00018769 | - | 0.07809174 | 0.00434879 | - |

**KINGSPORT POWER COMPANY**
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**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **Transmission GUP less Land** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - |
| | TOTAL | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | PRODUCTION | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | DISTPRI | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | DISTSEC | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | CUSTOMER | - | - | - | - | - | - | - | - |
| RB_GUP-Land_T | TOTAL | - | - | - | - | - | - | - | - |
| **Distribution GUP less Land** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 2,158,845 | - | - | 527,842 | 1,505,110 | 1,334,942 | 45,609 | 90,952 |
| | DISTSEC | - | - | - | 473,612 | 1,063,047 | 939,171 | 124,410 | 197,828 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 19,265 | - | 119,006 | 109,782 | 58,107 | 268,376 | 3,173,478 | 7,434,056 |
| | TOTAL | 2,178,109 | - | 119,006 | 1,111,237 | 2,626,264 | 2,542,489 | 3,343,498 | 7,722,836 |
| RB_GUP-Land_D | PRODUCTION | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D | BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D | SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D | DISTPRI | 0.01572347 | - | - | 0.00384442 | 0.01096214 | 0.00972275 | 0.00033219 | 0.00066243 |
| RB_GUP-Land_D | DISTSEC | - | - | - | 0.00344945 | 0.00774247 | 0.00684025 | 0.00090611 | 0.00144084 |
| RB_GUP-Land_D | ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP-Land_D | CUSTOMER | 0.00014031 | - | 0.00086676 | 0.00079958 | 0.00042321 | 0.00195466 | 0.02311333 | 0.05414431 |
| RB_GUP-Land_D | TOTAL | 0.01586378 | - | 0.00086676 | 0.00809345 | 0.01912781 | 0.01851766 | 0.02435163 | 0.05624757 |
| **Gen GUP less Land** | PRODUCTION | 2,572 | - | 32,611 | 616 | 2,107 | 1,583 | 3 | 5 |
| NOTE: No land in General Plant | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 66,117 | - | - | 16,166 | 46,096 | 40,884 | 1,397 | 2,786 |
| | DISTSEC | - | - | - | 12,307 | 27,624 | 24,405 | 3,233 | 5,141 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 1,350 | - | 11,324 | 5,888 | 1,365 | 18,243 | 94,827 | 128,446 |
| | TOTAL | 70,039 | - | 43,935 | 34,977 | 77,192 | 85,115 | 99,460 | 136,377 |
| RB_GUP-Land_G | PRODUCTION | 0.00049694 | - | 0.00630168 | 0.00011906 | 0.00040717 | 0.00030581 | 0.00000059 | 0.00000089 |
| RB_GUP-Land_G | BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G | SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G | DISTPRI | 0.01277630 | - | - | 0.00312383 | 0.00890742 | 0.00790034 | 0.00026992 | 0.00053827 |
| RB_GUP-Land_G | DISTSEC | - | - | - | 0.00237818 | 0.00533794 | 0.00471592 | 0.00062471 | 0.00099337 |
| RB_GUP-Land_G | ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP-Land_G | CUSTOMER | 0.00026088 | - | 0.00218823 | 0.00113778 | 0.00026368 | 0.00352518 | 0.01832406 | 0.02482051 |
| RB_GUP-Land_G | TOTAL | 0.01353412 | - | 0.00848991 | 0.00675885 | 0.01491621 | 0.01644724 | 0.01921928 | 0.02635302 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **CWIP** | PRODUCTION | 3,850 | 1,783 | 38 | 231 | 1 | - | 369 | 29 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 1,055,706 | 717,379 | 14,021 | 84,724 | 374 | - | 137,128 | 10,841 | - |
| | DISTSEC | 675,612 | 513,182 | 9,659 | 44,498 | - | - | 65,123 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 473,472 | 228,148 | 25,471 | 43,271 | 198 | - | 4,218 | 753 | - |
| | TOTAL | 2,208,640 | 1,460,493 | 49,189 | 172,725 | 573 | - | 206,838 | 11,624 | - |
| RB_GUP_CWIP | PRODUCTION | 0.00174298 | 0.00080726 | 0.00001737 | 0.00010473 | 0.00000047 | - | 0.00016709 | 0.00001317 | - |
| RB_GUP_CWIP | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP | DISTPRI | 0.47798920 | 0.32480590 | 0.00634832 | 0.03836037 | 0.00016926 | - | 0.06208691 | 0.00490862 | - |
| RB_GUP_CWIP | DISTSEC | 0.30589513 | 0.23235209 | 0.00437316 | 0.02014740 | - | - | 0.02948557 | - | - |
| RB_GUP_CWIP | ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP | CUSTOMER | 0.21437269 | 0.10329811 | 0.01153244 | 0.01959175 | 0.00008974 | - | 0.00190999 | 0.00034104 | - |
| RB_GUP_CWIP | TOTAL | 1.00000000 | 0.66126336 | 0.02227129 | 0.07820425 | 0.00025947 | - | 0.09364955 | 0.00526283 | - |
| **Electric Utility Plant** | PRODUCTION | 112,621 | 52,160 | 1,122 | 6,767 | 30 | - | 10,796 | 851 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 70,980,504 | 48,233,071 | 942,714 | 5,696,443 | 25,135 | - | 9,219,790 | 728,920 | - |
| | DISTSEC | 45,635,143 | 34,663,581 | 652,412 | 3,005,702 | - | - | 4,398,822 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 30,362,821 | 13,909,217 | 1,625,067 | 2,884,493 | 13,535 | - | 261,635 | 51,160 | - |
| | TOTAL | 147,091,090 | 96,858,029 | 3,221,315 | 11,593,405 | 38,701 | - | 13,891,043 | 780,931 | - |
| RB_GUP | PRODUCTION | 0.00076566 | 0.00035461 | 0.00000763 | 0.00004601 | 0.00000020 | - | 0.00007340 | 0.00000579 | - |
| RB_GUP | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RB_GUP | DISTPRI | 0.48256155 | 0.32791293 | 0.00640905 | 0.03872731 | 0.00017088 | - | 0.06268082 | 0.00495557 | - |
| RB_GUP | DISTSEC | 0.31025090 | 0.23566065 | 0.00443543 | 0.02043429 | - | - | 0.02990542 | - | - |
| RB_GUP | ENERGY | - | - | - | - | - | - | - | - | - |
| RB_GUP | CUSTOMER | 0.20642189 | 0.09456192 | 0.01104803 | 0.01961025 | 0.00009202 | - | 0.00177873 | 0.00034781 | - |
| RB_GUP | TOTAL | 1.00000000 | 0.65849012 | 0.02190014 | 0.07881786 | 0.00026311 | - | 0.09443837 | 0.00530917 | - |
| **Net EPIS** | PRODUCTION | 72,444 | 33,552 | 722 | 4,353 | 19 | - | 6,945 | 547 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 43,662,403 | 29,669,721 | 579,894 | 3,504,066 | 15,461 | - | 5,671,391 | 448,383 | - |
| | DISTSEC | 28,067,096 | 21,319,229 | 401,255 | 1,848,605 | - | - | 2,705,418 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 18,709,022 | 8,586,995 | 1,001,526 | 1,774,883 | 8,322 | - | 161,417 | 31,459 | - |
| | TOTAL | 90,510,966 | 59,609,498 | 1,983,397 | 7,131,907 | 23,802 | - | 8,545,171 | 480,389 | - |
| NP | PRODUCTION | 0.00080039 | 0.00037070 | 0.00000798 | 0.00004809 | 0.00000021 | - | 0.00007673 | 0.00000605 | - |
| NP | BULKTRAN | - | - | - | - | - | - | - | - | - |
| NP | SUBTRAN | - | - | - | - | - | - | - | - | - |
| NP | DISTPRI | 0.48239904 | 0.32780251 | 0.00640689 | 0.03871427 | 0.00017082 | - | 0.06265971 | 0.00495390 | - |
| NP | DISTSEC | 0.31009609 | 0.23554305 | 0.00443322 | 0.02042410 | - | - | 0.02989050 | - | - |
| NP | ENERGY | - | - | - | - | - | - | - | - | - |
| NP | CUSTOMER | 0.20670448 | 0.09487243 | 0.01106525 | 0.01960959 | 0.00009194 | - | 0.00178340 | 0.00034757 | - |
| NP | TOTAL | 1.00000000 | 0.65858868 | 0.02191333 | 0.07879605 | 0.00026298 | - | 0.09441034 | 0.00530752 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **CWIP** | PRODUCTION | 91 | - | 1,154 | 22 | 75 | 56 | 0 | 0 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 34,780 | - | - | 8,504 | 24,248 | 21,507 | 735 | 1,465 |
| | DISTSEC | - | - | - | 7,304 | 16,394 | 14,483 | 1,919 | 3,051 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 327 | - | 2,127 | 1,800 | 891 | 4,538 | 49,377 | 112,352 |
| | TOTAL | 35,198 | - | 3,281 | 17,630 | 41,607 | 40,583 | 52,030 | 116,868 |
| RB_GUP_CWIP | PRODUCTION | 0.00004121 | - | 0.00052257 | 0.00000987 | 0.00003376 | 0.00002536 | 0.00000005 | 0.00000007 |
| RB_GUP_CWIP | BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP | SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP | DISTPRI | 0.01574726 | - | - | 0.00385024 | 0.01097873 | 0.00973747 | 0.00033269 | 0.00066343 |
| RB_GUP_CWIP | DISTSEC | - | - | - | 0.00330690 | 0.00742250 | 0.00655756 | 0.00086867 | 0.00138129 |
| RB_GUP_CWIP | ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP_CWIP | CUSTOMER | 0.00014812 | - | 0.00096284 | 0.00081517 | 0.00040339 | 0.00205445 | 0.02235623 | 0.05086942 |
| RB_GUP_CWIP | TOTAL | 0.01593660 | - | 0.00148541 | 0.00798218 | 0.01883838 | 0.01837484 | 0.02355764 | 0.05291422 |
| **Electric Utility Plant** | PRODUCTION | 2,663 | - | 33,765 | 638 | 2,182 | 1,639 | 3 | 5 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 2,338,439 | - | - | 571,753 | 1,630,320 | 1,445,996 | 49,404 | 98,518 |
| | DISTSEC | - | - | - | 493,341 | 1,107,330 | 978,294 | 129,592 | 206,069 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 20,947 | - | 132,487 | 117,498 | 60,377 | 291,224 | 3,318,474 | 7,676,708 |
| | TOTAL | 2,362,049 | - | 166,252 | 1,183,231 | 2,800,209 | 2,717,151 | 3,497,473 | 7,981,300 |
| RB_GUP | PRODUCTION | 0.00001810 | - | 0.00022955 | 0.00000434 | 0.00001483 | 0.00001114 | 0.00000002 | 0.00000003 |
| RB_GUP | BULKTRAN | - | - | - | - | - | - | - | - |
| RB_GUP | SUBTRAN | - | - | - | - | - | - | - | - |
| RB_GUP | DISTPRI | 0.01589790 | - | - | 0.00388707 | 0.01108375 | 0.00983061 | 0.00033587 | 0.00066978 |
| RB_GUP | DISTSEC | - | - | - | 0.00335399 | 0.00752819 | 0.00665094 | 0.00088104 | 0.00140096 |
| RB_GUP | ENERGY | - | - | - | - | - | - | - | - |
| RB_GUP | CUSTOMER | 0.00014241 | - | 0.00090071 | 0.00079881 | 0.00041047 | 0.00197989 | 0.02256067 | 0.05219017 |
| RB_GUP | TOTAL | 0.01605841 | - | 0.00113027 | 0.00804420 | 0.01903724 | 0.01847258 | 0.02377760 | 0.05426094 |
| **Net EPIS** | PRODUCTION | 1,713 | - | 21,720 | 410 | 1,403 | 1,054 | 2 | 3 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 1,438,450 | - | - | 351,704 | 1,002,863 | 889,479 | 30,390 | 60,602 |
| | DISTSEC | - | - | - | 303,421 | 681,044 | 601,682 | 79,704 | 126,739 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 12,908 | - | 81,724 | 72,354 | 37,129 | 179,441 | 2,041,331 | 4,719,534 |
| | TOTAL | 1,453,070 | - | 103,444 | 727,889 | 1,722,439 | 1,671,656 | 2,151,426 | 4,906,877 |
| NP | PRODUCTION | 0.00001892 | - | 0.00023997 | 0.00000453 | 0.00001551 | 0.00001165 | 0.00000002 | 0.00000003 |
| NP | BULKTRAN | - | - | - | - | - | - | - | - |
| NP | SUBTRAN | - | - | - | - | - | - | - | - |
| NP | DISTPRI | 0.01589255 | - | - | 0.00388576 | 0.01108001 | 0.00982730 | 0.00033576 | 0.00066955 |
| NP | DISTSEC | - | - | - | 0.00335231 | 0.00752443 | 0.00664762 | 0.00088060 | 0.00140026 |
| NP | ENERGY | - | - | - | - | - | - | - | - |
| NP | CUSTOMER | 0.00014261 | - | 0.00090292 | 0.00079939 | 0.00041022 | 0.00198254 | 0.02255341 | 0.05214322 |
| NP | TOTAL | 0.01605408 | - | 0.00114289 | 0.00804200 | 0.01903017 | 0.01846910 | 0.02376978 | 0.05421307 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | | |
| **Rate Base** | PRODUCTION | | (1,872,623) | (1,478,866) | (40,475) | (165,577) | (3,868) | - | (186,168) | 1,180 | - |
| | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| | DISTPRI | | 37,912,213 | 25,859,863 | 491,097 | 3,007,616 | 13,185 | - | 4,873,988 | 390,807 | - |
| | DISTSEC | | 24,265,356 | 18,490,286 | 338,197 | 1,578,792 | - | - | 2,313,131 | - | - |
| | ENERGY | | (1,741,678) | (1,225,710) | (48,916) | (169,607) | (3,767) | - | (241,163) | - | - |
| | CUSTOMER | | 17,135,733 | 8,345,352 | 899,079 | 1,540,342 | 7,058 | - | 152,103 | 27,091 | - |
| | TOTAL | | 75,699,001 | 49,990,924 | 1,638,982 | 5,791,566 | 12,608 | - | 6,911,891 | 419,078 | - |
| RATEBASE | PRODUCTION | | (0.02473776) | (0.01953614) | (0.00053468) | (0.00218731) | (0.00005110) | - | (0.00245932) | 0.00001559 | - |
| RATEBASE | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| RATEBASE | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| RATEBASE | DISTPRI | | 0.50082845 | 0.34161432 | 0.00648750 | 0.03973125 | 0.00017418 | - | 0.06438642 | 0.00516264 | - |
| RATEBASE | DISTSEC | | 0.32055054 | 0.24426063 | 0.00446765 | 0.02085618 | - | - | 0.03055695 | - | - |
| RATEBASE | ENERGY | | (0.02300794) | (0.01619189) | (0.00064619) | (0.00224054) | (0.00004977) | - | (0.00318581) | - | - |
| RATEBASE | CUSTOMER | | 0.22636670 | 0.11024389 | 0.01187703 | 0.02034824 | 0.00009324 | - | 0.00200931 | 0.00035787 | - |
| RATEBASE | TOTAL | | 1.00000000 | 0.66039081 | 0.02165131 | 0.07650782 | 0.00016656 | - | 0.09130755 | 0.00553611 | - |
| CUST_451 | TOTAL | = CUST_TOTAL | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |
| RB_GUP_EPIS_D | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | DISTPRI | | 0.48614363 | 0.33034705 | 0.00645662 | 0.03901479 | 0.00017215 | - | 0.06314610 | 0.00499236 | - |
| RB_GUP_EPIS_D | DISTSEC | | 0.31366331 | 0.23825264 | 0.00448421 | 0.02065905 | - | - | 0.03023435 | - | - |
| RB_GUP_EPIS_D | ENERGY | | - | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | CUSTOMER | | 0.20019306 | 0.08771781 | 0.01066853 | 0.01962475 | 0.00009381 | - | 0.00167590 | 0.00035312 | - |
| RB_GUP_EPIS_D | TOTAL | | 1.00000000 | 0.65631750 | 0.02160937 | 0.07929858 | 0.00026596 | - | 0.09505635 | 0.00534548 | - |
| **MISC_SERV_REV** | PRODUCTION | | - | - | - | - | - | - | - | - | - |
| MISC_SERV_REV | BULKTRAN | | - | - | - | - | - | - | - | - | - |
| MISC_SERV_REV | SUBTRAN | | - | - | - | - | - | - | - | - | - |
| MISC_SERV_REV | DISTPRI | | 0.45405812 | 0.40720225 | 0.02110615 | 0.01316907 | 0.00002537 | - | 0.00304594 | 0.00012810 | - |
| MISC_SERV_REV | DISTSEC | | 0.32545234 | 0.29368209 | 0.01465851 | 0.00697326 | - | - | 0.00145840 | - | - |
| MISC_SERV_REV | ENERGY | | - | - | - | - | - | - | - | - | - |
| MISC_SERV_REV | CUSTOMER | | 0.22048954 | 0.10812534 | 0.03487452 | 0.00662414 | 0.00001382 | - | 0.00008084 | 0.00000906 | - |
| MISC_SERV_REV | TOTAL | | 1.00000000 | 0.80900968 | 0.07063918 | 0.02676647 | 0.00003919 | - | 0.00458518 | 0.00013716 | - |

**KINGSPORT POWER COMPANY**
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**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **Rate Base** | PRODUCTION | | 3,693 | - | 46,831 | (6,250) | 2,839 | (45,973) | 4 | 7 |
| | BULKTRAN | | - | - | - | - | - | - | - | - |
| | SUBTRAN | | - | - | - | - | - | - | - | - |
| | DISTPRI | | 1,253,742 | - | - | 304,840 | 874,099 | 763,668 | 26,488 | 52,820 |
| | DISTSEC | | - | - | - | 261,607 | 590,354 | 514,040 | 69,089 | 109,860 |
| | ENERGY | | - | - | - | (6,505) | (145) | (45,865) | - | - |
| | CUSTOMER | | 11,918 | - | 77,909 | 64,938 | 32,060 | 162,372 | 1,780,090 | 4,035,420 |
| | TOTAL | | 1,269,353 | - | 124,740 | 618,631 | 1,499,207 | 1,348,242 | 1,875,671 | 4,198,107 |
| RATEBASE | PRODUCTION | | 0.00004879 | - | 0.00061864 | (0.00008256) | 0.00003750 | (0.00060732) | 0.00000006 | 0.00000009 |
| RATEBASE | BULKTRAN | | - | - | - | - | - | - | - | - |
| RATEBASE | SUBTRAN | | - | - | - | - | - | - | - | - |
| RATEBASE | DISTPRI | | 0.01656220 | - | - | 0.00402701 | 0.01154704 | 0.01008822 | 0.00034991 | 0.00069777 |
| RATEBASE | DISTSEC | | - | - | - | 0.00345589 | 0.00779870 | 0.00679058 | 0.00091268 | 0.00145128 |
| RATEBASE | ENERGY | | - | - | - | (0.00008593) | (0.00000192) | (0.00060588) | - | - |
| RATEBASE | CUSTOMER | | 0.00015744 | - | 0.00102920 | 0.00085785 | 0.00042352 | 0.00214497 | 0.02351537 | 0.05330876 |
| RATEBASE | TOTAL | | 0.01676843 | - | 0.00164784 | 0.00817225 | 0.01980485 | 0.01781057 | 0.02477802 | 0.05545789 |
| CUST_451 | TOTAL | = CUST_TOTAL | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |
| RB_GUP_EPIS_D | PRODUCTION | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | BULKTRAN | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | SUBTRAN | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | DISTPRI | | 0.01601591 | - | - | 0.00391592 | 0.01116602 | 0.00990359 | 0.00033836 | 0.00067475 |
| RB_GUP_EPIS_D | DISTSEC | | - | - | - | 0.00339088 | 0.00761099 | 0.00672409 | 0.00089073 | 0.00141637 |
| RB_GUP_EPIS_D | ENERGY | | - | - | - | - | - | - | - | - |
| RB_GUP_EPIS_D | CUSTOMER | | 0.00013793 | - | 0.00085204 | 0.00078600 | 0.00041602 | 0.00192147 | 0.02272084 | 0.05322487 |
| RB_GUP_EPIS_D | TOTAL | | 0.01615384 | - | 0.00085204 | 0.00809280 | 0.01919304 | 0.01854914 | 0.02394993 | 0.05531598 |
| **MISC_SERV_REV** | PRODUCTION | | - | - | - | - | - | - | - | - |
| MISC_SERV_REV | BULKTRAN | | - | - | - | - | - | - | - | - |
| MISC_SERV_REV | SUBTRAN | | - | - | - | - | - | - | - | - |
| MISC_SERV_REV | DISTPRI | | 0.00003885 | - | - | 0.00174459 | 0.00036479 | 0.00620389 | 0.00102816 | 0.00000096 |
| MISC_SERV_REV | DISTSEC | | - | - | - | 0.00151068 | 0.00024865 | 0.00421216 | 0.00270659 | 0.00000201 |
| MISC_SERV_REV | ENERGY | | - | - | - | - | - | - | - | - |
| MISC_SERV_REV | CUSTOMER | | 0.00000033 | - | 0.00007838 | 0.00035017 | 0.00001359 | 0.00120366 | 0.06904026 | 0.00007542 |
| MISC_SERV_REV | TOTAL | | 0.00003919 | - | 0.00007838 | 0.00360544 | 0.00062703 | 0.01161970 | 0.07277501 | 0.00007838 |

**KINGSPORT POWER COMPANY**
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**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **362 Station Equipment** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 19,272,653 | 13,096,261 | 255,966 | 1,546,700 | 6,825 | - | 2,503,361 | 197,917 | - |
| | DISTSEC | - | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - | - |
| | TOTAL | 19,272,653 | 13,096,261 | 255,966 | 1,546,700 | 6,825 | - | 2,503,361 | 197,917 | - |
| 362 STATIONS | PRODUCTION | - | - | - | - | - | - | - | - | - |
| 362 STATIONS | BULKTRAN | - | - | - | - | - | - | - | - | - |
| 362 STATIONS | SUBTRAN | - | - | - | - | - | - | - | - | - |
| 362 STATIONS | DISTPRI | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| 362 STATIONS | DISTSEC | - | - | - | - | - | - | - | - | - |
| 362 STATIONS | ENERGY | - | - | - | - | - | - | - | - | - |
| 362 STATIONS | CUSTOMER | - | - | - | - | - | - | - | - | - |
| 362 STATIONS | TOTAL | 1.00000000 | 0.67952562 | 0.01328131 | 0.08025363 | 0.00035411 | - | 0.12989186 | 0.01026931 | - |
| **364 Poles** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 12,005,251 | 8,157,876 | 159,445 | 963,465 | 4,251 | - | 1,559,384 | 123,286 | - |
| | DISTSEC | 11,179,861 | 8,492,008 | 159,830 | 736,348 | - | - | 1,077,639 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - | - |
| | TOTAL | 23,185,112 | 16,649,884 | 319,276 | 1,699,813 | 4,251 | - | 2,637,023 | 123,286 | - |
| **365 Overhead Lines** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 21,877,465 | 14,866,298 | 290,561 | 1,755,746 | 7,747 | - | 2,841,705 | 224,666 | - |
| | DISTSEC | 7,327,534 | 5,565,855 | 104,756 | 482,619 | - | - | 706,309 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - | - |
| | TOTAL | 29,205,000 | 20,432,153 | 395,318 | 2,238,365 | 7,747 | - | 3,548,014 | 224,666 | - |
| TOTOHLINES | PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTOHLINES | BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTOHLINES | SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTOHLINES | DISTPRI | 0.64673877 | 0.43947556 | 0.00858954 | 0.05190313 | 0.00022902 | - | 0.08400610 | 0.00664156 | - |
| TOTOHLINES | DISTSEC | 0.35326123 | 0.26833047 | 0.00505032 | 0.02326711 | - | - | 0.03405124 | - | - |
| TOTOHLINES | ENERGY | - | - | - | - | - | - | - | - | - |
| TOTOHLINES | CUSTOMER | - | - | - | - | - | - | - | - | - |
| TOTOHLINES | TOTAL | 1.00000000 | 0.70780603 | 0.01363985 | 0.07517025 | 0.00022902 | - | 0.11805734 | 0.00664156 | - |

**KINGSPORT POWER COMPANY**
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**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **362 Station Equipment** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 634,934 | - | - | 155,243 | 442,665 | 392,617 | 13,414 | 26,750 |
| | DISTSEC | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - |
| | TOTAL | 634,934 | - | - | 155,243 | 442,665 | 392,617 | 13,414 | 26,750 |
| 362 STATIONS | PRODUCTION | - | - | - | - | - | - | - | - |
| 362 STATIONS | BULKTRAN | - | - | - | - | - | - | - | - |
| 362 STATIONS | SUBTRAN | - | - | - | - | - | - | - | - |
| 362 STATIONS | DISTPRI | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| 362 STATIONS | DISTSEC | - | - | - | - | - | - | - | - |
| 362 STATIONS | ENERGY | - | - | - | - | - | - | - | - |
| 362 STATIONS | CUSTOMER | - | - | - | - | - | - | - | - |
| 362 STATIONS | TOTAL | 0.03294481 | - | - | 0.00805508 | 0.02296857 | 0.02037173 | 0.00069602 | 0.00138796 |
| **364 Poles** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 395,511 | - | - | 96,703 | 275,743 | 244,568 | 8,356 | 16,663 |
| | DISTSEC | - | - | - | 120,861 | 271,278 | 239,666 | 31,748 | 50,483 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - |
| | TOTAL | 395,511 | - | - | 217,564 | 547,021 | 484,234 | 40,104 | 67,146 |
| **365 Overhead Lines** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 720,749 | - | - | 176,225 | 502,494 | 445,682 | 15,227 | 30,365 |
| | DISTSEC | - | - | - | 79,215 | 177,802 | 157,082 | 20,808 | 33,088 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - |
| | TOTAL | 720,749 | - | - | 255,439 | 680,296 | 602,764 | 36,035 | 63,453 |
| TOTOHLINES | PRODUCTION | - | - | - | - | - | - | - | - |
| TOTOHLINES | BULKTRAN | - | - | - | - | - | - | - | - |
| TOTOHLINES | SUBTRAN | - | - | - | - | - | - | - | - |
| TOTOHLINES | DISTPRI | 0.02130669 | - | - | 0.00520953 | 0.01485466 | 0.01317519 | 0.00045014 | 0.00089765 |
| TOTOHLINES | DISTSEC | - | - | - | 0.00381895 | 0.00857183 | 0.00757296 | 0.00100317 | 0.00159518 |
| TOTOHLINES | ENERGY | - | - | - | - | - | - | - | - |
| TOTOHLINES | CUSTOMER | - | - | - | - | - | - | - | - |
| TOTOHLINES | TOTAL | 0.02130669 | - | - | 0.00902848 | 0.02342649 | 0.02074815 | 0.00145332 | 0.00249283 |

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**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **366 Underground Conduit** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 3,345,622 | 2,273,436 | 44,434 | 268,498 | 1,185 | - | 434,569 | 34,357 | - |
| | DISTSEC | 1,359,232 | 1,032,447 | 19,432 | 89,524 | - | - | 131,018 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - | - |
| | TOTAL | 4,704,854 | 3,305,883 | 63,866 | 358,022 | 1,185 | - | 565,587 | 34,357 | - |
| **367 Underground Lines** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 5,549,373 | 3,770,941 | 73,703 | 445,357 | 1,965 | - | 720,818 | 56,988 | - |
| | DISTSEC | 2,254,555 | 1,712,517 | 32,232 | 148,493 | - | - | 217,319 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - | - |
| | TOTAL | 7,803,928 | 5,483,458 | 105,935 | 593,851 | 1,965 | - | 938,137 | 56,988 | - |
| TOTUGLINES | PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTUGLINES | BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTUGLINES | SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTUGLINES | DISTPRI | 0.71110000 | 0.48321067 | 0.00944434 | 0.05706835 | 0.00025181 | - | 0.09236610 | 0.00730250 | - |
| TOTUGLINES | DISTSEC | 0.28890000 | 0.21944291 | 0.00413019 | 0.01902804 | - | - | 0.02784739 | - | - |
| TOTUGLINES | ENERGY | - | - | - | - | - | - | - | - | - |
| TOTUGLINES | CUSTOMER | - | - | - | - | - | - | - | - | - |
| TOTUGLINES | TOTAL | 1.00000000 | 0.70265358 | 0.01357453 | 0.07609640 | 0.00025181 | - | 0.12021349 | 0.00730250 | - |
| **368 Line Transformers** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 2,834,970 | 1,926,435 | 37,652 | 227,517 | 1,004 | - | 368,240 | 29,113 | - |
| | DISTSEC | 21,688,990 | 16,474,542 | 310,071 | 1,428,519 | - | - | 2,090,626 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - | - |
| | TOTAL | 24,523,960 | 18,400,977 | 347,724 | 1,656,035 | 1,004 | - | 2,458,865 | 29,113 | - |
| 368 TRANSFORMERS | PRODUCTION | - | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS | BULKTRAN | - | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS | SUBTRAN | - | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS | DISTPRI | 0.11560000 | 0.07855316 | 0.00153532 | 0.00927732 | 0.00004094 | - | 0.01501550 | 0.00118713 | - |
| 368 TRANSFORMERS | DISTSEC | 0.88440000 | 0.67177331 | 0.01264361 | 0.05824991 | - | - | 0.08524829 | - | - |
| 368 TRANSFORMERS | ENERGY | - | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS | CUSTOMER | - | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS | TOTAL | 1.00000000 | 0.75032648 | 0.01417893 | 0.06752723 | 0.00004094 | - | 0.10026379 | 0.00118713 | - |

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**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **366 Underground Conduit** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 110,221 | - | - | 26,949 | 76,844 | 68,156 | 2,329 | 4,644 |
| | DISTSEC | - | - | - | 14,694 | 32,982 | 29,138 | 3,860 | 6,138 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - |
| | TOTAL | 110,221 | - | - | 41,643 | 109,826 | 97,294 | 6,188 | 10,781 |
| **367 Underground Lines** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 182,823 | - | - | 44,701 | 127,461 | 113,050 | 3,862 | 7,702 |
| | DISTSEC | - | - | - | 24,373 | 54,706 | 48,332 | 6,402 | 10,181 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - |
| | TOTAL | 182,823 | - | - | 69,074 | 182,168 | 161,382 | 10,265 | 17,883 |
| TOTUGLINES | PRODUCTION | - | - | - | - | - | - | - | - |
| TOTUGLINES | BULKTRAN | - | - | - | - | - | - | - | - |
| TOTUGLINES | SUBTRAN | - | - | - | - | - | - | - | - |
| TOTUGLINES | DISTPRI | 0.02342706 | - | - | 0.00572796 | 0.01633295 | 0.01448634 | 0.00049494 | 0.00098698 |
| TOTUGLINES | DISTSEC | - | - | - | 0.00312317 | 0.00701011 | 0.00619323 | 0.00082040 | 0.00130455 |
| TOTUGLINES | ENERGY | - | - | - | - | - | - | - | - |
| TOTUGLINES | CUSTOMER | - | - | - | - | - | - | - | - |
| TOTUGLINES | TOTAL | 0.02342706 | - | - | 0.00885113 | 0.02334306 | 0.02067957 | 0.00131534 | 0.00229153 |
| **368 Line Transformers** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 93,398 | - | - | 22,836 | 65,115 | 57,753 | 1,973 | 3,935 |
| | DISTSEC | - | - | - | 234,470 | 526,280 | 464,953 | 61,591 | 97,938 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - |
| | TOTAL | 93,398 | - | - | 257,306 | 591,395 | 522,706 | 63,565 | 101,873 |
| 368 TRANSFORMERS | PRODUCTION | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS | BULKTRAN | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS | SUBTRAN | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS | DISTPRI | 0.00380842 | - | - | 0.00093117 | 0.00265517 | 0.00235497 | 0.00008046 | 0.00016045 |
| 368 TRANSFORMERS | DISTSEC | - | - | - | 0.00956086 | 0.02145983 | 0.01895913 | 0.00251148 | 0.00399357 |
| 368 TRANSFORMERS | ENERGY | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS | CUSTOMER | - | - | - | - | - | - | - | - |
| 368 TRANSFORMERS | TOTAL | 0.00380842 | - | - | 0.01049202 | 0.02411500 | 0.02131411 | 0.00259194 | 0.00415402 |

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**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **Bulk & Sub** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - | - |
| | TOTAL | - | - | - | - | - | - | - | - | - |
| TOTBSEXP | PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTBSEXP | BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTBSEXP | SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTBSEXP | DISTPRI | - | - | - | - | - | - | - | - | - |
| TOTBSEXP | DISTSEC | - | - | - | - | - | - | - | - | - |
| TOTBSEXP | ENERGY | - | - | - | - | - | - | - | - | - |
| TOTBSEXP | CUSTOMER | - | - | - | - | - | - | - | - | - |
| TOTBSEXP | TOTAL | - | - | - | - | - | - | - | - | - |
| **Acct 581-589** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| (Excluding Severance) | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 694,871 | 472,183 | 9,229 | 55,766 | 246 | - | 90,258 | 7,136 | - |
| | DISTSEC | 397,668 | 302,061 | 5,685 | 26,192 | - | - | 38,332 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 390,411 | 183,954 | 21,612 | 36,927 | 176 | - | 3,216 | 663 | - |
| | TOTAL | 1,482,951 | 958,198 | 36,526 | 118,884 | 422 | - | 131,806 | 7,799 | - |
| TOTOXEXP | PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTOXEXP | BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTOXEXP | SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTOXEXP | DISTPRI | 0.46857355 | 0.31840773 | 0.00622327 | 0.03760473 | 0.00016593 | - | 0.06086389 | 0.00481192 | - |
| TOTOXEXP | DISTSEC | 0.26816000 | 0.20368920 | 0.00383369 | 0.01766203 | - | - | 0.02584824 | - | - |
| TOTOXEXP | ENERGY | - | - | - | - | - | - | - | - | - |
| TOTOXEXP | CUSTOMER | 0.26326646 | 0.12404599 | 0.01457373 | 0.02490078 | 0.00011888 | - | 0.00216897 | 0.00044690 | - |
| TOTOXEXP | TOTAL | 1.00000000 | 0.64614292 | 0.02463068 | 0.08016753 | 0.00028480 | - | 0.08888110 | 0.00525882 | - |

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**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
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| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **Bulk & Sub** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | - | - | - | - | - | - | - | - |
| | TOTAL | - | - | - | - | - | - | - | - |
| TOTBSEXP | PRODUCTION | - | - | - | - | - | - | - | - |
| TOTBSEXP | BULKTRAN | - | - | - | - | - | - | - | - |
| TOTBSEXP | SUBTRAN | - | - | - | - | - | - | - | - |
| TOTBSEXP | DISTPRI | - | - | - | - | - | - | - | - |
| TOTBSEXP | DISTSEC | - | - | - | - | - | - | - | - |
| TOTBSEXP | ENERGY | - | - | - | - | - | - | - | - |
| TOTBSEXP | CUSTOMER | - | - | - | - | - | - | - | - |
| TOTBSEXP | TOTAL | - | - | - | - | - | - | - | - |
| **Acct 581-589** | PRODUCTION | - | - | - | - | - | - | - | - |
| (Excluding Severance) | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 22,892 | - | - | 5,597 | 15,960 | 14,156 | 484 | 964 |
| | DISTSEC | - | - | - | 4,299 | 9,649 | 8,525 | 1,129 | 1,796 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 258 | - | 1,571 | 1,548 | 784 | 3,862 | 33,839 | 102,000 |
| | TOTAL | 23,150 | - | 1,571 | 11,445 | 26,394 | 26,543 | 35,452 | 104,760 |
| TOTOXEXP | PRODUCTION | - | - | - | - | - | - | - | - |
| TOTOXEXP | BULKTRAN | - | - | - | - | - | - | - | - |
| TOTOXEXP | SUBTRAN | - | - | - | - | - | - | - | - |
| TOTOXEXP | DISTPRI | 0.01543707 | - | - | 0.00377440 | 0.01076246 | 0.00954565 | 0.00032614 | 0.00065036 |
| TOTOXEXP | DISTSEC | - | - | - | 0.00289896 | 0.00650686 | 0.00574862 | 0.00076151 | 0.00121090 |
| TOTOXEXP | ENERGY | - | - | - | - | - | - | - | - |
| TOTOXEXP | CUSTOMER | 0.00017375 | - | 0.00105962 | 0.00104415 | 0.00052897 | 0.00260443 | 0.02281845 | 0.06878187 |
| TOTOXEXP | TOTAL | 0.01561081 | - | 0.00105962 | 0.00771750 | 0.01779829 | 0.01789870 | 0.02390609 | 0.07064313 |

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**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **Acct 591-598** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 3,127,609 | 2,125,290 | 41,539 | 251,002 | 1,108 | - | 406,251 | 32,118 | - |
| | DISTSEC | 1,770,020 | 1,344,473 | 25,305 | 116,580 | - | - | 170,614 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 166,519 | 20,426 | 2,520 | 4,770 | 23 | - | 404 | 86 | - |
| | TOTAL | 5,064,148 | 3,490,189 | 69,364 | 372,352 | 1,130 | - | 577,269 | 32,205 | - |
| TOTMXEXP | PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTMXEXP | BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTMXEXP | SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTMXEXP | DISTPRI | 0.61759822 | 0.41967382 | 0.00820251 | 0.04956450 | 0.00021870 | - | 0.08022098 | 0.00634230 | - |
| TOTMXEXP | DISTSEC | 0.34951974 | 0.26548850 | 0.00499683 | 0.02302069 | - | - | 0.03369059 | - | - |
| TOTMXEXP | ENERGY | - | - | - | - | - | - | - | - | - |
| TOTMXEXP | CUSTOMER | 0.03288204 | 0.00403341 | 0.00049768 | 0.00094197 | 0.00000454 | - | 0.00007985 | 0.00001707 | - |
| TOTMXEXP | TOTAL | 1.00000000 | 0.68919573 | 0.01369702 | 0.07352715 | 0.00022324 | - | 0.11399143 | 0.00635938 | - |
| **Acct 580-598** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 3,956,805 | 2,688,751 | 52,552 | 317,548 | 1,401 | - | 513,957 | 40,634 | - |
| | DISTSEC | 2,244,518 | 1,704,893 | 32,088 | 147,832 | - | - | 216,352 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 628,997 | 238,212 | 28,107 | 48,490 | 232 | - | 4,213 | 871 | - |
| | TOTAL | 6,830,320 | 4,631,855 | 112,747 | 513,870 | 1,633 | - | 734,521 | 41,505 | - |
| EXP_OM_DIST | PRODUCTION | - | - | - | - | - | - | - | - | - |
| EXP_OM_DIST | BULKTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_DIST | SUBTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_DIST | DISTPRI | 0.57930014 | 0.39364929 | 0.00769386 | 0.04649094 | 0.00020514 | - | 0.07524637 | 0.00594901 | - |
| EXP_OM_DIST | DISTSEC | 0.32861097 | 0.24960661 | 0.00469791 | 0.02164356 | - | - | 0.03167517 | - | - |
| EXP_OM_DIST | ENERGY | - | - | - | - | - | - | - | - | - |
| EXP_OM_DIST | CUSTOMER | 0.09208888 | 0.03487563 | 0.00411511 | 0.00709918 | 0.00003392 | - | 0.00061674 | 0.00012753 | - |
| EXP_OM_DIST | TOTAL | 1.00000000 | 0.67813152 | 0.01650688 | 0.07523367 | 0.00023906 | - | 0.10753828 | 0.00607654 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **Acct 591-598** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 103,038 | - | - | 25,193 | 71,837 | 63,715 | 2,177 | 4,341 |
| | DISTSEC | - | - | - | 19,135 | 42,949 | 37,944 | 5,026 | 7,993 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 34 | - | 209 | 188 | 101 | 455 | 5,237 | 132,066 |
| | TOTAL | 103,072 | - | 209 | 44,516 | 114,887 | 102,115 | 12,440 | 144,400 |
| TOTMXEXP | PRODUCTION | - | - | - | - | - | - | - | - |
| TOTMXEXP | BULKTRAN | - | - | - | - | - | - | - | - |
| TOTMXEXP | SUBTRAN | - | - | - | - | - | - | - | - |
| TOTMXEXP | DISTPRI | 0.02034666 | - | - | 0.00497480 | 0.01418535 | 0.01258154 | 0.00042986 | 0.00085720 |
| TOTMXEXP | DISTSEC | - | - | - | 0.00377850 | 0.00848104 | 0.00749275 | 0.00099255 | 0.00157828 |
| TOTMXEXP | ENERGY | - | - | - | - | - | - | - | - |
| TOTMXEXP | CUSTOMER | 0.00000667 | - | 0.00004120 | 0.00003708 | 0.00001995 | 0.00008992 | 0.00103404 | 0.02607866 |
| TOTMXEXP | TOTAL | 0.02035333 | - | 0.00004120 | 0.00879038 | 0.02268634 | 0.02016422 | 0.00245645 | 0.02851414 |
| **Acct 580-598** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 130,356 | - | - | 31,872 | 90,882 | 80,607 | 2,754 | 5,492 |
| | DISTSEC | - | - | - | 24,264 | 54,463 | 48,116 | 6,374 | 10,135 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 339 | - | 2,069 | 2,021 | 1,030 | 5,028 | 45,302 | 253,084 |
| | TOTAL | 130,695 | - | 2,069 | 58,158 | 146,375 | 133,751 | 54,430 | 268,711 |
| EXP_OM_DIST | PRODUCTION | - | - | - | - | - | - | - | - |
| EXP_OM_DIST | BULKTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_DIST | SUBTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_DIST | DISTPRI | 0.01908493 | - | - | 0.00466631 | 0.01330569 | 0.01180135 | 0.00040320 | 0.00080405 |
| EXP_OM_DIST | DISTSEC | - | - | - | 0.00355247 | 0.00797370 | 0.00704453 | 0.00093317 | 0.00148387 |
| EXP_OM_DIST | ENERGY | - | - | - | - | - | - | - | - |
| EXP_OM_DIST | CUSTOMER | 0.00004961 | - | 0.00030292 | 0.00029589 | 0.00015077 | 0.00073613 | 0.00663245 | 0.03705302 |
| EXP_OM_DIST | TOTAL | 0.01913454 | - | 0.00030292 | 0.00851466 | 0.02143015 | 0.01958200 | 0.00796883 | 0.03934093 |

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**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **Acct 902-904** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 1,409,719 | 1,148,897 | 83,367 | 66,131 | 101 | - | 18,699 | 559 | - |
| | TOTAL | 1,409,719 | 1,148,897 | 83,367 | 66,131 | 101 | - | 18,699 | 559 | - |
| TOTOX234 | PRODUCTION | - | - | - | - | - | - | - | - | - |
| TOTOX234 | BULKTRAN | - | - | - | - | - | - | - | - | - |
| TOTOX234 | SUBTRAN | - | - | - | - | - | - | - | - | - |
| TOTOX234 | DISTPRI | - | - | - | - | - | - | - | - | - |
| TOTOX234 | DISTSEC | - | - | - | - | - | - | - | - | - |
| TOTOX234 | ENERGY | - | - | - | - | - | - | - | - | - |
| TOTOX234 | CUSTOMER | 1.00000000 | 0.81498292 | 0.05913713 | 0.04691063 | 0.00007142 | - | 0.01326449 | 0.00039626 | - |
| TOTOX234 | TOTAL | 1.00000000 | 0.81498292 | 0.05913713 | 0.04691063 | 0.00007142 | - | 0.01326449 | 0.00039626 | - |
| **Acct 901-905** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 1,478,532 | 1,204,979 | 87,436 | 69,359 | 106 | - | 19,612 | 586 | - |
| | TOTAL | 1,478,532 | 1,204,979 | 87,436 | 69,359 | 106 | - | 19,612 | 586 | - |
| EXP_OM_CUSTACCT | PRODUCTION | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | BULKTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | SUBTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | DISTPRI | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | DISTSEC | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | ENERGY | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | CUSTOMER | 1.00000000 | 0.81498292 | 0.05913713 | 0.04691063 | 0.00007142 | - | 0.01326449 | 0.00039626 | - |
| EXP_OM_CUSTACCT | TOTAL | 1.00000000 | 0.81498292 | 0.05913713 | 0.04691063 | 0.00007142 | - | 0.01326449 | 0.00039626 | - |

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**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **Acct 902-904** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 1,044 | - | 9,109 | 4,274 | 740 | 13,791 | 62,937 | 71 |
| | TOTAL | 1,044 | - | 9,109 | 4,274 | 740 | 13,791 | 62,937 | 71 |
| TOTOX234 | PRODUCTION | - | - | - | - | - | - | - | - |
| TOTOX234 | BULKTRAN | - | - | - | - | - | - | - | - |
| TOTOX234 | SUBTRAN | - | - | - | - | - | - | - | - |
| TOTOX234 | DISTPRI | - | - | - | - | - | - | - | - |
| TOTOX234 | DISTSEC | - | - | - | - | - | - | - | - |
| TOTOX234 | ENERGY | - | - | - | - | - | - | - | - |
| TOTOX234 | CUSTOMER | 0.00074073 | - | 0.00646159 | 0.00303158 | 0.00052501 | 0.00978286 | 0.04464527 | 0.00005011 |
| TOTOX234 | TOTAL | 0.00074073 | - | 0.00646159 | 0.00303158 | 0.00052501 | 0.00978286 | 0.04464527 | 0.00005011 |
| **Acct 901-905** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 1,095 | - | 9,554 | 4,482 | 776 | 14,464 | 66,009 | 74 |
| | TOTAL | 1,095 | - | 9,554 | 4,482 | 776 | 14,464 | 66,009 | 74 |
| EXP_OM_CUSTACCT | PRODUCTION | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | BULKTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | SUBTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | DISTPRI | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | DISTSEC | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | ENERGY | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTACCT | CUSTOMER | 0.00074073 | - | 0.00646159 | 0.00303158 | 0.00052501 | 0.00978286 | 0.04464527 | 0.00005011 |
| EXP_OM_CUSTACCT | TOTAL | 0.00074073 | - | 0.00646159 | 0.00303158 | 0.00052501 | 0.00978286 | 0.04464527 | 0.00005011 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **Acct 454.2 & 454.4** | PRODUCTION | - | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 624,144 | 424,122 | 8,289 | 50,090 | 221 | - | 81,071 | 6,410 | - |
| | DISTSEC | 402,702 | 305,885 | 5,757 | 26,523 | - | - | 38,817 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 257,021 | 112,618 | 13,697 | 25,196 | 120 | - | 2,152 | 453 | - |
| | TOTAL | 1,283,868 | 842,625 | 27,744 | 101,809 | 341 | - | 122,040 | 6,863 | - |
| UNCOLFAC | PRODUCTION | - | - | - | - | - | - | - | - | - |
| UNCOLFAC | BULKTRAN | - | - | - | - | - | - | - | - | - |
| UNCOLFAC | SUBTRAN | - | - | - | - | - | - | - | - | - |
| UNCOLFAC | DISTPRI | 0.48614363 | 0.33034705 | 0.00645662 | 0.03901479 | 0.00017215 | - | 0.06314610 | 0.00499236 | - |
| UNCOLFAC | DISTSEC | 0.31366331 | 0.23825264 | 0.00448421 | 0.02065905 | - | - | 0.03023435 | - | - |
| UNCOLFAC | ENERGY | - | - | - | - | - | - | - | - | - |
| UNCOLFAC | CUSTOMER | 0.20019306 | 0.08771781 | 0.01066853 | 0.01962475 | 0.00009381 | - | 0.00167590 | 0.00035312 | - |
| UNCOLFAC | TOTAL | 1.00000000 | 0.65631750 | 0.02160937 | 0.07929858 | 0.00026596 | - | 0.09505635 | 0.00534548 | - |
| **Acct 907-916** | PRODUCTION | 632,219 | 292,810 | 6,301 | 37,988 | 169 | - | 60,608 | 4,777 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 69,115 | 55,915 | 4,882 | 1,850 | 3 | - | 317 | 9 | - |
| | TOTAL | 701,334 | 348,725 | 11,183 | 39,838 | 172 | - | 60,924 | 4,787 | - |
| EXP_OM_CUSTSERV | PRODUCTION | 0.90145185 | 0.41750432 | 0.00898396 | 0.05416514 | 0.00024109 | - | 0.08641755 | 0.00681157 | - |
| EXP_OM_CUSTSERV | BULKTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV | SUBTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV | DISTPRI | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV | DISTSEC | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV | ENERGY | - | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV | CUSTOMER | 0.09854815 | 0.07972640 | 0.00696136 | 0.00263779 | 0.00000386 | - | 0.00045186 | 0.00001352 | - |
| EXP_OM_CUSTSERV | TOTAL | 1.00000000 | 0.49723072 | 0.01594532 | 0.05680293 | 0.00024496 | - | 0.08686941 | 0.00682508 | - |

**KINGSPORT POWER COMPANY**
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| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **Acct 454.2 & 454.4** | PRODUCTION | - | - | - | - | - | - | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 20,562 | - | - | 5,028 | 14,336 | 12,715 | 434 | 866 |
| | DISTSEC | - | - | - | 4,353 | 9,772 | 8,633 | 1,144 | 1,818 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 177 | - | 1,094 | 1,009 | 534 | 2,467 | 29,171 | 68,334 |
| | TOTAL | 20,739 | - | 1,094 | 10,390 | 24,641 | 23,815 | 30,749 | 71,018 |
| UNCOLFAC | PRODUCTION | - | - | - | - | - | - | - | - |
| UNCOLFAC | BULKTRAN | - | - | - | - | - | - | - | - |
| UNCOLFAC | SUBTRAN | - | - | - | - | - | - | - | - |
| UNCOLFAC | DISTPRI | 0.01601591 | - | - | 0.00391592 | 0.01116602 | 0.00990359 | 0.00033836 | 0.00067475 |
| UNCOLFAC | DISTSEC | - | - | - | 0.00339088 | 0.00761099 | 0.00672409 | 0.00089073 | 0.00141637 |
| UNCOLFAC | ENERGY | - | - | - | - | - | - | - | - |
| UNCOLFAC | CUSTOMER | 0.00013793 | - | 0.00085204 | 0.00078600 | 0.00041602 | 0.00192147 | 0.02272084 | 0.05322487 |
| UNCOLFAC | TOTAL | 0.01615384 | - | 0.00085204 | 0.00809280 | 0.01919304 | 0.01854914 | 0.02394993 | 0.05531598 |
| **Acct 907-916** | PRODUCTION | 14,947 | - | 189,548 | 3,581 | 12,247 | 9,198 | 18 | 27 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | - | - | - | - | - | - | - | - |
| | DISTSEC | - | - | - | - | - | - | - | - |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 3 | - | 5 | 249 | 43 | 803 | 5,030 | 5 |
| | TOTAL | 14,950 | - | 189,553 | 3,830 | 12,291 | 10,001 | 5,048 | 32 |
| EXP_OM_CUSTSERV | PRODUCTION | 0.02131279 | - | 0.27026740 | 0.00510614 | 0.01746289 | 0.01311556 | 0.00002538 | 0.00003807 |
| EXP_OM_CUSTSERV | BULKTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV | SUBTRAN | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV | DISTPRI | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV | DISTSEC | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV | ENERGY | - | - | - | - | - | - | - | - |
| EXP_OM_CUSTSERV | CUSTOMER | 0.00000386 | - | 0.00000772 | 0.00035531 | 0.00006179 | 0.00114510 | 0.00717184 | 0.00000772 |
| EXP_OM_CUSTSERV | TOTAL | 0.02131665 | - | 0.27027512 | 0.00546145 | 0.01752468 | 0.01426066 | 0.00719722 | 0.00004579 |

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| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **O&M Expense** | PRODUCTION | 68,164,855 | 31,570,612 | 679,270 | 4,095,554 | 18,232 | - | 6,534,216 | 515,057 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 4,597,124 | 3,109,953 | 61,872 | 372,452 | 1,627 | - | 605,111 | 48,602 | - |
| | DISTSEC | 2,610,332 | 1,975,423 | 37,929 | 173,998 | - | - | 255,732 | - | - |
| | ENERGY | 74,287,003 | 24,941,128 | 791,206 | 3,972,638 | 17,568 | - | 7,840,914 | 611,283 | - |
| | CUSTOMER | 2,850,147 | 1,986,600 | 161,096 | 154,942 | 423 | - | 31,581 | 1,931 | - |
| | TOTAL | 152,509,460 | 63,583,716 | 1,731,373 | 8,769,584 | 37,851 | - | 15,267,554 | 1,176,873 | - |
| EXP_OM | PRODUCTION | 0.44695493 | 0.20700756 | 0.00445395 | 0.02685443 | 0.00011955 | - | 0.04284466 | 0.00337721 | - |
| EXP_OM | BULKTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM | SUBTRAN | - | - | - | - | - | - | - | - | - |
| EXP_OM | DISTPRI | 0.03014320 | 0.02039187 | 0.00040569 | 0.00244216 | 0.00001067 | - | 0.00396769 | 0.00031868 | - |
| EXP_OM | DISTSEC | 0.01711587 | 0.01295279 | 0.00024870 | 0.00114090 | - | - | 0.00167683 | - | - |
| EXP_OM | ENERGY | 0.48709767 | 0.16353824 | 0.00518792 | 0.02604847 | 0.00011519 | - | 0.05141264 | 0.00400816 | - |
| EXP_OM | CUSTOMER | 0.01868833 | 0.01302607 | 0.00105630 | 0.00101595 | 0.00000277 | - | 0.00020708 | 0.00001266 | - |
| EXP_OM | TOTAL | 1.00000000 | 0.41691653 | 0.01135256 | 0.05750190 | 0.00024819 | - | 0.10010890 | 0.00771672 | - |
| **O&M Labor** | PRODUCTION | 58,318 | 27,010 | 581 | 3,504 | 16 | - | 5,591 | 441 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 1,076,001 | 731,170 | 14,291 | 86,353 | 381 | - | 139,764 | 11,050 | - |
| | DISTSEC | 610,367 | 463,623 | 8,726 | 40,201 | - | - | 58,834 | - | - |
| | ENERGY | - | - | - | - | - | - | - | - | - |
| | CUSTOMER | 1,029,878 | 764,673 | 58,506 | 53,346 | 124 | - | 12,482 | 576 | - |
| | TOTAL | 2,774,563 | 1,986,475 | 82,103 | 183,404 | 521 | - | 216,670 | 12,066 | - |
| LABOR_M | PRODUCTION | 0.02101867 | 0.00973472 | 0.00020947 | 0.00126294 | 0.00000562 | - | 0.00201495 | 0.00015882 | - |
| LABOR_M | BULKTRAN | - | - | - | - | - | - | - | - | - |
| LABOR_M | SUBTRAN | - | - | - | - | - | - | - | - | - |
| LABOR_M | DISTPRI | 0.38780910 | 0.26352622 | 0.00515061 | 0.03112309 | 0.00013733 | - | 0.05037325 | 0.00398253 | - |
| LABOR_M | DISTSEC | 0.21998670 | 0.16709769 | 0.00314499 | 0.01448915 | - | - | 0.02120476 | - | - |
| LABOR_M | ENERGY | - | - | - | - | - | - | - | - | - |
| LABOR_M | CUSTOMER | 0.37118553 | 0.27560106 | 0.02108640 | 0.01922680 | 0.00004474 | - | 0.00449878 | 0.00020744 | - |
| LABOR_M | TOTAL | 1.00000000 | 0.71595969 | 0.02959148 | 0.06610198 | 0.00018769 | - | 0.07809174 | 0.00434879 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **O&M Expense** | PRODUCTION | 1,611,554 | - | 20,437,310 | 386,096 | 1,320,449 | 991,706 | 1,919 | 2,878 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 151,440 | - | - | 37,304 | 104,741 | 94,366 | 3,226 | 6,430 |
| | DISTSEC | - | - | - | 28,491 | 62,850 | 56,513 | 7,490 | 11,905 |
| | ENERGY | 2,345,609 | - | 30,987,462 | 352,217 | 1,025,800 | 943,239 | 160,788 | 297,151 |
| | CUSTOMER | 1,837 | - | 16,751 | 8,937 | 2,327 | 27,000 | 155,408 | 301,314 |
| | TOTAL | 4,110,439 | - | 51,441,523 | 813,046 | 2,516,167 | 2,112,823 | 328,831 | 619,679 |
| EXP_OM | PRODUCTION | 0.01056691 | - | 0.13400684 | 0.00253162 | 0.00865815 | 0.00650259 | 0.00001258 | 0.00001887 |
| EXP_OM | BULKTRAN | - | - | - | - | - | - | - | - |
| EXP_OM | SUBTRAN | - | - | - | - | - | - | - | - |
| EXP_OM | DISTPRI | 0.00099298 | - | - | 0.00024460 | 0.00068679 | 0.00061875 | 0.00002115 | 0.00004216 |
| EXP_OM | DISTSEC | - | - | - | 0.00018682 | 0.00041211 | 0.00037055 | 0.00004911 | 0.00007806 |
| EXP_OM | ENERGY | 0.01538009 | - | 0.20318387 | 0.00230948 | 0.00672614 | 0.00618479 | 0.00105428 | 0.00194841 |
| EXP_OM | CUSTOMER | 0.00001204 | - | 0.00010984 | 0.00005860 | 0.00001526 | 0.00017704 | 0.00101901 | 0.00197571 |
| EXP_OM | TOTAL | 0.02695203 | - | 0.33730054 | 0.00533112 | 0.01649843 | 0.01385372 | 0.00215614 | 0.00406321 |
| **O&M Labor** | PRODUCTION | 1,379 | - | 17,484 | 330 | 1,130 | 848 | 2 | 2 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 35,449 | - | - | 8,667 | 24,714 | 21,920 | 749 | 1,493 |
| | DISTSEC | - | - | - | 6,598 | 14,810 | 13,085 | 1,733 | 2,756 |
| | ENERGY | - | - | - | - | - | - | - | - |
| | CUSTOMER | 724 | - | 6,071 | 3,157 | 732 | 9,781 | 50,841 | 68,866 |
| | TOTAL | 37,551 | - | 23,556 | 18,753 | 41,386 | 45,634 | 53,325 | 73,118 |
| LABOR_M | PRODUCTION | 0.00049694 | - | 0.00630168 | 0.00011906 | 0.00040717 | 0.00030581 | 0.00000059 | 0.00000089 |
| LABOR_M | BULKTRAN | - | - | - | - | - | - | - | - |
| LABOR_M | SUBTRAN | - | - | - | - | - | - | - | - |
| LABOR_M | DISTPRI | 0.01277630 | - | - | 0.00312383 | 0.00890742 | 0.00790034 | 0.00026992 | 0.00053827 |
| LABOR_M | DISTSEC | - | - | - | 0.00237818 | 0.00533794 | 0.00471592 | 0.00062471 | 0.00099337 |
| LABOR_M | ENERGY | - | - | - | - | - | - | - | - |
| LABOR_M | CUSTOMER | 0.00026088 | - | 0.00218823 | 0.00113778 | 0.00026368 | 0.00352518 | 0.01832406 | 0.02482051 |
| LABOR_M | TOTAL | 0.01353412 | - | 0.00848991 | 0.00675885 | 0.01491621 | 0.01644724 | 0.01921928 | 0.02635302 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **RBASE** | Going Level | 157,609,689 | 59,442,780 | 2,365,884 | 10,464,818 | 39,451 | - | 18,129,889 | 1,528,056 | - |
| Initial RSALE | Revenue | 157,609,689 | 59,442,780 | 2,365,884 | 10,464,818 | 39,451 | - | 18,129,889 | 1,528,056 | - |
| **Initial Other Revenue** | | 1,805,660 | 1,238,944 | 40,272 | 137,216 | 591 | - | 161,009 | 8,914 | - |
| **Initial Total Expense** | | 161,636,140 | 65,658,939 | 2,145,394 | 10,017,121 | 40,586 | - | 17,211,056 | 1,375,777 | - |
| Net Operating Income | | (2,220,791) | (4,977,215) | 260,762 | 584,913 | (545) | - | 1,079,843 | 161,192 | - |
| RATEBASE | PRODUCTION | (0.02473776) | (0.01953614) | (0.00053468) | (0.00218731) | (0.00005110) | - | (0.00245932) | 0.00001559 | - |
| RATEBASE | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RATEBASE | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RATEBASE | DISTPRI | 0.50082845 | 0.34161432 | 0.00648750 | 0.03973125 | 0.00017418 | - | 0.06438642 | 0.00516264 | - |
| RATEBASE | DISTSEC | 0.32055054 | 0.24426063 | 0.00446765 | 0.02085618 | - | - | 0.03055695 | - | - |
| RATEBASE | ENERGY | (0.02300794) | (0.01619189) | (0.00064619) | (0.00224054) | (0.00004977) | - | (0.00318581) | - | - |
| RATEBASE | CUSTOMER | 0.22636670 | 0.11024389 | 0.01187703 | 0.02034824 | 0.00009324 | - | 0.00200931 | 0.00035787 | - |
| RATEBASE | TOTAL | 1.00000000 | 0.66039081 | 0.02165131 | 0.07650782 | 0.00016656 | - | 0.09130755 | 0.00553611 | - |
| **NOI - Reclass** | PRODUCTION | 220,001 | 147,239 | (6,440) | (16,722) | 167 | - | (29,085) | 454 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | (1,377,019) | (2,574,669) | 78,134 | 303,751 | (570) | - | 761,462 | 150,318 | - |
| | DISTSEC | (1,285,783) | (1,840,937) | 53,807 | 159,448 | - | - | 361,380 | - | - |
| | ENERGY | 55,810 | 122,035 | (7,783) | (17,129) | 163 | - | (37,677) | - | - |
| | CUSTOMER | 166,201 | (830,883) | 143,044 | 155,565 | (305) | - | 23,763 | 10,420 | - |
| | TOTAL | (2,220,791) | (4,977,215) | 260,762 | 584,913 | (545) | - | 1,079,843 | 161,192 | - |
| **Total Expenses** | PRODUCTION | 70,484,225 | 32,717,122 | 696,608 | 4,213,553 | 19,142 | - | 6,715,966 | 530,692 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 6,520,930 | 3,067,112 | 167,230 | 868,703 | 2,256 | - | 1,629,297 | 203,162 | - |
| | DISTSEC | 3,551,432 | 1,977,868 | 111,099 | 437,378 | - | - | 746,060 | - | - |
| | ENERGY | 76,620,708 | 25,846,202 | 810,998 | 4,085,486 | 18,442 | - | 8,055,030 | 629,264 | - |
| | CUSTOMER | 4,458,846 | 2,050,635 | 359,459 | 412,002 | 747 | - | 64,703 | 12,659 | - |
| | TOTAL | 161,636,140 | 65,658,939 | 2,145,394 | 10,017,121 | 40,586 | - | 17,211,056 | 1,375,777 | - |
| **Total Revenue** | PRODUCTION | 70,704,226 | 32,864,362 | 690,169 | 4,196,831 | 19,309 | - | 6,686,881 | 531,146 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 5,143,910 | 492,443 | 245,364 | 1,172,454 | 1,686 | - | 2,390,758 | 353,480 | - |
| | DISTSEC | 2,265,648 | 136,931 | 164,906 | 596,826 | - | - | 1,107,440 | - | - |
| | ENERGY | 76,676,518 | 25,968,237 | 803,215 | 4,068,357 | 18,605 | - | 8,017,353 | 629,264 | - |
| | CUSTOMER | 4,625,047 | 1,219,752 | 502,502 | 567,567 | 442 | - | 88,466 | 23,079 | - |
| | TOTAL | 159,415,349 | 60,681,724 | 2,406,156 | 10,602,034 | 40,042 | - | 18,290,898 | 1,536,970 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **RBASE** | Going Level | 4,214,583 | - | 53,589,620 | 952,823 | 2,267,017 | 2,443,736 | 722,983 | 1,448,049 |
| Initial RSALE | Revenue | 4,214,583 | - | 53,589,620 | 952,823 | 2,267,017 | 2,443,736 | 722,983 | 1,448,049 |
| **Initial Other Revenue** | | 27,478 | - | 1,239 | 12,855 | 27,871 | 32,097 | 36,901 | 80,275 |
| **Initial Total Expense** | | 4,289,549 | - | 53,247,881 | 922,673 | 2,520,976 | 2,376,821 | 609,565 | 1,219,802 |
| Net Operating Income | | (47,488) | - | 342,978 | 43,005 | (226,088) | 99,011 | 150,319 | 308,521 |
| RATEBASE | PRODUCTION | 0.00004879 | - | 0.00061864 | (0.00008256) | 0.00003750 | (0.00060732) | 0.00000006 | 0.00000009 |
| RATEBASE | BULKTRAN | - | - | - | - | - | - | - | - |
| RATEBASE | SUBTRAN | - | - | - | - | - | - | - | - |
| RATEBASE | DISTPRI | 0.01656220 | - | - | 0.00402701 | 0.01154704 | 0.01008822 | 0.00034991 | 0.00069777 |
| RATEBASE | DISTSEC | - | - | - | 0.00345589 | 0.00779870 | 0.00679058 | 0.00091268 | 0.00145128 |
| RATEBASE | ENERGY | - | - | - | (0.00008593) | (0.00000192) | (0.00060588) | - | - |
| RATEBASE | CUSTOMER | 0.00015744 | - | 0.00102920 | 0.00085785 | 0.00042352 | 0.00214497 | 0.02351537 | 0.05330876 |
| RATEBASE | TOTAL | 0.01676843 | - | 0.00164784 | 0.00817225 | 0.01980485 | 0.01781057 | 0.02477802 | 0.05545789 |
| **NOI - Reclass** | PRODUCTION | (138) | - | 128,763 | (434) | (428) | (3,376) | 0 | 0 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | (46,904) | - | - | 21,191 | (131,819) | 56,082 | 2,123 | 3,882 |
| | DISTSEC | - | - | - | 18,186 | (89,028) | 37,750 | 5,537 | 8,074 |
| | ENERGY | - | - | - | (452) | 22 | (3,368) | - | - |
| | CUSTOMER | (446) | - | 214,215 | 4,514 | (4,835) | 11,924 | 142,659 | 296,565 |
| | TOTAL | (47,488) | - | 342,978 | 43,005 | (226,088) | 99,011 | 150,319 | 308,521 |
| **Total Expenses** | PRODUCTION | 1,659,185 | - | 21,148,961 | 397,605 | 1,359,267 | 1,021,184 | 1,976 | 2,964 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 213,289 | - | - | 79,313 | 66,564 | 203,079 | 7,085 | 13,840 |
| | DISTSEC | - | - | - | 65,026 | 38,168 | 130,623 | 17,687 | 27,523 |
| | ENERGY | 2,414,594 | - | 31,899,709 | 362,595 | 1,056,025 | 970,942 | 165,521 | 305,899 |
| | CUSTOMER | 2,482 | - | 199,210 | 18,133 | 951 | 50,994 | 417,295 | 869,576 |
| | TOTAL | 4,289,549 | - | 53,247,881 | 922,673 | 2,520,976 | 2,376,821 | 609,565 | 1,219,802 |
| **Total Revenue** | PRODUCTION | 1,659,046 | - | 21,277,724 | 397,171 | 1,358,839 | 1,017,808 | 1,977 | 2,965 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 166,384 | - | - | 100,505 | (65,254) | 259,160 | 9,208 | 17,722 |
| | DISTSEC | - | - | - | 83,212 | (50,861) | 168,372 | 23,224 | 35,597 |
| | ENERGY | 2,414,594 | - | 31,899,709 | 362,143 | 1,056,047 | 967,574 | 165,521 | 305,899 |
| | CUSTOMER | 2,036 | - | 413,425 | 22,648 | (3,884) | 62,918 | 559,954 | 1,166,141 |
| | TOTAL | 4,242,061 | - | 53,590,859 | 965,678 | 2,294,888 | 2,475,833 | 759,884 | 1,528,324 |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **Total Other Revenue** | PRODUCTION | 144,002 | 121,086 | 1,626 | 8,357 | 99 | - | 8,418 | 400 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 725,523 | 491,398 | 10,546 | 59,226 | 258 | - | 94,619 | 7,509 | - |
| | DISTSEC | 467,206 | 353,601 | 7,312 | 31,314 | - | - | 45,257 | - | - |
| | ENERGY | 120,935 | 95,678 | 1,892 | 8,102 | 95 | - | 10,093 | 474 | - |
| | CUSTOMER | 347,994 | 177,180 | 18,896 | 30,218 | 139 | - | 2,623 | 530 | - |
| | TOTAL | 1,805,660 | 1,238,944 | 40,272 | 137,216 | 591 | - | 161,009 | 8,914 | - |
| **Firm Sales Revenue** | PRODUCTION | 70,560,224 | 32,743,275 | 688,543 | 4,188,473 | 19,210 | - | 6,678,463 | 530,745 | - |
| | BULKTRAN | - | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - | - |
| | DISTPRI | 4,418,387 | 1,045 | 234,817 | 1,113,227 | 1,428 | - | 2,296,139 | 345,971 | - |
| | DISTSEC | 1,798,442 | (216,670) | 157,594 | 565,513 | - | - | 1,062,183 | - | - |
| | ENERGY | 76,555,583 | 25,872,558 | 801,323 | 4,060,255 | 18,510 | - | 8,007,260 | 628,790 | - |
| | CUSTOMER | 4,277,053 | 1,042,571 | 483,606 | 537,349 | 303 | - | 85,843 | 22,550 | - |
| | TOTAL | 157,609,689 | 59,442,780 | 2,365,884 | 10,464,818 | 39,451 | - | 18,129,889 | 1,528,056 | - |
| RSALE | PRODUCTION | 0.44768964 | 0.20774913 | 0.00436866 | 0.02657497 | 0.00012188 | - | 0.04237343 | 0.00336747 | - |
| RSALE | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RSALE | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RSALE | DISTPRI | 0.02803373 | 0.00000663 | 0.00148987 | 0.00706319 | 0.00000906 | - | 0.01456852 | 0.00219511 | - |
| RSALE | DISTSEC | 0.01141073 | (0.00137473) | 0.00099990 | 0.00358806 | - | - | 0.00673933 | - | - |
| RSALE | ENERGY | 0.48572891 | 0.16415589 | 0.00508423 | 0.02576146 | 0.00011744 | - | 0.05080437 | 0.00398954 | - |
| RSALE | CUSTOMER | 0.02713699 | 0.00661489 | 0.00306838 | 0.00340937 | 0.00000192 | - | 0.00054465 | 0.00014307 | - |
| RSALE | TOTAL | 1.00000000 | 0.37715181 | 0.01501103 | 0.06639705 | 0.00025031 | - | 0.11503029 | 0.00969519 | - |
| **FORDISC** | | 254,254 | 199,346 | 5,066 | 18,936 | 184 | - | 20,723 | 1,045 | - |
| FORT | | 1.00000000 | 0.78403992 | 0.01992493 | 0.07447501 | 0.00072368 | - | 0.08150341 | 0.00411006 | - |
| RSALE | PRODUCTION | 0.44768964 | 0.20774913 | 0.00436866 | 0.02657497 | 0.00012188 | - | 0.04237343 | 0.00336747 | - |
| RSALE | BULKTRAN | - | - | - | - | - | - | - | - | - |
| RSALE | SUBTRAN | - | - | - | - | - | - | - | - | - |
| RSALE | DISTPRI | 0.02803373 | 0.00000663 | 0.00148987 | 0.00706319 | 0.00000906 | - | 0.01456852 | 0.00219511 | - |
| RSALE | DISTSEC | 0.01141073 | (0.00137473) | 0.00099990 | 0.00358806 | - | - | 0.00673933 | - | - |
| RSALE | ENERGY | 0.48572891 | 0.16415589 | 0.00508423 | 0.02576146 | 0.00011744 | - | 0.05080437 | 0.00398954 | - |
| RSALE | CUSTOMER | 0.02713699 | 0.00661489 | 0.00306838 | 0.00340937 | 0.00000192 | - | 0.00054465 | 0.00014307 | - |
| RSALE | TOTAL | 1.00000000 | 0.37715181 | 0.01501103 | 0.06639705 | 0.00025031 | - | 0.11503029 | 0.00969519 | - |
| FORF_DISC | PRODUCTION | 0.51360956 | 0.43187810 | 0.00579875 | 0.02980812 | 0.00035239 | - | 0.03002321 | 0.00142756 | - |
| FORF_DISC | BULKTRAN | - | - | - | - | - | - | - | - | - |
| FORF_DISC | SUBTRAN | - | - | - | - | - | - | - | - | - |
| FORF_DISC | DISTPRI | 0.02376041 | 0.00001379 | 0.00197758 | 0.00792251 | 0.00002619 | - | 0.01032236 | 0.00093057 | - |
| FORF_DISC | DISTSEC | 0.00867945 | (0.00285784) | 0.00132722 | 0.00402459 | - | - | 0.00477507 | - | - |
| FORF_DISC | ENERGY | 0.43133980 | 0.34125454 | 0.00674856 | 0.02889564 | 0.00033954 | - | 0.03599686 | 0.00169128 | - |
| FORF_DISC | CUSTOMER | 0.02261078 | 0.01375133 | 0.00407282 | 0.00382416 | 0.00000556 | - | 0.00038591 | 0.00006065 | - |
| FORF_DISC | TOTAL | 1.00000000 | 0.78403992 | 0.01992493 | 0.07447501 | 0.00072368 | - | 0.08150341 | 0.00411006 | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **Total Other Revenue** | PRODUCTION | 1,587 | - | - | 418 | - | 2,010 | - | - |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 23,380 | - | - | 5,834 | 16,214 | 15,038 | 521 | 979 |
| | DISTSEC | - | - | - | 5,048 | 11,052 | 10,195 | 1,372 | 2,055 |
| | ENERGY | 2,309 | - | - | 381 | - | 1,911 | - | - |
| | CUSTOMER | 202 | - | 1,239 | 1,174 | 604 | 2,943 | 35,007 | 77,240 |
| | TOTAL | 27,478 | - | 1,239 | 12,855 | 27,871 | 32,097 | 36,901 | 80,275 |
| **Firm Sales Revenue** | PRODUCTION | 1,657,460 | - | 21,277,724 | 396,752 | 1,358,839 | 1,015,797 | 1,977 | 2,965 |
| | BULKTRAN | - | - | - | - | - | - | - | - |
| | SUBTRAN | - | - | - | - | - | - | - | - |
| | DISTPRI | 143,005 | - | - | 94,671 | (81,469) | 244,123 | 8,687 | 16,743 |
| | DISTSEC | - | - | - | 78,164 | (61,913) | 158,177 | 21,851 | 33,542 |
| | ENERGY | 2,412,284 | - | 31,899,709 | 361,761 | 1,056,047 | 965,663 | 165,521 | 305,899 |
| | CUSTOMER | 1,834 | - | 412,186 | 21,474 | (4,488) | 59,976 | 524,947 | 1,088,901 |
| | TOTAL | 4,214,583 | - | 53,589,620 | 952,823 | 2,267,017 | 2,443,736 | 722,983 | 1,448,049 |
| RSALE | PRODUCTION | 0.01051623 | - | 0.13500264 | 0.00251731 | 0.00862155 | 0.00644502 | 0.00001254 | 0.00001881 |
| RSALE | BULKTRAN | - | - | - | - | - | - | - | - |
| RSALE | SUBTRAN | - | - | - | - | - | - | - | - |
| RSALE | DISTPRI | 0.00090733 | - | - | 0.00060067 | (0.00051690) | 0.00154891 | 0.00005512 | 0.00010623 |
| RSALE | DISTSEC | - | - | - | 0.00049594 | (0.00039282) | 0.00100360 | 0.00013864 | 0.00021281 |
| RSALE | ENERGY | 0.01530543 | - | 0.20239688 | 0.00229530 | 0.00670039 | 0.00612693 | 0.00105020 | 0.00194086 |
| RSALE | CUSTOMER | 0.00001164 | - | 0.00261524 | 0.00013625 | (0.00002847) | 0.00038053 | 0.00333068 | 0.00690885 |
| RSALE | TOTAL | 0.02674063 | - | 0.34001476 | 0.00604546 | 0.01438374 | 0.01550499 | 0.00458717 | 0.00918756 |
| **FORDISC** | | 3,659 | - | - | 911 | - | 4,386 | - | - |
| FORT | | 0.01439110 | - | - | 0.00358303 | - | 0.01724887 | - | - |
| RSALE | PRODUCTION | 0.01051623 | - | 0.13500264 | 0.00251731 | 0.00862155 | 0.00644502 | 0.00001254 | 0.00001881 |
| RSALE | BULKTRAN | - | - | - | - | - | - | - | - |
| RSALE | SUBTRAN | - | - | - | - | - | - | - | - |
| RSALE | DISTPRI | 0.00090733 | - | - | 0.00060067 | (0.00051690) | 0.00154891 | 0.00005512 | 0.00010623 |
| RSALE | DISTSEC | - | - | - | 0.00049594 | (0.00039282) | 0.00100360 | 0.00013864 | 0.00021281 |
| RSALE | ENERGY | 0.01530543 | - | 0.20239688 | 0.00229530 | 0.00670039 | 0.00612693 | 0.00105020 | 0.00194086 |
| RSALE | CUSTOMER | 0.00001164 | - | 0.00261524 | 0.00013625 | (0.00002847) | 0.00038053 | 0.00333068 | 0.00690885 |
| RSALE | TOTAL | 0.02674063 | - | 0.34001476 | 0.00604546 | 0.01438374 | 0.01550499 | 0.00458717 | 0.00918756 |
| FORF_DISC | PRODUCTION | 0.00565955 | - | - | 0.00149196 | - | 0.00716990 | - | - |
| FORF_DISC | BULKTRAN | - | - | - | - | - | - | - | - |
| FORF_DISC | SUBTRAN | - | - | - | - | - | - | - | - |
| FORF_DISC | DISTPRI | 0.00048830 | - | - | 0.00035600 | - | 0.00172312 | - | - |
| FORF_DISC | DISTSEC | - | - | - | 0.00029393 | - | 0.00111648 | - | - |
| FORF_DISC | ENERGY | 0.00823698 | - | - | 0.00136038 | - | 0.00681604 | - | - |
| FORF_DISC | CUSTOMER | 0.00000626 | - | - | 0.00008075 | - | 0.00042333 | - | - |
| FORF_DISC | TOTAL | 0.01439110 | - | - | 0.00358303 | - | 0.01724887 | - | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | Total | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | LGS-SEC | LGS-PRI | LGS-SUB |
|---|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | | |
| **Taxable Income Before Tax** | PRODUCTION | 388,188 | 259,958 | -11,392 | -29,609 | 295 | 0 | -51,493 | 797 | 0 |
| | BULKTRAN | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | SUBTRAN | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | DISTPRI | -2,891,135 | -4,862,147 | 132,070 | 500,362 | -1,169 | 0 | 1,286,894 | 261,062 | 0 |
| | DISTSEC | -2,566,726 | -3,477,622 | 90,931 | 262,559 | 0 | 0 | 610,598 | 0 | 0 |
| | ENERGY | 98,669 | 215,749 | -13,759 | -30,283 | 288 | 0 | -66,610 | 0 | 0 |
| | CUSTOMER | 98,156 | -1,558,753 | 242,416 | 256,465 | -626 | 0 | 40,323 | 18,093 | 0 |
| | TOTAL | -4,872,848 | -9,422,816 | 440,265 | 959,493 | -1,212 | 0 | 1,819,712 | 279,952 | 0 |
| PRE_TAX_OP_INC | PRODUCTION | (0.07966353) | (0.05334827) | 0.00233790 | 0.00607641 | (0.00006059) | - | 0.01056729 | (0.00016353) | - |
| PRE_TAX_OP_INC | BULKTRAN | - | - | - | - | - | - | - | - | - |
| PRE_TAX_OP_INC | SUBTRAN | - | - | - | - | - | - | - | - | - |
| PRE_TAX_OP_INC | DISTPRI | 0.59331518 | 0.99780390 | (0.02710319) | (0.10268362) | 0.00023988 | - | (0.26409477) | (0.05357490) | - |
| PRE_TAX_OP_INC | DISTSEC | 0.52674036 | 0.71367345 | (0.01866068) | (0.05388208) | - | - | (0.12530620) | - | - |
| PRE_TAX_OP_INC | ENERGY | (0.02024865) | (0.04427566) | 0.00282361 | 0.00621471 | (0.00005905) | - | 0.01366960 | - | - |
| PRE_TAX_OP_INC | CUSTOMER | (0.02014336) | 0.31988548 | (0.04974838) | (0.05263142) | 0.00012850 | - | (0.00827506) | (0.00371300) | - |
| PRE_TAX_OP_INC | TOTAL | 1.00000000 | 1.93373890 | (0.09035074) | (0.19690600) | 0.00024874 | - | (0.37343912) | (0.05745143) | - |

**KINGSPORT POWER COMPANY**
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**
**TWELVE MONTHS ENDING DECEMBER 31, 2014**

| ALLOCATOR | FUNCTION | IP-PRI | IP-SUB | IP-TRA | CS | PS | EHG | OL | SL |
|---|---|---|---|---|---|---|---|---|---|
| **INPUTS FROM WORKPAPERS** | | | | | | | | | |
| **Taxable Income Before Tax** | PRODUCTION | -262 | 0 | 227,417 | -772 | -772 | -5,980 | 1 | 1 |
| | BULKTRAN | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | SUBTRAN | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | DISTPRI | -97,968 | 0 | 0 | 33,787 | -243,535 | 89,846 | 3,435 | 6,229 |
| | DISTSEC | 0 | 0 | 0 | 28,978 | -164,519 | 60,446 | 8,955 | 12,948 |
| | ENERGY | 0 | 0 | 0 | -799 | 39 | -5,955 | 0 | 0 |
| | CUSTOMER | -923 | 0 | 377,862 | 7,224 | -8,936 | 19,204 | 230,861 | 474,945 |
| | TOTAL | -99,153 | 0 | 605,279 | 68,417 | -417,723 | 157,561 | 243,252 | 494,123 |
| PRE_TAX_OP_INC | PRODUCTION | 0.00005380 | - | (0.04667026) | 0.00015850 | 0.00015835 | 0.00122717 | (0.00000012) | (0.00000017) |
| PRE_TAX_OP_INC | BULKTRAN | - | - | - | - | - | - | - | - |
| PRE_TAX_OP_INC | SUBTRAN | - | - | - | - | - | - | - | - |
| PRE_TAX_OP_INC | DISTPRI | 0.02010481 | - | - | (0.00693363) | 0.04997793 | (0.01843801) | (0.00070493) | (0.00127828) |
| PRE_TAX_OP_INC | DISTSEC | - | - | - | (0.00594686) | 0.03376235 | (0.01240464) | (0.00183778) | (0.00265721) |
| PRE_TAX_OP_INC | ENERGY | - | - | - | 0.00016407 | (0.00000794) | 0.00122202 | - | - |
| PRE_TAX_OP_INC | CUSTOMER | 0.00018947 | - | (0.07754440) | (0.00148254) | 0.00183384 | (0.00394109) | (0.04737704) | (0.09746773) |
| PRE_TAX_OP_INC | TOTAL | 0.02034808 | - | (0.12421466) | (0.01404047) | 0.08572453 | (0.03233455) | (0.04991988) | (0.10140340) |

# Kingsport Power Company
# Base Case Proposed Revenue Allocation
# Test Year 2014



| Current Class (1) | Input From CCOS: Current Revenue (2) | Input From CCOS: Rate Base (3) | Input From CCOS: Current Income (4) | Current ROR % (5) | Current Equalized Rate of Return: Percent Increase (6) | Revenue Increase (7) | Income Increase (8) | Income (9) | ROR % (10) | Sales Revenue (11) | Current Subsidy (12)=(11)-(2) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| RS | 59,442,780 | 49,990,924 | (4,977,215) | -9.96 | 9.79 | 5,817,584 | 3,510,626 | (1,466,589) | -2.93 | 65,260,364 | 5,817,584 |
| SGS | 2,365,884 | 1,638,982 | 260,762 | 15.91 | -21.63 | (511,799) | (308,845) | (48,083) | -2.93 | 1,854,085 | (511,799) |
| MGS | 10,504,269 | 5,804,174 | 584,368 | 10.07 | -11.91 | (1,250,551) | (754,646) | (170,278) | -2.93 | 9,253,718 | (1,250,551) |
| LGS | 19,657,945 | 7,330,969 | 1,241,035 | 16.93 | -12.27 | (2,412,963) | (1,456,105) | (215,070) | -2.93 | 17,244,982 | (2,412,963) |
| IP | 57,804,203 | 1,394,093 | 295,490 | 21.20 | -0.96 | (557,442) | (336,389) | (40,899) | -2.93 | 57,246,761 | (557,442) |
| CS | 952,823 | 618,631 | 43,005 | 6.95 | -10.64 | (101,341) | (61,154) | (18,149) | -2.93 | 851,482 | (101,341) |
| PS | 2,267,017 | 1,499,207 | (226,088) | -15.08 | 13.31 | 301,774 | 182,106 | (43,982) | -2.93 | 2,568,791 | 301,774 |
| EHG | 2,443,736 | 1,348,242 | 99,011 | 7.34 | -9.40 | (229,622) | (138,565) | (39,554) | -2.93 | 2,214,114 | (229,622) |
| OL | 722,983 | 1,875,671 | 150,319 | 8.01 | -47.07 | (340,286) | (205,346) | (55,027) | -2.93 | 382,697 | (340,286) |
| Subtotal | 156,161,640 | 71,500,894 | (2,529,312) | -3.54 | 0.46 | 715,354 | 431,681 | (2,097,631) | -2.93 | 156,876,994 | 715,354 |
| SL | 1,448,049 | 4,198,107 | 308,521 | 7.35 | -49.40 | (715,355) | (431,681) | (123,160) | -2.93 | 732,694 | (715,355) |
| TOTAL | 157,609,689 | 75,699,001 | (2,220,791) | -2.93 | 0.00 | (1) | (0) | (2,220,791) | -2.93 | 157,609,688 | (1) |
| | Gross Rev Conversion Factor = | | **1.657136** | | | | | | | | |
| MGS Sec | 10,464,818 | 5,791,566 | 584,913 | 10.10 | -11.95 | (1,250,841) | (754,821) | (169,908) | -2.93 | 9,213,977 | (1,250,841) |
| MGS Pri | 39,451 | 12,608 | (545) | -4.32 | 0.74 | 290 | 175 | (370) | -2.93 | 39,741 | 290 |
| MGS Sub | 0 | 0 | 0 | - | - | - | - | - | - | - | - |
| LGS Sec | 18,129,889 | 6,911,891 | 1,079,843 | 15.62 | -11.72 | (2,125,471) | (1,282,618) | (202,775) | -2.93 | 16,004,418 | (2,125,471) |
| LGS Pri | 1,528,056 | 419,078 | 161,192 | 38.46 | -18.81 | (287,492) | (173,487) | (12,295) | -2.93 | 1,240,564 | (287,492) |
| LGS Sub | 0 | 0 | 0 | - | - | - | - | - | - | - | - |
| IP Pri | 4,214,583 | 1,269,353 | (47,488) | -3.74 | 0.40 | 16,984 | 10,249 | (37,239) | -2.93 | 4,231,567 | 16,984 |
| IP Sub | 0 | 0 | 0 | - | - | - | - | - | - | - | - |
| IP Tran | 53,589,620 | 124,740 | 342,978 | 274.96 | -1.07 | (574,426) | (346,638) | (3,660) | -2.93 | 53,015,194 | (574,426) |

# Kingsport Power Company
## Base Case Proposed Revenue Allocation
## Test Year 2014

| Current Class | Current Revenue | Rate Base | Current Income | Current ROR % | Proposed Equalized Rate of Return: Percent Increase | Revenue Increase | Income Increase | Income | ROR % | Sales Revenue | 100% of Current Subsidy Remains | Equalize Subsidy % of Bill | Proposed Increase | Percent Increase | Proposed ROR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14)=(7)-(12)-(13) | (15)=(14)/(2) | (16) |
| RS | 59,442,780 | 49,990,924 | (4,977,215) | -9.96 | 23.20 | 13,790,034 | 8,321,608 | 3,344,393 | 6.69 | 73,232,814 | 5,817,584 | - | 7,972,450 | 13.41% | -0.33% |
| SGS | 2,365,884 | 1,638,982 | 260,762 | 15.91 | -10.58 | (250,417) | (151,114) | 109,648 | 6.69 | 2,115,467 | - | 348,272 | 97,856 | 4.14% | 19.51% |
| MGS | 10,504,269 | 5,804,174 | 584,368 | 10.07 | -3.09 | (324,912) | (196,068) | 388,300 | 6.69 | 10,179,357 | - | 759,380 | 434,468 | 4.14% | 14.59% |
| LGS | 19,657,945 | 7,330,969 | 1,241,035 | 16.93 | -6.33 | (1,243,834) | (750,593) | 490,442 | 6.69 | 18,414,111 | - | 2,056,908 | 813,074 | 4.14% | 23.62% |
| IP | 57,804,203 | 1,394,093 | 295,490 | 21.20 | -0.58 | (335,115) | (202,225) | 93,265 | 6.69 | 57,469,088 | - | 2,725,961 | 2,390,846 | 4.14% | 124.69% |
| CS | 952,823 | 618,631 | 43,005 | 6.95 | -0.28 | (2,683) | (1,619) | 41,386 | 6.69 | 950,140 | - | 42,093 | 39,410 | 4.14% | 10.80% |
| PS | 2,267,017 | 1,499,207 | (226,088) | -15.08 | 23.86 | 540,864 | 326,385 | 100,297 | 6.69 | 2,807,881 | 301,774 | - | 239,090 | 10.55% | -5.46% |
| EHG | 2,443,736 | 1,348,242 | 99,011 | 7.34 | -0.60 | (14,607) | (8,814) | 90,197 | 6.69 | 2,429,129 | - | 115,683 | 101,076 | 4.14% | 11.87% |
| OL | 722,983 | 1,875,671 | 150,319 | 8.01 | -5.69 | (41,158) | (24,837) | 125,482 | 6.69 | 681,825 | - | 71,061 | 29,903 | 4.14% | 8.98% |
| Subtotal | 156,161,640 | 71,500,894 | (2,529,312) | -3.54 | 7.76 | 12,118,172 | 7,312,722 | 4,783,410 | 6.69 | 168,279,812 | 6,119,358 | 6,119,358 | 12,118,172 | 7.76% | 6.69% |
| SL | 1,448,049 | 4,198,107 | 308,521 | 7.35 | | | | | | | | | | | |
| TOTAL | 157,609,689 | 75,699,001 | (2,220,791) | -2.93 | | | | | | | | | | | |
| | Gross Rev Conversion Factor = | | 1.657136 | | | | | | | | | | | | |
| MGS Sec | 10,464,818 | 5,791,566 | 584,913 | 10.10 | -3.13 | (327,213) | (197,457) | 387,456 | 6.69 | 10,137,605 | | 760,049 | 432,836 | 4.14% | 14.61% |
| MGS Pri | 39,451 | 12,608 | (545) | -4.32 | 5.83 | 2,301 | 1,389 | 844 | 6.69 | 41,752 | | (669) | 1,632 | 4.14% | 3.49% |
| MGS Sub | - | - | - | - | - | - | - | 0 | - | - | | - | - | - | |
| LGS Sec | 18,129,889 | 6,911,891 | 1,079,843 | 15.62 | -5.64 | (1,023,176) | (617,437) | 462,406 | 6.69 | 17,106,713 | | 1,773,048 | 749,872 | 4.14% | 22.17% |
| LGS Pri | 1,528,056 | 419,078 | 161,192 | 38.46 | -14.44 | (220,658) | (133,156) | 28,036 | 6.69 | 1,307,398 | | 283,860 | 63,202 | 4.14% | 47.56% |
| LGS Sub | - | - | - | - | - | - | - | 0 | - | - | | - | - | - | |
| IP Pri | 4,214,583 | 1,269,353 | (47,488) | -3.74 | 5.21 | 219,418 | 132,408 | 84,920 | 6.69 | 4,434,001 | | (45,098) | 174,320 | 4.14% | 4.55% |
| IP Sub | - | - | - | - | - | - | - | 0 | - | - | | - | - | - | |
| IP Tran | 53,589,620 | 124,740 | 342,978 | 274.96 | -1.03 | (554,533) | (334,633) | 8,345 | 6.69 | 53,035,087 | | 2,771,059 | 2,216,526 | 4.14% | 1347.24% |

# KgPCo Base Rate Revenue Target Summary



| | Total Retail | RS | SGS | MGS-SEC | MGS-PRI | MGS-SUB | Total MGS | LGS-SEC | LGS-PRI | LGS-SUB | Total LGS | IP-PRI | IP-SUB | IP-TRA | Total IP | CS | PS | EHG | OL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **From CCOS** | | | | | | | | | | | | | | | | | | | |
| PRODUCTION (Demand) | 71,115,361 | 32,507,429 | 686,126 | 4,176,099 | 18,710 | - | 4,194,808 | 6,658,266 | 530,923 | - | 7,189,189 | 1,657,967 | - | 22,109,868 | 23,767,834 | 396,354 | 1,359,292 | 1,012,351 | 1,977 |
| ENERGY | 76,008,087 | 25,677,085 | 798,403 | 4,047,580 | 18,022 | - | 4,065,602 | 7,981,097 | 628,790 | - | 8,609,887 | 2,412,284 | - | 31,899,709 | 34,311,994 | 361,347 | 1,056,024 | 962,225 | 165,521 |
| DISTPRI | 9,757,912 | 4,125,123 | 264,138 | 1,338,004 | 3,134 | - | 1,341,138 | 2,824,919 | 404,909 | - | 3,229,828 | 315,181 | - | - | 315,181 | 114,091 | 57,931 | 301,374 | 9,109 |
| DISTSEC | 5,253,282 | 2,732,123 | 177,786 | 683,505 | - | - | 683,505 | 1,313,135 | - | - | 1,313,135 | - | - | - | - | 94,830 | 32,236 | 196,714 | 22,953 |
| CUSTOMER | 6,145,171 | 2,373,471 | 537,286 | 652,468 | 1,216 | - | 653,684 | 102,344 | 26,635 | - | 128,980 | 3,471 | - | 1,796,569 | 1,800,040 | 25,611 | 625 | 72,148 | 553,326 |
| TOTAL | 168,279,812 | 67,415,230 | 2,463,740 | 10,897,654 | 41,083 | - | 10,938,737 | 18,879,761 | 1,591,258 | - | 20,471,019 | 4,388,903 | - | 55,806,146 | 60,195,049 | 992,233 | 2,506,107 | 2,544,812 | 752,886 |
| **Adjustments (Prompt Pay Discount)** | | | | | | | | | | | | | | | | | | | |
| PRODUCTION (Demand) | 1,082,975 | 495,037 | 10,449 | 63,595 | 285 | - | 63,880 | 101,395 | 8,085 | - | 109,480 | 25,248 | - | 336,698 | 361,947 | 6,036 | 20,700 | 15,417 | 30 |
| ENERGY | 1,157,484 | 391,022 | 12,158 | 61,638 | 274 | - | 61,913 | 121,540 | 9,575 | - | 131,115 | 36,735 | - | 485,782 | 522,518 | 5,503 | 16,082 | 14,653 | 2,521 |
| DISTPRI | 148,598 | 62,819 | 4,022 | 20,376 | 48 | - | 20,423 | 43,019 | 6,166 | - | 49,185 | 4,800 | - | - | 4,800 | 1,737 | 882 | 4,589 | 139 |
| DISTSEC | 79,999 | 41,606 | 2,707 | 10,409 | - | - | 10,409 | 19,997 | - | - | 19,997 | - | - | - | - | 1,444 | 491 | 2,996 | 350 |
| CUSTOMER | 93,581 | 36,144 | 8,182 | 9,936 | 19 | - | 9,955 | 1,559 | 406 | - | 1,964 | 53 | - | 27,359 | 27,412 | 390 | 10 | 1,099 | 8,426 |
| TOTAL | 2,562,637 | 1,026,628 | 37,519 | 165,954 | 626 | - | 166,580 | 287,509 | 24,232 | - | 311,741 | 66,836 | - | 849,840 | 916,676 | 15,110 | 38,164 | 38,753 | 11,465 |
| **Base Rate Revenue Targets** | | | | | | | | | | | | | | | | | | | |
| Demand | 72,198,336 | $ 33,002,466 | $ 696,575 | $ 4,239,694 | $ 18,995 | $ - | $ 4,258,689 | $ 6,759,661 | $ 539,009 | $ - | $ 7,298,670 | $ 1,683,215 | $ - | $ 22,446,566 | $ 24,129,781 | $ 402,390 | $ 1,379,992 | $ 1,027,767 | $ 2,007 |
| Energy | 77,165,570 | $ 26,068,106 | $ 810,561 | $ 4,109,218 | $ 18,297 | $ - | $ 4,127,515 | $ 8,102,636 | $ 638,366 | $ - | $ 8,741,002 | $ 2,449,020 | $ - | $ 32,385,492 | $ 34,834,511 | $ 366,850 | $ 1,072,105 | $ 976,878 | $ 168,042 |
| Dist Primary | 9,906,510 | $ 4,187,942 | $ 268,161 | $ 1,358,379 | $ 3,182 | $ - | $ 1,361,561 | $ 2,867,938 | $ 411,075 | $ - | $ 3,279,014 | $ 319,980 | $ - | $ - | $ 319,980 | $ 115,828 | $ 58,813 | $ 305,963 | $ 9,248 |
| Dist Secondary | 5,333,281 | $ 2,773,729 | $ 180,494 | $ 693,914 | $ - | $ - | $ 693,914 | $ 1,333,132 | $ - | $ - | $ 1,333,132 | $ - | $ - | $ - | $ - | $ 96,274 | $ 32,726 | $ 199,710 | $ 23,302 |
| Customer | 6,238,753 | $ 2,409,615 | $ 545,468 | $ 662,404 | $ 1,235 | $ - | $ 663,639 | $ 103,903 | $ 27,041 | $ - | $ 130,944 | $ 3,524 | $ - | $ 1,823,928 | $ 1,827,452 | $ 26,001 | $ 635 | $ 73,247 | $ 561,753 |
| TOTAL | $ 170,842,449 | $ 68,441,858 | $ 2,501,258 | $ 11,063,609 | $ 41,708 | $ - | $ 11,105,317 | $ 19,167,270 | $ 1,615,490 | $ - | $ 20,782,761 | $ 4,455,739 | $ - | $ 56,655,986 | $ 61,111,724 | $ 1,007,343 | $ 2,544,271 | $ 2,583,565 | $ 764,352 |

check ( SB = 0 ) $ -

**Kingsport Power Company**
**Rate Realignment Schedule**



## Proposed Rate Realignment Surcharge/Credit

### ANNUAL CHANGES

| Class | Year 2 (¢/kWh) 1 | Year 2 % Increase 2 | Year 3 (¢/kWh) 3 | Year 3 % Increase 4 | Year 4 (¢/kWh) 5 | Year 4 % Increase 6 | Year 5 (¢/kWh) 7 | Year 5 % Increase 8 | Year 6 (¢/kWh) 9 | Year 6 % Increase 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| RS | 0.2290 | 2.31 | 0.2340 | 2.31 | 0.2390 | 2.31 | 0.1520 | 1.44 | - | - |
| SGS | (0.1870) | (1.64) | (0.1920) | (1.71) | (0.4250) | (3.86) | (0.7580) | (7.15) | (0.0500) | (0.51) |
| MGS | (0.1650) | (1.64) | (0.1690) | (1.71) | (0.2150) | (2.21) | (0.1490) | (1.57) | - | - |
| LGS | (0.1420) | (1.64) | (0.1450) | (1.71) | (0.2440) | (2.92) | (0.3160) | (3.89) | (0.0220) | (0.28) |
| IP | (0.1030) | (1.64) | (0.1060) | (1.71) | (0.0760) | (1.25) | - | - | - | - |
| CS | (0.1690) | (1.64) | (0.1730) | (1.71) | (0.0950) | (0.95) | - | - | - | - |
| PS | 0.2070 | 2.31 | 0.2110 | 2.31 | 0.2160 | 2.31 | 0.2210 | 2.31 | 0.2220 | 2.26 |
| EHG | (0.1620) | (1.64) | (0.1660) | (1.71) | (0.1210) | (1.27) | - | - | - | - |
| OL | (0.2830) | (1.64) | (0.2890) | (1.71) | (0.4630) | (2.78) | (0.5890) | (3.65) | - | - |

### CUMULATIVE CHANGES

| Class | Year 2 (¢/kWh) 1 | Year 2 % Increase 2 | Year 3 (¢/kWh) 3 | Year 3 % Increase 4 | Year 4 (¢/kWh) 5 | Year 4 % Increase 6 | Year 5 (¢/kWh) 7 | Year 5 % Increase 8 | Year 6 (¢/kWh) 9 | Year 6 % Increase 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| RS | 0.2290 | 2.31 | 0.4630 | 4.67 | 0.7020 | 7.09 | 0.8540 | 8.63 | 0.8540 | 8.63 |
| SGS | (0.1870) | (1.64) | (0.3790) | (3.32) | (0.8040) | (7.05) | (1.5620) | (13.70) | (1.6120) | (14.14) |
| MGS | (0.1650) | (1.64) | (0.3340) | (3.32) | (0.5490) | (5.46) | (0.6980) | (6.94) | (0.6980) | (6.94) |
| LGS | (0.1420) | (1.64) | (0.2870) | (3.32) | (0.5310) | (6.14) | (0.8470) | (9.80) | (0.8690) | (10.05) |
| IP | (0.1030) | (1.64) | (0.2090) | (3.32) | (0.2850) | (4.53) | (0.2850) | (4.53) | (0.2850) | (4.53) |
| CS | (0.1690) | (1.64) | (0.3420) | (3.32) | (0.4370) | (4.24) | (0.4370) | (4.24) | (0.4370) | (4.24) |
| PS | 0.2070 | 2.31 | 0.4180 | 4.67 | 0.6340 | 7.09 | 0.8550 | 9.57 | 1.0770 | 12.04 |
| EHG | (0.1620) | (1.64) | (0.3280) | (3.32) | (0.4490) | (4.55) | (0.4490) | (4.55) | (0.4490) | (4.55) |
| OL | (0.2830) | (1.64) | (0.5720) | (3.32) | (1.0350) | (6.01) | (1.6240) | (9.44) | (1.6240) | (9.44) |

## Proposed Rate Realignment Surcharge/Credit

### ANNUAL CHANGES

| Class | Year 2 (¢/kWh) 1 | Year 2 % Increase 2 | Year 3 (¢/kWh) 3 | Year 3 % Increase 4 | Year 4 (¢/kWh) 5 | Year 4 % Increase 6 | Year 5 (¢/kWh) 7 | Year 5 % Increase 8 | Year 6 (¢/kWh) 9 | Year 6 % Increase 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| RS | 0.2290 | 2.31 | 0.2340 | 2.31 | 0.2390 | 2.31 | 0.1520 | 1.44 | - | - |
| SGS | (0.1870) | (1.64) | (0.1920) | (1.71) | (0.4250) | (3.86) | (0.7580) | (7.15) | (0.0500) | (0.51) |
| MGS | (0.1650) | (1.64) | (0.1690) | (1.71) | (0.2150) | (2.21) | (0.1490) | (1.57) | - | - |
| LGS | (0.1420) | (1.64) | (0.1450) | (1.71) | (0.2440) | (2.92) | (0.3160) | (3.89) | (0.0220) | (0.28) |
| IP | (0.1030) | (1.64) | (0.1060) | (1.71) | (0.0760) | (1.25) | - | - | - | - |
| CS | (0.1690) | (1.64) | (0.1730) | (1.71) | (0.0950) | (0.95) | - | - | - | - |
| PS | 0.2070 | 2.31 | 0.2110 | 2.31 | 0.2160 | 2.31 | 0.2210 | 2.31 | 0.2220 | 2.26 |
| EHG | (0.1620) | (1.64) | (0.1660) | (1.71) | (0.1210) | (1.27) | - | - | - | - |
| OL | (0.2830) | (1.64) | (0.2890) | (1.71) | (0.4630) | (2.78) | (0.5890) | (3.65) | - | - |

### CUMULATIVE CHANGES

| Class | Year 2 (¢/kWh) 1 | Year 2 % Increase 2 | Year 3 (¢/kWh) 3 | Year 3 % Increase 4 | Year 4 (¢/kWh) 5 | Year 4 % Increase 6 | Year 5 (¢/kWh) 7 | Year 5 % Increase 8 | Year 6 (¢/kWh) 9 | Year 6 % Increase 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| RS | 0.2290 | 2.31 | 0.4630 | 4.67 | 0.7020 | 7.09 | 0.8540 | 8.63 | 0.8540 | 8.63 |
| SGS | (0.1870) | (1.64) | (0.3790) | (3.32) | (0.8040) | (7.05) | (1.5620) | (13.70) | (1.6120) | (14.14) |
| MGS | (0.1650) | (1.64) | (0.3340) | (3.32) | (0.5490) | (5.46) | (0.6980) | (6.94) | (0.6980) | (6.94) |
| LGS | (0.1420) | (1.64) | (0.2870) | (3.32) | (0.5310) | (6.14) | (0.8470) | (9.80) | (0.8690) | (10.05) |
| IP | (0.1030) | (1.64) | (0.2090) | (3.32) | (0.2850) | (4.53) | (0.2850) | (4.53) | (0.2850) | (4.53) |
| CS | (0.1690) | (1.64) | (0.3420) | (3.32) | (0.4370) | (4.24) | (0.4370) | (4.24) | (0.4370) | (4.24) |
| PS | 0.2070 | 2.31 | 0.4180 | 4.67 | 0.6340 | 7.09 | 0.8550 | 9.57 | 1.0770 | 12.04 |
| EHG | (0.1620) | (1.64) | (0.3280) | (3.32) | (0.4490) | (4.55) | (0.4490) | (4.55) | (0.4490) | (4.55) |
| OL | (0.2830) | (1.64) | (0.5720) | (3.32) | (1.0350) | (6.01) | (1.6240) | (9.44) | (1.6240) | (9.44) |

**Kingsport Power Company**
**Rate Realignment Schedule Calculations**

Year 2 | Increase Limit = = 2.31%

| Current Class | Revenue @ Equal. ROR | Total Revenue | Rate Base | Prior Period Ending Subsidy | Proposed Increase to Subsidized Classes | Percent Increase | Subsidy After Proposed Increase | Change in Subsidy Payments Spread on Revenue | Revenue Change Based on Beginning Subsidy | Adjustment for Limited Subsidy Change | Proposed Increase (Decrease) | Percent Increase | Sales (kWh) | (¢/kWh) | Additional Subsidy Reduction Available |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) = (12) / (14) | |
| RS | 73,232,814 | 67,415,230 | 49,990,924 | 5,817,584 | 1,557,292 | 2.31% | 4,260,292 | - | 1,557,292 | - | 1,557,292 | 2.31 | 681,303,842 | 0.2290 | - |
| SGS | 2,115,467 | 2,463,740 | 1,638,982 | (348,272) | - | 0.00% | - | (40,458) | (40,458) | (0) | (40,458) | -1.64 | 21,593,134 | (0.1870) | 307,814 |
| MGS | 10,179,357 | 10,938,737 | 5,804,174 | (759,380) | - | 0.00% | - | (179,629) | (179,629) | (0) | (179,629) | -1.64 | 108,947,488 | (0.1650) | 579,751 |
| LGS | 18,414,111 | 20,471,019 | 7,330,969 | (2,056,908) | - | 0.00% | - | (336,163) | (336,163) | (0) | (336,163) | -1.64 | 236,607,492 | (0.1420) | 1,720,746 |
| IP | 57,469,088 | 60,195,049 | 1,394,093 | (2,725,961) | - | 0.00% | - | (988,486) | (988,486) | (0) | (988,486) | -1.64 | 956,231,909 | (0.1030) | 1,737,474 |
| CS | 950,140 | 992,233 | 618,631 | (42,093) | - | 0.00% | - | (16,294) | (16,294) | (0) | (16,294) | -1.64 | 9,620,101 | (0.1690) | 25,799 |
| PS | 2,807,881 | 2,506,107 | 1,499,207 | 301,774 | 57,891 | 2.31% | 243,883 | - | 57,891 | - | 57,891 | 2.31 | 28,009,418 | 0.2070 | - |
| EHG | 2,429,129 | 2,544,812 | 1,348,242 | (115,683) | - | 0.00% | - | (41,789) | (41,789) | (0) | (41,789) | -1.64 | 25,759,259 | (0.1620) | 73,893 |
| OL | 681,825 | 752,886 | 1,875,671 | (71,061) | - | 0.00% | - | (12,363) | (12,363) | (0) | (12,363) | -1.64 | 4,376,370 | (0.2830) | 58,698 |
| Total | 168,279,812 | 168,279,812 | 71,500,894 | 0 | 1,615,183 | | 4,504,175 | (1,615,183) | 0 | (0) | 0 | | 2,072,449,013 | | 4,504,175 |

**Kingsport Power Company**
**Rate Realignment Schedule Calculations**



Year 3 — Increase Limit = 2.31%

| Current Class (1) | Revenue @ Equal. ROR (2) | Total Revenue (3) | Rate Base (4) | Prior Period Ending Subsidy (5) | Proposed Increase to Subsidized Classes (6) | Percent Increase (7) | Subsidy After Proposed Increase (8) | Change in Subsidy Payments Spread on Revenue (9) | Unadjusted Increase (Decrease) (10) | Adjustment for Limited Subsidy Change (11) | Proposed Increase (Decrease) (12) | Percent Increase (13) | Sales (kWh) (14) | (¢/kWh) (15) = (12) / (14) | Additional Subsidy Reduction Available |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| RS | 73,232,814 | 68,972,522 | 49,990,924 | 4,260,292 | 1,593,265 | 2.31% | 2,667,027 | - | 1,593,265 | - | 1,593,265 | 2.31 | 681,303,842 | 0.2340 | - |
| SGS | 2,115,467 | 2,423,282 | 1,638,982 | (307,814) | - | 0.00% | - | (41,393) | (41,393) | 0 | (41,393) | -1.71 | 21,593,134 | (0.1920) | 266,422 |
| MGS | 10,179,357 | 10,759,108 | 5,804,174 | (579,751) | - | 0.00% | - | (183,779) | (183,779) | 0 | (183,779) | -1.71 | 108,947,488 | (0.1690) | 395,972 |
| LGS | 18,414,111 | 20,134,857 | 7,330,969 | (1,720,746) | - | 0.00% | - | (343,928) | (343,928) | 0 | (343,928) | -1.71 | 236,607,492 | (0.1450) | 1,376,818 |
| IP | 57,469,088 | 59,206,562 | 1,394,093 | (1,737,474) | - | 0.00% | - | (1,011,320) | (1,011,320) | 0 | (1,011,320) | -1.71 | 956,231,909 | (0.1060) | 726,154 |
| CS | 950,140 | 975,939 | 618,631 | (25,799) | - | 0.00% | - | (16,670) | (16,670) | 0 | (16,670) | -1.71 | 9,620,101 | (0.1730) | 9,129 |
| PS | 2,807,881 | 2,563,998 | 1,499,207 | 243,883 | 59,228 | 2.31% | 184,655 | - | 59,228 | - | 59,228 | 2.31 | 28,009,418 | 0.2110 | - |
| EHG | 2,429,129 | 2,503,022 | 1,348,242 | (73,893) | - | 0.00% | - | (42,755) | (42,755) | 0 | (42,755) | -1.71 | 25,759,259 | (0.1660) | 31,139 |
| OL | 681,825 | 740,523 | 1,875,671 | (58,698) | - | 0.00% | - | (12,649) | (12,649) | 0 | (12,649) | -1.71 | 4,376,370 | (0.2890) | 46,049 |
| Total | 168,279,812 | 168,279,812 | 71,500,894 | 0 | 1,652,494 | | 2,851,682 | (1,652,494) | (0) | 0 | 0 | | 2,072,449,013 | | 2,851,682 |

**Kingsport Power Company**
**Rate Realignment Schedule Calculations**



Year 4 | Increase Limit = 2.31%

| Current Class (1) | Revenue @ Equal. ROR (2) | Total Revenue (3) | Rate Base (4) | Prior Period Ending Subsidy (5) | Proposed Increase to Subsidized Classes (6) | Percent Increase (7) | Subsidy After Proposed Increase (8) | Change in Subsidy Payments Spread on Revenue (9) | Unadjusted Increase (Decrease) (10) | Adjustment for Limited Subsidy Change (11) | Proposed Increase (Decrease) (12) | Percent Increase (13) | Sales (kWh) (14) | (¢/kWh) (15) = (12) / (14) | Additional Subsidy Reduction Available |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| RS | 73,232,814 | 70,565,787 | 49,990,924 | 2,667,027 | 1,630,070 | 2.31% | 1,036,957 | - | 1,630,070 | - | 1,630,070 | 2.31 | 681,303,842 | 0.2390 | - |
| SGS | 2,115,467 | 2,381,889 | 1,638,982 | (266,422) | - | 0.00% | - | (42,349) | (42,349) | (49,483) | (91,832) | -3.86 | 21,593,134 | (0.4250) | 224,073 |
| MGS | 10,179,357 | 10,575,329 | 5,804,174 | (395,972) | - | 0.00% | - | (188,024) | (188,024) | (45,922) | (233,946) | -2.21 | 108,947,488 | (0.2150) | 207,948 |
| LGS | 18,414,111 | 19,790,929 | 7,330,969 | (1,376,818) | - | 0.00% | - | (351,873) | (351,873) | (226,342) | (578,215) | -2.92 | 236,607,492 | (0.2440) | 1,024,945 |
| IP | 57,469,088 | 58,195,242 | 1,394,093 | (726,154) | - | 0.00% | - | (1,034,682) | (726,154) | - | (726,154) | -1.25 | 956,231,909 | (0.0760) | - |
| CS | 950,140 | 959,269 | 618,631 | (9,129) | - | 0.00% | - | (17,055) | (9,129) | - | (9,129) | -0.95 | 9,620,101 | (0.0950) | - |
| PS | 2,807,881 | 2,623,226 | 1,499,207 | 184,655 | 60,597 | 2.31% | 124,058 | - | 60,597 | - | 60,597 | 2.31 | 28,009,418 | 0.2160 | - |
| EHG | 2,429,129 | 2,460,268 | 1,348,242 | (31,139) | - | 0.00% | - | (43,742) | (31,139) | - | (31,139) | -1.27 | 25,759,259 | (0.1210) | - |
| OL | 681,825 | 727,874 | 1,875,671 | (46,049) | - | 0.00% | - | (12,941) | (12,941) | (7,311) | (20,253) | -2.78 | 4,376,370 | (0.4630) | 33,108 |
| Total | 168,279,812 | 168,279,812 | 71,500,894 | 0 | 1,690,666 | | 1,161,015 | (1,690,666) | 329,058 | (329,058) | 0 | | 2,072,449,013 | | 1,490,074 |

**Kingsport Power Company**
**Rate Realignment Schedule Calculations**



| Year 5 | | Increase Limit = | 2.31% | | | | | Change in Subsidy Payments Spread on Revenue | | Adjustment for Limited Subsidy Change | | | | | Additional Subsidy Reduction Available |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Current Class | Revenue @ Equal. ROR | Total Revenue | Rate Base | Prior Period Ending Subsidy | Proposed Increase to Subsidized Classes | Percent Increase | Subsidy After Proposed Increase | | Unadjusted Increase (Decrease) | | Proposed Increase (Decrease) | Percent Increase | Sales (kWh) | (¢/kWh) | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) = (12) / (14) | |
| RS | 73,232,814 | 72,195,857 | 49,990,924 | 1,036,957 | 1,036,957 | 1.44% | 0 | - | 1,036,957 | - | 1,036,957 | 1.44 | 681,303,842 | 0.1520 | - |
| SGS | 2,115,467 | 2,290,057 | 1,638,982 | (174,590) | - | 0.00% | - | (108,179) | (108,179) | (55,597) | (163,776) | -7.15 | 21,593,134 | (0.7580) | 66,411 |
| MGS | 10,179,357 | 10,341,383 | 5,804,174 | (162,026) | - | 0.00% | - | (383,099) | (162,026) | - | (162,026) | -1.57 | 108,947,488 | (0.1490) | - |
| LGS | 18,414,111 | 19,212,714 | 7,330,969 | (798,603) | - | 0.00% | - | (483,873) | (483,873) | (263,481) | (747,355) | -3.89 | 236,607,492 | (0.3160) | 314,729 |
| IP | 57,469,088 | 57,469,088 | 1,394,093 | 0 | - | 0.00% | - | - | 0 | - | 0 | 0.00 | 956,231,909 | - | - |
| CS | 950,140 | 950,140 | 618,631 | 0 | - | 0.00% | 0 | - | 0 | - | 0 | 0.00 | 9,620,101 | - | - |
| PS | 2,807,881 | 2,683,823 | 1,499,207 | 124,058 | 61,996 | 2.31% | 62,062 | - | 61,996 | - | 61,996 | 2.31 | 28,009,418 | 0.2210 | - |
| EHG | 2,429,129 | 2,429,129 | 1,348,242 | 0 | - | 0.00% | - | - | 0 | - | 0 | 0.00 | 25,759,259 | - | - |
| OL | 681,825 | 707,621 | 1,875,671 | (25,796) | - | 0.00% | - | (123,802) | (25,796) | - | (25,796) | -3.65 | 4,376,370 | (0.5890) | - |
| Total | 168,279,812 | 168,279,812 | 71,500,894 | (0) | 1,098,954 | | 62,062 | (1,098,954) | 319,078 | (319,078) | 0 | | 2,072,449,013 | | 381,140 |

**Kingsport Power Company**
**Rate Realignment Schedule Calculations**

| Year 6 | | Increase Limit = | 2.31% | | | | | Change in Subsidy Payments Spread on Revenue | | Adjustment for Limited Subsidy Change | | | | | Additional Subsidy Reduction Available |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Current Class | Revenue @ Equal. ROR | Total Revenue | Rate Base | Prior Period Ending Subsidy | Proposed Increase to Subsidized Classes | Percent Increase | Subsidy After Proposed Increase | | Unadjusted Increase (Decrease) | | Proposed Increase (Decrease) | Percent Increase | Sales (kWh) | (¢/kWh) | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) = (12) / (14) | |
| RS | 73,232,814 | 73,232,814 | 49,990,924 | 0 | - | 0.00% | 0 | - | 0 | - | 0 | 0.00 | 681,303,842 | - | - |
| SGS | 2,115,467 | 2,126,281 | 1,638,982 | (10,814) | - | 0.00% | - | (11,340) | (10,814) | - | (10,814) | -0.51 | 21,593,134 | (0.0500) | - |
| MGS | 10,179,357 | 10,179,357 | 5,804,174 | 0 | - | 0.00% | - | - | 0 | - | 0 | 0.00 | 108,947,488 | - | - |
| LGS | 18,414,111 | 18,465,359 | 7,330,969 | (51,248) | - | 0.00% | - | (50,722) | (50,722) | (526) | (51,248) | -0.28 | 236,607,492 | (0.0220) | 526 |
| IP | 57,469,088 | 57,469,088 | 1,394,093 | 0 | - | 0.00% | - | - | 0 | - | 0 | 0.00 | 956,231,909 | - | - |
| CS | 950,140 | 950,140 | 618,631 | 0 | - | 0.00% | 0 | - | 0 | - | 0 | 0.00 | 9,620,101 | - | - |
| PS | 2,807,881 | 2,745,819 | 1,499,207 | 62,062 | 62,062 | 2.26% | - | - | 62,062 | - | 62,062 | 2.26 | 28,009,418 | 0.2220 | - |
| EHG | 2,429,129 | 2,429,129 | 1,348,242 | 0 | - | 0.00% | - | - | 0 | - | 0 | 0.00 | 25,759,259 | - | - |
| OL | 681,825 | 681,825 | 1,875,671 | 0 | - | 0.00% | - | - | 0 | - | 0 | 0.00 | 4,376,370 | - | - |
| Total | 168,279,812 | 168,279,812 | 71,500,894 | (0) | 62,062 | | 0 | (62,062) | 526 | (526) | 0 | | 2,072,449,013 | | 526 |

**Kingsport Power Company**
**Rate Realignment Schedule Calculations**



Year 7 — Increase Limit = 2.31%

| Current Class (1) | Revenue @ Equal. ROR (2) | Total Revenue (3) | Rate Base (4) | Prior Period Ending Subsidy (5) | Proposed Increase to Subsidized Classes (6) | Percent Increase (7) | Subsidy After Proposed Increase (8) | Change in Subsidy Payments Spread on Revenue (9) | Unadjusted Increase (Decrease) (10) | Adjustment for Limited Subsidy Change (11) [a] | Proposed Increase (Decrease) (12) | Percent Increase (13) | Sales (kWh) (14) | (¢/kWh) (15) = (12) / (14) | Additional Subsidy Reduction Available |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| RS | 73,232,814 | 73,232,814 | 49,990,924 | 0 | - | 0.00% | 0 | - | 0 | #DIV/0! | #DIV/0! | #DIV/0! | 681,303,842 | #DIV/0! | - |
| SGS | 2,115,467 | 2,115,467 | 1,638,982 | 0 | - | 0.00% | - | - | 0 | #DIV/0! | #DIV/0! | #DIV/0! | 21,593,134 | #DIV/0! | - |
| MGS | 10,179,357 | 10,179,357 | 5,804,174 | 0 | - | 0.00% | - | - | 0 | #DIV/0! | #DIV/0! | #DIV/0! | 108,947,488 | #DIV/0! | - |
| LGS | 18,414,111 | 18,414,111 | 7,330,969 | (0) | - | 0.00% | 0 | - | 0 | #DIV/0! | #DIV/0! | #DIV/0! | 236,607,492 | #DIV/0! | - |
| IP | 57,469,088 | 57,469,088 | 1,394,093 | 0 | - | 0.00% | - | - | 0 | #DIV/0! | #DIV/0! | #DIV/0! | 956,231,909 | #DIV/0! | - |
| CS | 950,140 | 950,140 | 618,631 | 0 | - | 0.00% | 0 | - | 0 | #DIV/0! | #DIV/0! | #DIV/0! | 9,620,101 | #DIV/0! | - |
| PS | 2,807,881 | 2,807,881 | 1,499,207 | 0 | - | 0.00% | - | - | 0 | #DIV/0! | #DIV/0! | #DIV/0! | 28,009,418 | #DIV/0! | - |
| EHG | 2,429,129 | 2,429,129 | 1,348,242 | 0 | - | 0.00% | - | - | 0 | #DIV/0! | #DIV/0! | #DIV/0! | 25,759,259 | #DIV/0! | - |
| OL | 681,825 | 681,825 | 1,875,671 | 0 | - | 0.00% | - | - | 0 | #DIV/0! | #DIV/0! | #DIV/0! | 4,376,370 | #DIV/0! | - |
| Total | 168,279,812 | 168,279,812 | 71,500,894 | (0) | - | | 0 | 0 | 0 | #DIV/0! | #DIV/0! | | 2,072,449,013 | | - |